



Office of
native title

Annual Report 2006 - 2007

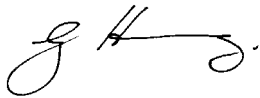
Statement of Compliance

FOR THE YEAR ENDED 30 JUNE 2007

THE HON E.S. RIPPER BA, DIP ED, MLA
TREASURER OF WESTERN AUSTRALIA

In accordance with section 61 of the *Financial Management Act 2006*, I hereby submit for your information and presentation to Parliament, the Annual Report of the Office of Native Title for the financial year ended 30 June 2007.

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



Gary Hamley
EXECUTIVE DIRECTOR
12 September 2007

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Overview

Executive Summary

It's been a quite a year for the Office of Native Title! On 1 July 2006 the Office became a 'sub department' in the Department of Treasury and Finance. While this new status provided greater autonomy, it has required that the Office implement appropriate governance arrangements, so that it can account and report independently as an entity. The challenge has been to ensure that all the necessary systems and procedures have been put in place to fulfil this new level of accountability.

The external environment too, has created a number of challenges. As native title is an area of developing law, there is a continuing need for greater clarity and certainty. The High Court has established the fundamental legal principles for native title, however, a number of recent single judge decisions appear to be inconsistent with these principals. To obtain a clear direction for negotiation it has become necessary for the State Government to appeal a number of these decisions.

The capacity and resourcing of Native Title Representative Bodies also continues to be a critical factor for the performance of the native title system. The lack of adequate resources or capacity to deal efficiently and effectively with native title matters creates delays in the system.

Despite these difficulties, the Office has performed in an outstanding fashion this year, and I am happy to report that we have had one of our most productive years yet:

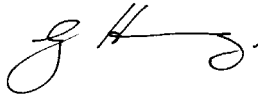
- Consent determinations of native title were finalised in relation to four native title determination applications, Mirriuwung Gajerrong #4, Eastern Guruma, Noonkanbah and Ngarla;
- Negotiations commenced in relation to the Narnoobinya, Ngadju/Ngadjunngarra native title determination applications;
- A Heritage Agreement and Negotiation Protocol to settle native title and compensation issues in Broome were finalised;
- Connection material was assessed in relation to six native title determination applications, Birriluburu, Ngurrupa, Ngurrara, Nyangamarta, Thalanyji and Thudgari and substantive negotiations towards consent determinations in these matters have already commenced;
- Capacity building initiatives continued to be a priority. The Office funded an additional five scholarships to students participating in the Graduate Diploma/Certificate in Applied Anthropology (Native Title and Cultural heritage), conducted a workshop for stakeholders involved in the preparation of connection material and authored *Government Business and the Extinguishment of Native Title*, to assist agencies to understand the basis on which extinguishment principles are applied in the doing of government business;
- Guidelines for the Native Title Land and Equity Fund and the Native Title Facilitation Fund were finalised;
- An Alternative Settlement Issues paper was published after extensive consultation with stakeholders. The alternative settlement framework provides a means by which native title determination applications that do not meet the State Government's requirements for a determination of native title, can be resolved;
- A review of the Regional Standard Heritage Agreements operating in the Geraldton, Pilbara, Central Desert and South West regions was completed;
- The first benefits from the Ord Final Agreement and the Burrup and Maitland Industrial Estates Agreements, totalling around \$10 million, were transferred to traditional owners;
- The Ord Final Agreement Indigenous Land Use Agreement was registered;
- An evaluation of the Ord Final Agreement negotiation process was finalised;
- The Office's website was redesigned to reflect its new status as an entity within the Department of Treasury and Finance; and

- To keep stakeholders informed, the Office published eight newsletters and made presentations to a number of State Government departments, industry bodies and educational institutions.

These are impressive achievements from a small staff (36), and I would like to congratulate them for their dedicated effort over the past year.

It is with anticipation that I look forward to the new year. The effects of the Federal Government's native title reform program, to improve the efficiency and effectiveness of the native title system, are likely to become more evident and a number of Full Federal Court decisions will clarify some outstanding legal issues.

With substantive negotiations for consent determinations in relation to 10 native title determination applications already underway, it should be a very good year indeed!

A handwritten signature in black ink, appearing to read 'G. Hamley', with a stylized flourish at the end.

Gary Hamley
EXECUTIVE DIRECTOR

Operational Structure

Enabling Legislation

The Office of Native Title was established as an entity under the *Financial Administration and Audit Act 1985*, on 1 July 2006.

The enabling legislation that governs the Office's operations

- the *Public Sector Management Act 1994* for our general administration;
- the *Constitution Act 1889* and the *Constitution Acts Amendment Act 1899* provide the framework under which we operate;
- the *Government Financial Responsibility Act 2000* places reporting obligations on the Department in respect to the State's finances;
- the *Financial Management Act 2006*, and associated Treasurer's Instructions, provides the powers for our officers to operate in government finance, control and accountability matters; and
- the *State Supply Commission Act 1991* through a delegation to the Under Treasurer provides the power to establish and manage contacts.

Responsible Minister

Hon E S Ripper, BA, Dip Ed, MLA, Deputy Premier; Treasurer; Minister for State Development

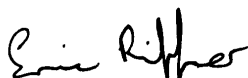
It gives me great pleasure to present the first Annual Report for the Office of Native Title.

In just six years, the Office has grown from a small unit in the Department of Premier and Cabinet, to an independent entity, producing outstanding results for the Western Australian community. In line with State Government policy, it has negotiated two major land use agreements and 13 native title determinations.

The 2006-2007 reporting year has been particularly productive for the Office, with four determinations finalised in the period and major milestones achieved in relation to the Ord Final Agreement and the Burrup and Maitland Industrial Estates Agreement.

These are significant achievements, and they impact the lives of many Western Australians. A native title determination not only recognises the land and water based aspirations of Aboriginal people, it provides clarity and certainty for government, explorers, miners and developers wanting to gain access to native title land. The land use agreements resolve native title and heritage issues so that major infrastructure development can proceed in our booming State. The benefits that arise from these agreements provide an opportunity for Traditional Owners to fully participate in this growth.

The Government remains committed to resolving native title claims in a way that delivers sustainable benefits to Indigenous people.



ERIC RIPPER MLA

Vision

Resolving native title matters in Western Australia to create lasting certainty.

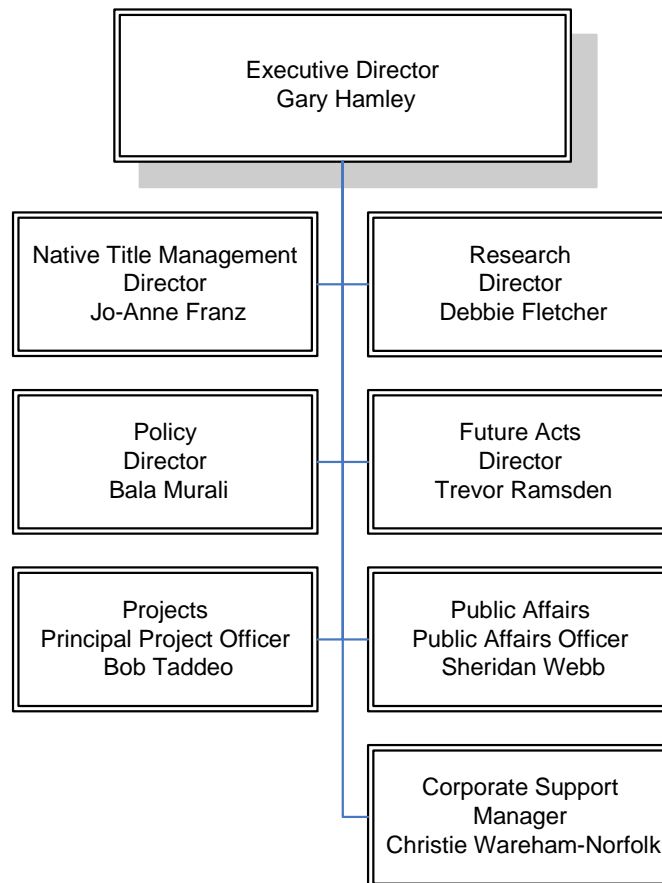
Mission

To provide effective leadership for the timely resolution of native title matters through negotiation and sustainable agreements.

Values

- We strive for excellence;
- We take pride in all we do to ensure quality advice and services;
- We value integrity, accountability and transparency;
- We work collaboratively, sharing our knowledge and skills;
- We strive to achieve the best outcomes for our stakeholders;
- We bring a creative, responsive and flexible approach to our work;
- We respect the views of others; and
- We seek to build trusting relationships.

Organisational chart



Senior Officers

Gary Hamley: Dip. Public Administration; Grad. Dip. Public Sector Management; Cert. Public Sector Management - Executive Director

Gary Hamley has over 35 years experience in the Western Australian public sector and has held positions as a Ministerial Chief of Staff in a range of portfolio areas. He was the Director of the Northbridge Strategy, within the Department of Premier and Cabinet, Director of the Office of Crime Prevention and Director of the SAFER WA.

Native Title Management

Jo-Anne Franz - Director

Jo-Anne Franz has 13 years experience working with both the State and Federal Government as a native title case manager, mediator and negotiator. She was involved in the first consent determination of native title in Australia, which settled the Dunghutti Peoples' claim.

Research

Debbie Fletcher: B.A. (history); M.A. (history) - Director

Debbie Fletcher has 13 years experience as a native title researcher for the State Government in both Western Australia and New South Wales.

Future Acts

Trevor Ramsden: B.A. (Social Sciences); Grad. Dip. Public Sector Management - Director

Trevor Ramsden has 25 years of Crown land administration experience, including four years as a native title negotiator and four years managing native title issues at an operational and policy level within the Crown land environment.

Policy

Bala Mural: B. Business, Post Grad Dip. (Public Policy) - Director

Bala Murali has worked in the Western Australian Public Service for 19 years, which includes 11 years policy experience in the Department's of Premier and Cabinet, Indigenous Affairs and Housing and Works, and almost four years managing Intellectual Property policy and commercialisation strategies for the Department of Agriculture and Food WA.

Project Implementation

Bob Taddeo: - Principal Project Officer

Bob Taddeo is a career public servant, with over 30 years of experience in Federal and State Government in the areas of public administration, policy, governance and a comprehensive portfolio of achievements in delivering projects, programs and services to the community.

Public Affairs

Sheridan Webb: B.A. (psychology), M.Ed; Grad. Dip. Applied Science (Media); Grad Dip Science (Health Promotion) - Public Affairs Officer

Sheridan Webb has 15 years experience as a journalist and Public Affairs Officer in both the private and public sectors, including 11 years in the areas of Indigenous health and native title.

Corporate Support

Christie Wareham-Norfolk: ACMA - Manager

Christie Wareham-Norfolk is a member of the Chartered Institute of Management Accountants with 15 years experience in the UK and Australian public sectors.

Summary of the activities and responsibilities of each business unit

Native Title Management

The role of the Native Title Management Unit is to oversee the resolution of native title claims and other native title negotiations.

This includes:

- Negotiating consent determinations of native title;
- Managing the conduct of Federal Court litigations;
- Negotiating strategic land use agreements; and
- Establishing regional priorities for the resolution of native title claims.

Research

The role of the Research Unit is to assess evidentiary material that is provided by claimants in support of their native title claims.

This includes:

- Applying the State Government's *Guidelines for the Provision of Information in Support of Applications for a Determination of Native Title*;
- Determining the merits of an application for a determination of native title;
- Coordinating the provision of external legal and anthropological advice; and
- Facilitating access to native title research materials.

Policy

The role of the Policy Unit is to develop policies and procedures to assist in the resolution of native title claims.

This includes:

- Developing, implementing and monitoring policies, procedures and practices across Government to ensure that native title matters are administered efficiently and consistently;
- Monitoring changes in native title statute and case law;
- Identifying and responding to emerging issues that may impact on the resolution of native title claims; and
- Developing a position to guide the State in its dealings with the Commonwealth on native title and related matters.

Future Acts

The role of the Future Acts Unit is to develop across government, policies and procedures to ensure that interests are granted expeditiously and are valid under the *Native Title Act 1993 (Cth)*.

This includes:

- Ensuring compliance with *Native Title Act 1993 (Cth)* future act processes;
- Developing strategic and sustainable agreements for the grant of interests, and management of land where *Native Title Act 1993 (Cth)* implications exist;
- Ensuring that grants of interest and land management decisions minimise the extinguishment and impairment of native title; and
- Coordinating the efficient and consistent application of *Native Title Act 1993 (Cth)* future act processes across Government.

Project Implementation

The role of the Project Implementation Unit is to provide leadership and management to guide and coordinate the implementation of the Ord Final Agreement (OFA) and the Burrup and Maitland Industrial Estates Agreement (BMIEA).

This includes:

- Ensuring that the State's obligations under the OFA and the BMIEA are delivered;
- Providing advice on the requirements of the OFA and the BMIEA to all parties;
- Ensuring that the Miriwung Gajerrong Corporation's structures and governance requirements are established; and
- Monitoring and reporting progress on the implementation of the OFA and the BMIEA.

Public Affairs

The role of the Public Affairs Unit is to promote the State's native title achievements and to facilitate internal and external communication.

This includes:

- Developing communications strategies to manage contentious issues;
- Maintaining the Office of Native Title website;
- Producing newsletters and other publications; and
- Managing public relations events and stakeholder functions.

Corporate Support

The role of the Corporate Support Unit is to provide corporate and administrative support for the Office of Native Title.

This includes:

- Managing grants and finances;
- Maintaining records and corporate information systems;
- Providing administration support; and
- Corporate reporting.

Administered Legislation

The following is a list of the Acts of Parliament, that are the responsibility of the Treasurer and were administered by the Office during 2006-07.

- *Native Title (State Provisions) Act 1999; and*
- *Titles (Validation) and Native Title (Effect of Past Acts) Act 1995.*

Other Key Legislation impacting on the Office of Native Title's Activities

In the performance of its functions, the Department complied with the following relevant written laws:

- *Auditor General Act 2006;*
- *Aboriginal Affairs Planning Authority Act 1972;*
- *Aboriginal Heritage Act 1972;*
- *Conservation and Land Management Act 1984;*
- *Disability Services Act 1993;*
- *Equal Opportunity Act 1984;*
- *Financial Management Act 2006;*
- *Freedom of Information Act 1992;*
- *Industrial Relations Act 1979;*
- *Land Administration Act 1997;*
- *Minimum Conditions of Employment Act 1993;*
- *Mining Act 1978;*
- *Native Title Act 1993 (Cth);*
- *Occupational Health and Safety Act 1984;*
- *Petroleum Act 1967;*
- *Planning and Development Act 2005;*
- *Public Sector Management Act 1994;*
- *Public Works Act 1902;*
- *Racial Discrimination Act 1975 (Cth);*
- *State Records Act 2000;*
- *State Supply Commission Act 1991;*
- *Water and Rivers Commission Act 1995; and*
- *Western Australian Land Authority Act 1992.*

In the financial administration of the Office of Native Title, we have complied with the requirements of the *Financial Management Act 2006* and every other relevant written law, and exercised controls which provide reasonable assurance that the receipt of expenditure of money and the acquisition and disposal of public property and incurring liabilities have been in accordance with legislative provisions.

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

Performance Management Framework

Outcome Based Management Framework

Relationship to Government Goals

The following table illustrates the relationship between agency level desired outcomes and the most appropriate government goals.

Government Goal	Desired Outcomes	Services
Enhancing the quality of life and well being of all people throughout Western Australia by providing high quality, accessible services.	Resolution of native title matters in accordance with Government policy.	Native title policy development, implementation and negotiation.

The Office implements the State Government's native title objectives by:

- Resolving native title determination applications and other matters by agreement and in accordance with the requirements of the *Native Title Act 1993* (Cth) and relevant case law;
- Ensuring all future acts are valid;
- Ensuring extinguishment and impairment of native title is minimised;
- Ensuring certainty for all parties with an interest in claimed and determined native title land;
- Ensuring native title matters are administered efficiently and consistently across all government agencies; and
- Raising the level of awareness of understanding of native title issues within Western Australia.

Changes to Outcome Based Management Framework

There have been no changes to agency level Government desired outcomes, services and performance indicators from the previous year.

Shared Responsibilities with Other Agencies

The Office of Native Title is responsible for ensuring that native title matters are administered efficiently and consistently across all Government agencies. To facilitate this outcome, the Office chairs a number of co-ordination bodies including:

- Native Title Interagency Coordination Committee;
- Future Acts Working Group;
- Tenure Working Group; and
- Research Working Group.

The Office also oversees the implementation of the Burrup and Maitland Industrial Estates Agreement (BMIEA) through the BMIEA Interagency Committee and the Ord Final Agreement, through the Ord State Implementation Committee.

The Office's role as a co-ordinating body contributes to a number of the Government's desired outcomes including:

- Accessibility to land and infrastructure;
- The development of the State's industry and resources for the benefit of Western Australia;

- Sustainable improvement in social, cultural and economic outcomes for Indigenous people; and
- The economic and social development of the Kimberley, Pilbara, Gascoyne, Goldfields-Esperance, Mid West, Wheatbelt, Great Southern and South West regions.

Agency Performance – Report on Operations

Financial Targets:

Actual performance compared to resource agreement targets

Report on Operations			
Actual performance compared to Resource Agreement targets			
Financial Targets			
	<u>2007</u>	<u>2007</u>	
	<u>Target (1)</u>	<u>Actual</u>	<u>Variation (2)</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Total cost of services (expense limit)	55,016	17,766	(37,250)
The variation is a decrease in actual expenditure compared to budgeted expenditure of \$37.251 million, mainly due to a delay in anticipated grant and subsidies expenditure in the 2006-2007 financial year, and this expenditure has been re-positioned into the 2007-2008 and 2008-2009 financial years.			
Net cost of services	55,011	17,758	(37,253)
The variation is a decrease in actual expenditure compared to budgeted expenditure of \$37.254 million, mainly due to a delay in anticipated grant and subsidies expenditure in the 2006-2007 financial year, and this expenditure has been re-positioned into the 2007-2008 and 2008-2009 financial years.			
Total Equity	21,368	24,316	2,948
The variation in total adjustments of \$2.948 million is mainly due to a decrease actual expenditure outlined above and consequently a decrease in the deficit for the period.			
Net Increase / (decrease) in cash held	(10,424)	(7,486)	2,938
See explanation given for total equity above.			
Approved full time equivalent (FTE) staff level	34	32	(2)
(1) As specified in the budget statements for the year in question.			
(2) Further explanations are also contained in 24 'Explanatory Statement' to the financial statements.			

Summary of Key Performance Indicators

Actual performance compared to budget targets

Performance Indicators	2007 Target⁽¹⁾	2007 Actual	Variation⁽²⁾
Outcome (Resolution of native title matters in accordance with Government Policy) Effectiveness Indicator: Percentage change in the number of outstanding claims awaiting resolution.	-8.7%	-6.61%	2.09%
Effectiveness Indicator: Ratio of consent determinations to litigated determinations.	18:12	13:6	-5:6
Outcome: (Resolution of native title matters in accordance with Government Policy) Efficiency Indicator: Average cost per native title determination.	\$105,849	\$198,633	-\$92,784
Efficiency Indicator: Average cost per native title application managed.	\$150,417	\$160,536	-\$10,119
Efficiency Indicator: Average time taken to achieve resolution of prioritised native title applications.	3.0 yrs	2.77 yrs	0.23 yrs

(1) As specified in the budget statements for the year in question.

(2) Explanations for the variations between target and actual results are presented in the Performance Indicators section of this annual report.

Summary of Key Achievements and Outcomes

Native Title Management

Objective/Activities

Implement the State Government's native title policy, negotiation over litigation where possible. Negotiate consent determinations of native title and major land use agreements. Provide instruction for the conduct of native title litigation.

Key Achievements/Outcomes

- Finalised consent determinations of native title in the Mirriuwung Gajerrong #4, Eastern Guruma, Noonkanbah and Ngarla (resolving parts of Ngarla and Ngarla #2) native title determination applications;
- Participated in litigation in relation to the Single Noongar and Wongatha native title determination applications;
- Participated in the Bardi Jawi, Rubibi and Single Noongar appeals;

- Commenced substantive negotiations towards consent determinations of native title in relation to the Dambimangari, Ngurrarra, Uunguu, Nyangumarta People, Thalanyji, Thudgari, Biriliburu People, Martu Stage 2, Tjirrkarli Kanpa (Ngaanyatjarra Lands Area B) and the Ngurrapa native title determination applications;
- Commenced negotiations in relation to the Narnobinya, Ngadju/Ngadjungarra native title determination applications;
- Finalised a heritage agreement and negotiation protocol to settle compensation issues in Broome; and
- Initiated negotiations to resolve native title issues in the South West.

Research

Objective/Activities

Apply the State Government's *Guidelines for the Provision of Information in Support of Applications for a Determination of Native Title (Guidelines)*, to determine the merits of a claim. Co-ordinate the provision of external legal and anthropological advice and facilitate access to native title materials.

Key Achievements/Outcomes

- Applied the State Government's *Guidelines* for the assessment of connection material in relation to the Biriliburu, Ngurrupa, Ngurrara, Nyangumarta, Thalanyji and Thudgari native title determination applications;
- Developed position papers in relation to the Balangarra, Ngurrara, Ngurrupa, Nyangumarta, Uunguu and Dambimangari native title determination applications;
- Conducted a stakeholder workshop to develop capacity for native title researchers;
- Provided five scholarships to students participating in the Graduate Diploma/Certificate in Applied Anthropology (Native Title and Cultural Heritage); and
- Established protocols to facilitate access to State held databases including the Registry of Births, Deaths and Marriages.

Policy

Objective/Activities

Develop, implement and monitor policies, practices and procedures across Government to ensure that native title matters are administered fairly. Monitor changes in native title statute and case law, respond to emerging issues that may impact on the resolution of native title claims and develop a position to guide the State in its dealings with the Commonwealth on native title matters.

Key Achievements/Outcomes

- Completed an Alternative Settlements Issues paper (August 2006), in response to public consultation and feedback. The Alternative Settlement Framework provides a means to resolve, by agreement, native title determination applications that do not meet the State Government's requirements for a consent determination of native title;
- Coordinated the WA Government's response to the Commonwealth Native Title Reform Program, which included:
 - Review of claims resolution process;
 - Technical amendments to the *Native Title Act 1993 (Cth)*;
 - Measures to improve the effectiveness of Native Title Representative Bodies;
 - Reform of the native title non-claimants (respondents) financial assistance program;
 - Effective functioning of Prescribed Bodies Corporate; and
 - Increased consultation and dialogue between Commonwealth and State Governments;

- Convened the Native Title Inter-Agency Coordination Committee to facilitate the dissemination of information about native title matters that may impact on Government business; and
- Finalised Guidelines for the Native Title Land and Equity Fund. The Fund was established to provide financial assistance in the form of a grant, to support the development and implementation of native title agreements and other related native title outcomes.

Future Acts

Objective/Activities

Develop across government policies and procedures to ensure that interests in land are granted expeditiously and are valid under the NTA. Ensure compliance with the future act process of the NTA. Develop strategic and sustainable agreements in relation to land where native title may exist. Ensure that grants and land management decisions minimise the extinguishment and impairment of native title, and coordinate the consistent application of the future act processes of the NTA.

Key Achievements/Outcomes

- Authored *Government Business and the Extinguishment of Native Title* to assist agencies to understand the basis on which extinguishment principles are applied in the doing of Government business;
- Completed reviews of the Regional Standard Heritage Agreements for the Geraldton, Pilbara, Central Desert and South West regions;
- Developed a plan to ensure that the grant of miner's rights satisfies the requirements of the NTA; and
- Convened monthly meetings of the Future Acts Working Group, which is an across agency forum for the development of future act policy.

Project Implementation

Provide leadership and management to guide and coordinate the implementation of the Ord Final Agreement (OFA) and the Burrup and Maitland Industrial Estates Agreement (Burrup Agreement). Ensure that the State Government's obligations under the Agreements are delivered. Provide advice to all parties on the requirements of the Agreements, and monitor and report on the implementation of the Agreements.

Objective/Activities

Key Achievements/Outcomes

- Ord Satisfaction date was achieved and \$7 million of funding and land was handed over to the Yawoorroong Miriung Gajerrong Yirrgeb Noong Dawang Aboriginal Corporation to manage;
- An Indigenous Land Use Agreement (ILUA) was registered on 16 August 2006 binding all parties to the terms of the Ord Final Agreement and providing certainty for the future development of the region;
- Completed an evaluation of the Ord Final Agreement Negotiation Process. The Evaluation provides the basis for good practice in future negotiation processes;
- Under the Ord Enhancement Scheme several projects were funded, including a Renal Unit, Language Centre and Clontarf Football Academy;
- A joint management agreement over Reserve 31165 covering 127,000ha of land south east of Lake Argyle was established between the Miriung Gajerrong Corporation and the Waters and Rivers Commission;
- Green Swamp Agriculture executed lease deeds to establish irrigated agriculture and infrastructure in Green Swamp;

- Satisfaction date was achieved for the Burrup and Maitland Industrial Estates Agreement facilitating the transfer of \$2,000,000 to the Murujuga Aboriginal Corporation;
- The Murujuga Aboriginal Corporation received \$1,500,000 on the first take up on the Industrial Estate Land;
- The Burrup Peninsula Conservation Reserve Planning Advisory Committee was established; and
- The Draft Management Plan for the Proposed Burrup Peninsula Conservation Reserve was released for public comment.

Public Affairs

Objective/Activities

Promote the State Government's native title achievements. Develop communications strategies to manage contentious issues, develop and maintain the Office of Native Title website. Produce newsletters and other publications and manage public relations events and stakeholder functions.

Key Achievements/Outcomes

- Developed communications strategies for the management of issues in relation to 140 invalid freehold titles in Broome Neighbourhood 5a, the Federal Court finding of native title over the Perth Metropolitan Area, and the dismissal of the Wongatha native title determination application;
- Redesigned the Office of Native Title website to reflect the Office's new status as an independent entity within the Department of Treasury and Finance;
- Published eight newsletters and two agency publications: *Government Business and the Extinguishment of Native Title* and *Lessons Learned: An evaluation of the framework of the negotiations for the Ord Final Agreement*.
- Coordinated the State Government's participation in four native title determinations: Miriuwung Gajerrong #4, Eastern Guruma, Noonkanbah and Ngarla;
- Conducted two stakeholder functions: Ord Final Agreement Satisfaction Day and the Burrup and Maitland Industrial Estates Agreement Satisfaction Day; and
- Developed presentations for delivery to State Government Agencies, Industry Bodies and educational institutions.

Corporate Support

Objectives/Activities

Provide corporate and administrative support, manage grants and finances, maintain records and corporate information systems and coordinate corporate reporting.

Key Achievements/Outcomes

- Developed and implemented guidelines and administrative procedures for the Native Title Facilitation Fund. The Fund has been established to provide financial assistance in the form of a grant, to support the development and implementation of native title agreements and other related native title outcomes;
- Transitioned office recordkeeping to an electronic document management system;
- Produced first set of Financial Statements in collaboration with DTF;
- Produced procedures manual for all financial and administrative activities; and
- Developed an intranet site for improved communication within the office.

Significant Issues and Trends

Current and emerging issues and trends

There is a significant continuing motivation, at the State and national levels, to resolve native title matters by agreement rather than litigation.

Where possible, the Office of Native Title has progressed the resolution of native title determination applications through consent determinations of native title.

There is increasing motivation to develop alternative strategies for the resolution of Native Title determination applications that do not meet the legal requirements for Native Title.

The Office is finalising guidelines for an alternative settlement agreement, to settle claims that do not meet the requirements for a positive determination of native title. An alternative settlement agreement is an Indigenous Land Use Agreement that requires the surrender of all native title rights and interests and a consent determination of 'no' native title ratified by the Federal Court, in exchange for an agreed package of benefits.

The Commonwealth Government is continuing to progress a native title reform program focussing on the efficiency and effectiveness of the native title system and processes.

The Office of Native Title has engaged with the Commonwealth Government on the six elements of the reform package, which are in various stages of implementation. These include:

- **Review of the Claims Resolution Process:** Recommendations from the Review aim to strengthen the role and powers of the National Native Title Tribunal (NNTT) and improve coordination and communication between the NNTT and the Federal Court. An issue of concern to the Office, is a new power which allows the Tribunal to conduct reviews or inquiries of connection material, which has the potential to undermine the State's connection processes and may result in unnecessary duplication. The issue has been raised with the Commonwealth and the Office will be monitoring the NNTT's use of this power.
- **Technical Amendments to the Native Title Act 1993:** The amendments have the potential to improve the practical operation of the NTA and are supported by the Office.
- **Measures to improve the effectiveness of Native Title Representative Bodies:** These measures will streamline the process for withdrawing the recognition of under performing NTRBs, and place a time limit on the statutory recognition period. NTRBs have expressed their concerns that the changes will limit their capacity to represent native title claimants. The Office will monitor the effect of the changes, to ensure that they do not impact on the timely resolution of native title matters.
- **Reform of the native title non-claimants (respondents) financial assistance package:** Changes to the program shift the focus to providing assistance for agreement making rather than litigation, the negotiation of certain future act agreements, and facilitate respondent participation in the development of policies and practices to improve efficiencies in the native title system. These changes are strongly supported by the Office, as they align with the State's native title objectives.
- **Effective functioning of Prescribed Bodies Corporate:** Measures are recommended to improve the ability of PBCs to access funding, to encourage State Government support for PBCs and improve the availability of information for PBCs about their statutory roles and responsibilities. While these measures are likely to improve the capacity of PBCs to engage with Government agencies and Industry, PBCs remain critically under funded and require financial assistance from the Commonwealth Government. The Office will continue to investigate other options to improve the operations of PBCs in Western Australia.
- **Increased consultation between State and Territory Governments:** To increase transparency and facilitate the timely resolution of native title matters, the Commonwealth has convened a number of Native Title Minister's and Officer's meetings. Western Australia will host the next meeting, which will take place in early 2008.

There is an increasing demand for access to land for the purpose of exploration and mining, in response to the resource boom.

The present mining boom is placing a considerable demand for land, to establish increased infrastructure capacity for mining activities, especially in the Pilbara. In meeting this demand, the State Government has a responsibility to follow the requirements of the *Native Title Act 1993* with due diligence, to ensure that valid and unchallengeable mining titles are granted.

An increasing number of native title determinations have increased the pressure to clarify the rights and interests of Native Title Holders under State Government policies and practices.

Where exclusive possession native title has been found to exist, native title holders are asserting their right to control access to the land, and challenging processes under the future act regime of the *Native Title Act 1993*, to ensure that newly recognised native title is not extinguished by Government activities. In response to this trend, the need exists for developing a policy position for dealing with the post determination environment.

There is a growing need for greater awareness within the State Government agencies, of the impact of the *Native Title Act 1993* on the doing of Government business.

The increasing number of determinations recognising exclusive possession native title, increases the risk that Government activities will impact negatively on native title holders rights and interests. It is the responsibility of the Office to provide information to agencies through forums such as the Native Title Interagency Working Group and the Future Act Working Group, to ensure they understand the impact of their activities on native title, and do not extinguish native title unnecessarily. Information is also disseminated through the Office's website, regular newsletters, agency presentations, and through a recent publication, *Government Business and the Extinguishment of Native Title*.

Changes in Written Law

Amendments to the Native Title Act 1993

The majority of the provisions of the *Native Title Amendment Act 2007* came into effect on 15 April 2007. The Amendment Act primarily affects processes for the resolution of native title claims and the recognition of Native Title Representative Bodies (NTRBs).

The *Native Title (Technical Amendments) Act 2007* passed through Federal Parliament on 20 June 2007. The amendments are designed to fine-tune the operation of the native title system, with a view to achieving better outcomes for all parties. They include an improved process for notifying Indigenous Land Use Agreements (ILUA), enable assistance to be provided by the Native Title registrar to parties seeking to register an ILUA, and exempt amended claims from going through the registration test, where the amendments do not affect the interests of other parties.

Significant judicial decisions affecting the agency

Developing native title case law has a significant impact on the negotiation of Native Title Determination Applications. The inconsistent application of case law by the Courts, engenders an uncertain negotiation environment and also impacts on the State Government's ability to resolve matters by agreement. The Government is required to give serious consideration to challenging such decisions, if it is to manage the mediation environment in a consistent way.

Single Noongar Claim decision: Justice Wilcox's decision, recognising native title over the Perth Metropolitan area, departs significantly from established law, and is likely to create a high level of uncertainty for future native title negotiations throughout Western Australia. The State Government has lodged an appeal in relation to this matter.

Wongatha decision: Justice Lindgren's decision dismissing all native title claim to 160,000 square kilometres of land in the north-eastern goldfields slowed development in the area. Concerns that grants would trigger ill-considered native title determination applications, have meant that no tenements have been granted since the decision, in February. The Office of Native Title has consulted extensively with Indigenous groups and industry, to develop a strategy for the management of area. The strategy allows for the granting of mining and land titles, and more time for carefully researched claims to be prepared.

Financial Statements
Performance Indicators
2006 - 2007



AUDITOR GENERAL

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

OFFICE OF NATIVE TITLE FINANCIAL STATEMENTS AND KEY PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2007

I have audited the accounts, financial statements, controls and key performance indicators of the Office of Native Title.

The financial statements comprise the Balance Sheet as at 30 June 2007, and the Income Statement, Statement of Changes in Equity, Cash Flow Statement, and Summary of Consolidated Fund 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.

Audit Opinion

In my opinion,

- (i) the financial statements are based on proper accounts and present fairly the financial position of the Office of Native Title at 30 June 2007 and its financial performance and cash flows for the year ended on that date. They are in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions;
- (ii) the controls exercised by the Office 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 Office are relevant and appropriate to help users assess the Office's performance and fairly represent the indicated performance for the year ended 30 June 2007.


COLIN MURPLEY
AUDITOR GENERAL
11 September 2007

Disclosures and Legal Compliance

Financial Statements

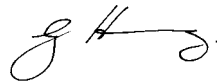
Certification of Financial Statements

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

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



Pascoe Rechichi
Chief Finance Officer
Date: 30 August 2007



Gary Hamley
Executive Director
Office of Native Title
Accountable Officer
Date: 3 September 2007

INCOME STATEMENT**For the year ended 30 June 2007**

	Note	2007
		\$000
COST OF SERVICES		
Expenses		
Employee benefits expenses	5	2,824
Supplies and services	6	1,868
Depreciation expenses	7	34
Accommodation expenses	8	369
Grants and subsidies	9	12,620
Other expenses	10	51
Total cost of services		17,766
Income		
Revenue		
Other revenues	11	9
Total revenue		9
Gains		
Gain / (loss) on disposal of non-current assets	12	(1)
Total gains / (loss)		(1)
Total income other than income from State Government		8
NET COST OF SERVICES		17,758
INCOME FROM STATE GOVERNMENT		
Service appropriation	13	9,379
Liabilities assumed by the Treasurer		36
Resources received free of charge		453
Total income from State Government		9,868
SURPLUS/(DEFICIT) FOR THE PERIOD		(7,890)

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

BALANCE SHEET
As at 30 June 2007

	Note	2007 \$000
ASSETS		
Current Assets		
Cash and cash equivalents		24,844
Receivables	14	672
Total Current Assets		25,516
Non-Current Assets		
Receivables	14	21
Amount receivable for services	15	182
Property, plant and equipment	16	190
Total Non-Current Assets		393
TOTAL ASSETS		25,909
LIABILITIES		
Current Liabilities		
Provisions	17	387
Other current liabilities	18	998
Total Current Liabilities		1,385
Non-Current Liabilities		
Provisions	17	208
Total Non-Current Liabilities		208
TOTAL LIABILITIES		1,593
NET ASSETS		24,316
EQUITY		
Contributed equity	19	32,206
Accumulated surplus/(deficiency)		(7,890)
TOTAL EQUITY		24,316
TOTAL LIABILITIES AND EQUITY		25,909

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

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

	Note	2007 \$000
Balance of Equity at start of period		-
CONTRIBUTED EQUITY		
Balance at start of the period		-
Contributions by owners		32,206
Balance at end of the period	19	<u>32,206</u>
ACCUMULATED SURPLUS (DEFICIT)		
Balance at start of the period		-
Surplus/(Deficit) for the period		(7,890)
Balance at end of the period	19	<u>(7,890)</u>
Balance of Equity at end of the period		<u><u>24,316</u></u>
Total income and expense for the period		(7,890)

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

CASHFLOW STATEMENT

For the year ended 30 June 2007

	Note	2007
		\$000
CASH FLOWS FROM STATE GOVERNMENT		
Service appropriations		9,324
Net cash provided by State Government		<u>9,324</u>
Utilised as follows:		
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments		
Employee benefits		(2,662)
Supplies and services		(1,355)
Accommodation		(369)
Grant and subsidies		(11,692)
GST payments to ATO		(672)
Other payments		(51)
Receipts		
Other revenues		9
Net cash provided by/(used in) Operating Activities	20(b)	<u>(16,792)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of non-current physical assets		(18)
Net cash provided by/(used in) Investing Activities		<u>(18)</u>
Net increase/(decrease) in cash and cash equivalents		(7,486)
Cash and cash equivalents at the beginning of period		-
Net cash transferred from other agencies		32,330
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	20(a)	<u><u>24,844</u></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 2007

Native Title Policy Development, Implementation and Negotiation

	2007
	\$000
COST OF SERVICES	
Expenses	
Employee benefits expenses	2,824
Supplies and services	1,868
Depreciation expenses	34
Accommodation expenses	369
Grants and subsidies	12,620
Other expenses	51
Total cost of services	17,766
Income	
Other revenue	9
Gain / (loss) on disposal of non-current assets	(1)
Total income other than income from State Government	8
NET COST OF SERVICES	17,758
INCOME FROM STATE GOVERNMENT	
Service appropriation	9,379
Liabilities assumed by the Treasurer	36
Resources received free of charge	453
Total income from State Government	9,868
SURPLUS/(DEFICIT) FOR THE PERIOD	(7,890)

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 2007

	2007 Estimates	2007 Actual	Variation
	\$000	\$000	\$000
DELIVERY OF SERVICES			
Net amount appropriated to deliver services	44,173	9,379	34,794
Total appropriations provided to deliver services	44,173	9,379	34,794
Details of expenses by service:			
Native Title Policy Development, Implementation and Negotiation	55,016	17,766	37,250
Total cost of services	55,016	17,766	37,250
Less Income	(5)	(8)	3
Net Cost of Services	55,011	17,758	37,253
Adjustments (a)	(10,838)	(8,379)	(2,459)
Total appropriations provided to deliver services	44,173	9,379	34,794
Capital Expenditure			
Purchase of non-current physical assets	-	18	(18)
Adjustments for other funding sources	-	(18)	18
Capital Contribution (appropriation)	-	-	-

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

This summary provides the basis for the Explanatory Statement information requirements for Treasurer's Instruction 945, which are set out in Note 24.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2007

1. Office mission and funding

The Office of Native Title (the reporting entity hereafter referred to as 'the Office') was created as a sub-department of the Department of Treasury and Finance effective from 1 July 2006, under a determination by the Treasurer, pursuant to Section 56 of the Financial Management Act 2006.

The Office represents the State's interests in every native title determination application over land and water, and takes the lead in the negotiation and implementation of major projects on land under native title claim.

The Office is predominantly funded by Parliamentary appropriation. The financial statements encompass all funds through which the Office controls resources to carry on its functions.

2. Australian equivalents to International Financial Reporting Standards

General

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

In preparing these financial statements the Office 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).

The Australian Accounting Interpretations are adopted through AASB 1048 'Interpretation and Application of Standards' and are classified into those corresponding to IASB Interpretations and those only applicable in Australia.

The AASB has decided to maintain statements of accounting concepts (SAC 1 and SAC2) and has continued to revise and maintain accounting standards and the interpretations that are of particular relevance to the Australian environment, especially those that deal more specifically with not-for-profit entity issues and/or do not have an equivalent IASB Standard or Interpretation.

Early adoption of standards

The Office 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 Office for the annual reporting period ended 30 June 2007.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

3. Summary of significant accounting policies

(a) General Statement

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

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

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

(b) Basis of Preparation

The financial statements have been prepared in accordance with Accounting Standard AAS 29 'Financial Reporting by Government Departments' on the accrual basis of accounting using the historical cost convention.

Accounting policies are selected and applied in a manner that ensures the resulting financial information satisfies the concepts of relevance and reliability.

The judgements that have been made in the process of applying the Office's accounting policies that have the most significant effect on the amounts recognised in the financial statements are disclosed, where applicable, in the relevant notes to the financial statements.

The key assumptions made concerning the future, and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustments to the carrying amounts of assets and liabilities within the next financial year are reviewed on an ongoing basis, based on historical experience and on various other factors (such as discount rates used in estimating provisions and estimating the useful life of key assets) that are believed to be reasonable under the circumstance, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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 is the Office of Native Title.

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

(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 Treasurer's instruction (TI) 955 'Contributions by Owners made to Wholly Owned Public Sector Entities' and have been credited directly to Contributed Equity.

Transfer of net assets to/from other agencies are designated as contributions by owners where the transfers are non-discretionary and non-reciprocal. See note 19 'Equity'.

(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:

Service Appropriations

Service Appropriations are recognised as revenues in the period in which the Office gains control of the appropriated funds. The Office gains control of appropriated funds at the time those funds are deposited into the Office's bank account or credited to the holding account held at Treasury. See note 13 Income from State Government for further details.

Net Appropriation Determination

The Treasurer may make a determination providing for prescribed receipts to be retained for services under the control of the Office. In accordance with the determination specified in the 2006-07 Budget Statements, the Office retained \$9,000 in 2007 from the following:

- Other revenue

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.

(f) Expenses

Expenses recognition

Expenses are recognised when incurred and are reported in the financial year to which they relate. The policies adopted for the recognition of significant categories of expenses are as follows:

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2007

Grants and Subsidies

Grants and subsidies expenses, which fall under the Office's funding arrangements with native titleholders or claimants to support the successful negotiation of agreements, are recognised as an expense to the extent that:

- the requirements to be performed by the grantee have been performed; or
- the grant eligibility criteria has been satisfied, but payments due have not been made.

(g) Property, Plant and Equipment

Capitalisation/Expensing of assets

Items of property, plant and equipment costing \$5,000 or more are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of property, plant and equipment costing less than \$5,000 are immediately expensed direct to the Income Statement (other than where they form part of a group of similar items which are significant in total).

Initial recognition and measurement

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

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

Subsequent measurement

After recognition as an asset, the Office uses the cost model for the measurement of property, plant and equipment. Property, 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 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:

Furniture and fittings	5 years
Plant and equipment	5 years
Office establishment	5 years

(h) Impairment of Assets

Property, 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

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2007

impaired and is written down to the recoverable amount and an impairment loss is recognised. As the Office 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 or where the replacement cost is falling. 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.

See note 16 Property, plant and equipment for the outcome of impairment reviews and testing.

(i) Leases

The Office of Native Title has no finance leases. The Office has entered into a number of operating lease arrangements for the rent of office accommodation and for leased motor vehicles, where the lessors effectively retain all the risks and benefits incident to ownership of the items held under the operating leases. Equal installments of the lease payments are charged to the Income Statement over the lease term as this is representative of the pattern of benefits to be derived from the leased property.

(j) Financial Instruments

The office has one category of financial instrument:

- Loans and receivables (cash and cash equivalents, receivables)

The fair value of short-term receivables 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) Accrued Salaries

Accrued salaries (refer note 18 '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 coincide with the end of the financial year. Accrued salaries are settled within a fortnight of the financial year-end. The Office considers the carrying amount of accrued salaries to be equivalent to its net fair value.

(l) Amount Receivable for Services (Holding Account)

The Office 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.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2007

(m) 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 Office 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 14 'Receivables'.

(n) Payables

Payables are recognised when the Office 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.

(o) 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 date. See note 17 'Provisions'.

(i) Provisions – Employee Benefits

Annual Leave and Long Service Leave

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

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 Office has no liabilities for superannuation charges under the Pension or the GSS Schemes as the liability has been assumed by the Treasurer.

Employees who are not members of either the Pension or the GSS Schemes become non-contributory members of the West State Superannuation Scheme (WSS), an accumulation fund. The Office 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 Scheme.

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.

See also note 3(p) 'Superannuation expense'.

(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 the 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 Office's 'Employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

See note 10 'Other Expenses' and note 17 'Provisions'.

(p) Superannuation Expense

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

- (i) 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 Gold State Superannuation Scheme (GSS); and
- (ii) Defined contribution plans - Employer contributions paid to the West State Superannuation Scheme (WSS), and the equivalent of employer contributions to the GSS.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2007

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 (refer note 3(o)(i)), 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 13 'Income from State Government'.

Defined contribution plans - in order to reflect the Office's true cost of services, the Office 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.

(q) Resources Received Free of Charge or for Nominal Cost

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.

(r) Comparative Figures

Effective 1 July 2006, Government approved the transfer of the native title functions from the Department of Treasury and Finance to a newly created sub-department titled the Office of Native Title. Therefore, no comparative figures are available for the financial statements, being the first year of operation of the new entity of the Office of Native Title.

4. Disclosure of changes in accounting policy and estimates

Initial application of an Australian Accounting Standard

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

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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

- (iii) UIG Interpretation 9 'Reassessment of Embedded Derivatives'. This Interpretation requires an embedded derivative that has been combined with a non-derivative to be separated from the host contract and accounted for as a derivative in certain circumstances. At balance sheet date, the Office has not entered into any contracts as specified in the Interpretation resulting in no impact in applying the Interpretation.

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

AASB

Standards and Interpretations

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

Future impact of Australian Accounting Standards not yet operative

The Office 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 Office has not applied the following Australian Accounting Standards and Australian Accounting Interpretations that have been issued but are not yet effective. These will be applied from their application date:

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

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

- (iii) AASB 1038'. The amendments are as a result of the issue of AASB 7 'Financial Instruments: Disclosures', which amends the financial instrument disclosure requirements in these standards. The Office does not expect any financial impact when the Standard is first applied. The Standard is required to be applied to annual reporting periods beginning on or after 1 January 2007.
- (iv) AASB 101 'Presentation of Financial Statements'. This Standard was revised and issued in October 2006 so that AASB 101 has the same requirements as IAS 1 'Presentation of Financial Statements' (as issued by the IASB) in respect of for-profit entities. The Office is a not-for-profit entity and consequently does not expect any financial impact when the Standard is first applied. The Standard is required to be applied to annual reporting periods beginning on or after 1 January 2007.
- (v) AASB Interpretation 4 'Determining whether an Arrangement Contains a Lease [revised]'. This Interpretation was revised and issued in February 2007 to specify that if a public-to-private service concession arrangement meets the scope requirements of AASB Interpretation 12 'Service Concession Arrangements' as issued in February 2007, it would not be within the scope of Interpretation 4. At balance sheet date, the Office has not entered into any arrangements as specified in the Interpretation or within the scope of Interpretation 12, resulting in no impact when the Interpretation is first applied. The Interpretation is required to be applied to annual reporting periods beginning on or after 1 January 2008.
- (vi) AASB Interpretation 12 'Service Concession Arrangements'. This Interpretation was issued in February 2007 and gives guidance on the accounting by operators (usually a private sector entity) for public-to-private service concession arrangements. It does not address the accounting by grantors (usually a public sector entity). It is currently unclear as to the application of the Interpretation to the Office if and when public-to-private service concession arrangements are entered into in the future. At balance sheet date, the Office has not entered into any public-to-private service concession arrangements resulting in no impact when the Interpretation is first applied. The Interpretation is required to be applied to annual reporting periods beginning on or after 1 January 2008.
- (vii) AASB Interpretation 129 'Service Concession Arrangements: Disclosures [revised]'. This Interpretation was revised and issued in February 2007 to be consistent with the requirements in AASB Interpretation 12 'Service Concession Arrangements' as issued in February 2007. Specific disclosures about service concession arrangements entered into are required in the notes accompanying the financial statements, whether as a grantor or an operator. At balance sheet date, the Office has not entered into any public-to-private service concession arrangements resulting in no impact when the Interpretation is first applied. The Interpretation is required to be applied to annual reporting periods beginning on or after 1 January 2008.

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

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

AASB Standards and Interpretations

AASB 8	'Operating Segments'
AASB 1049	'Financial Reporting of General Government Sectors by Governments'
AASB 2007-1	'Amendments to Australian Accounting Standards arising from AASB Interpretation 11 [AASB 2]'
AASB 2007-2	'Amendments to Australian Accounting Standards arising from AASB Interpretation 12 [AASB1, AASB 117, AASB 118, AASB 120, AASB 121, AASB 127, AASB 131 & AASB 139]' – paragraph 1 to 8
AASB 2007-3	'Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 13, AASB 136, AASB 1023 & AASB 1028]'
Interpretation10	'Interim Financial Reporting and Impairment'
Interpretation11	'AASB 2 – Group and Treasury Share Transactions'

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

	2007
	\$000
	<hr/>
5. Employee benefits expense	
Wages and salaries (a)	2,275
Superannuation – defined contributions plan (b)	164
Superannuation – defined benefits plan (c)(d)	85
Annual Leave (e)	236
Long Service Leave	64
	<hr/>
	2,824
	<hr/>

- (a) Includes the value of the fringe benefit to the employee plus the fringe benefits tax component.
- (b) Defined contribution plans include West State and Gold State (contributions paid).
- (c) Defined benefit plans include Pension scheme and Gold State (pre-transfer benefit).
- (d) An equivalent notional income is also recognised (see note 13 'Income from State Government').
- (e) Includes a superannuation contribution component.

Employment on-costs such as workers' compensation insurance are included at note 10 'Other Expenses'. The employment on-costs liability is included at note 17 'Provisions'.

6. Supplies and services

Communications	40
Consultants and contractors	1,304
Recruitment costs	34
Consumables	20
Insurance	10
Legal fees	208
Motor vehicle expense	33
Travel	131
Other	88
	<hr/>
	1,868
	<hr/>
	<hr/>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

	2007
	\$000
	<hr/>
7. Depreciation expense	
Computer hardware	1
Plant & equipment	6
Furniture & fittings	2
Office fitout	25
	<hr/>
	34
	<hr/> <hr/>
8. Accommodation expense	
Lease rentals	335
Cleaning & security	9
Repairs and maintenance	11
Other Accommodation expense	14
	<hr/>
	369
	<hr/> <hr/>
9. Grants and subsidies	
Ord Final Agreement	10,300
Burrup and Maitland Industrial Estates Agreement	100
Native Title Facilitation Fund	1,700
Future Act Officers	520
	<hr/>
	12,620
	<hr/> <hr/>
10. Other expenses	
Employment on-costs	31
Equipment repairs and maintenance	3
Other expenses	17
	<hr/>
	51
	<hr/> <hr/>
11. Other revenue	
Other revenue	9
	<hr/>
	9
	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

	2007 \$000
12. Net gain/(loss) on disposal of non-current assets	
Cost of Disposal of Non-Current Assets	
Plant and Equipment	(1)
Proceeds from Disposal of Non-Current Assets	
Plant and Equipment	-
Net Gain/(Loss)	(1)
 13. Income from State Government	
Appropriation revenue received during the year	
Service appropriations (a)	9,379
Total appropriation received during the year	9,379
 The following liabilities have been assumed by the Treasurer during the year:	
Superannuation (b)	36
Total Liabilities assumed by the Treasurer	36
 Resources received free of charge Determined on the basis of the following estimates provided by agencies: (c)	
State Solicitor's Office	208
Department of Land Information	104
Landgate	141
	453
	9,868

- (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 Gold State Superannuation scheme. (The notional superannuation expense is disclosed at note 5 'Employee Benefits Expense').

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

2007

\$000

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

14. Receivables

Current

GST receivable - ATO

672

Total current

672

Non-current

Accrued salaries suspense account (a)

21

Total non-current

21

693

(a) Amount held in an account with Department of Treasury and Finance is only to be used for the purpose of meeting the 27th pay in a financial year that occurs every 11 years.

15. Amounts Receivable for Services

Current

-

Non-current

182

182

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

	2007
	\$000
	<hr/>
16. Property, plant and equipment	
Furniture & Fittings	
At cost	8
Accumulated depreciation	(2)
	<hr/>
	6
	<hr/>
Plant & Equipment	
At cost	37
Accumulated depreciation	(11)
	<hr/>
	26
	<hr/>
Office Fitout	
At cost	257
Accumulated depreciation	(99)
	<hr/>
	158
	<hr/>
Total	
At cost	302
Accumulated depreciation	(112)
	<hr/>
	190
	<hr/> <hr/>

Reconciliations of the carrying amounts of property, plant and equipment at the beginning and end of the current and previous financial year are set out on the following page.

	Furniture & Fittings	Plant & Equipment	Office Fitout	Total
<u>2007</u>	\$000	\$000	\$000	\$000
Transferred in from DTF (a)	8	15	184	207
Additions	-	18	-	18
Depreciation	(2)	(7)	(26)	(35)
Carrying amount at end of year	<hr/> 6	<hr/> 26	<hr/> 158	<hr/> 190 <hr/>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

(a) Carrying amount transferred in from DTF

	Computer Equipment	Furniture & Fittings	Plant & Equipment	Office Fitout	Total
Transferred in from DTF	38	12	33	184	267

Write-down due to a higher capitalisation threshold from \$1,000 (DTF) to \$5,000 (ONT)

	Computer Equipment	Furniture & Fittings	Plant & Equipment	Office Fitout	Total
Write-down	(31)	(3)	(16)	-	(50)

Retrospective adjustment of depreciation to Net Assets Transferred for the write-down

	Computer Equipment	Furniture & Fittings	Plant & Equipment	Office Fitout	Total
Depreciation See Note 19 'Equity'	(7)	-	(3)	-	(10)

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

	2007
	\$000
17. Provisions	
Current	
Employee benefits	
Annual leave (a)	194
Long service leave (b)	188
	<hr/> 382
Other provisions	
Employment on-costs (c)	5
	<hr/> 5
	<hr/> 387
Non-Current	
Employee benefits	
Long service leave (b)	205
	<hr/> 205
Other provisions	
Employment on-costs (c)	3
	<hr/> 3
	<hr/> 208

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

2007

\$000

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

- Within 12 months of balance sheet date	108
- More than 12 months after balance sheet date	86
	<u>194</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 balance sheet date. Assessments indicate that actual settlement of the liabilities will occur as follows:

- Within 12 months of balance sheet date	164
- More than 12 months after balance sheet date	229
	<u>393</u>

- (c) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including superannuation and workers' compensation premiums. Movements in the provision for employment on-costs are set out below:

Employment on-cost provision	
Carrying amount at start of year	-
Additional provisions recognised	8
Carrying amount at end of year	<u>8</u>

18. Other liabilities

Current	
Accrued salaries	10
Accrued grant and subsidies	928
Accrued expenses	60
	<u>998</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

	2007 \$000
19. Equity	
<p>Equity represents the residual interest in the net assets of the Office. The Government holds the equity interest in the Office on behalf of the community.</p>	
<u>Contributed Equity</u>	
Balance at the start of the year	-
Transfer of net assets from other agencies:-	
<u>Assets</u>	
Cash transfer	32,330
Restricted cash	4,018
Depreciation holding account	127
Computer hardware	38
Furniture and fittings	12
Office fitout	184
Office equipment	33
	36,742
<u>Liabilities</u>	
Provision for annual leave	113
Provision for long service leave	345
Funds held in trust	4,018
	4,476
Transfer of net assets from other agencies	32,266
Adjustment (refer to Note 16 (a))	(60)
Balance at the end of the year	32,206
 Accumulated surplus/(deficit)	
Balance at the start of the year	-
Result for the period	(7,890)
Balance at the end of the year	(7,890)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

2007

\$000

20. Notes to the Cash Flow Statement

(a) 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	24,844
	<hr/>
	24,844
	<hr/>

(b) Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities

Net cost of services	(17,758)
-----------------------------	----------

Non-cash items

Depreciation expense	34
Liabilities assumed by the Treasurer	36
Resources received free of charge	453
Net gain/(loss) on disposal of non-current assets	1

(Increase)/decrease in assets:

Receivable	(21)
------------	------

Increase/(decrease) in liabilities:

Employee benefits	147
Other liabilities	988
Change in GST receivable/(payable)	(672)
Net GST receipts/(payment)	-

Net cash used in operating activities	<hr/> (16,792) <hr/>
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

	2007 \$000
21. Commitments for expenditure	
Lease Commitments	
Commitments in relation to leases contracted for at the balance sheet date but not recognised in the financial statements are payable as follows:	
- Within 1 year	384
- Later than 1 year and not later than 5 years	1,634
	2,018
Representing:	
- Cancellable operating leases	-
- Non-cancellable operating leases	2,018
	2,018
Non-cancellable operating lease commitments	
Commitments for minimum lease payments are payable as follows:	
- Within 1 year	384
- Later than 1 year and not later than 5 years	1,634
	2,018
	2,018

22. Contingent liabilities and contingent assets

The Office has no contingent liabilities and contingent assets as at 30 June 2007.

23. Events occurring after the balance sheet date

The Office is unaware of any event occurring after reporting date that would materially affect the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

	2007	2007	Variance
	Estimate	Actual	\$000
	\$000	\$000	\$000

24. Explanatory Statements

Significant variations between estimates and actual results for income and expense are shown below. Significant variations are considered to be those greater than 10%. In respect of any item for which there is not a significant variation, no explanation is given.

(a) Significant variances between estimates and actual for 2007 – Total appropriation to deliver services:

Total appropriation provided to deliver services	44,173	9,379	(34,794)
--	--------	-------	----------

The variation in total appropriations of \$34.794 million is mainly due to a delay in anticipated grant and subsidies expenditure in the 2006/07 financial year, and this revenue, and corresponding grant expenditure, has been re-positioned into the 2007/08 and 2008/09 financial year.

(b) Significant variances between estimates and actual for 2007 – Total cost of service:

Native Title policy development, implementation and negotiation	55,016	17,766	(37,250)
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The variation in total cost of service of \$37.250 million is mainly due to a delay in anticipated grant and subsidies expenditure in the 2006/07 financial year, and this grant expenditure has been re-positioned into the 2007/08 and 2008/09 financial year.

(c) Significant variances between estimate and actual for 2007 – Total adjustments:

Total adjustments	(10,838)	(8,379)	2,459
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The variation in total adjustments of \$2.459 million is mainly due to adjustments related to movements in cash balances and other accrual items such as resources received free of charge, receivable, payables and superannuation.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2007

25. Financial instruments

(a) Financial Risk Management Objective and Policies

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

Current risk

The Office is not exposed to credit risk because it does not have trade transactions with third parties.

Liquidity risk

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

Cash flow interest rate risk

The Office is not exposed to interest rate risk because cash and cash equivalents are non-interest bearing.

(b) Financial Instrument Disclosures

Interest rate risk exposure

All financial assets and financial liabilities are non-interest bearing.

	Weighted Average Effective Interest Rate	Non-Interest Bearing	Total
2007	%	\$000	\$000
<i>Financial Assets</i>			
Cash and cash equivalents	-	24,844	24,844
Receivables	-	693	693
Amounts receivable for services	-	182	182
		25,719	25,719

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 Note 3 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

	2007 \$000
26. Remuneration of senior officers	
The number of senior officers whose total of fees, salaries, superannuation, non-monetary benefits and other benefits for the financial year fall within the following bands are:	
130,001 – 140,000	1
The total remuneration of the senior officer is:	136

The superannuation included here represents the superannuation expense incurred by the Office in respect of the senior officer. The senior officer is not a member of the Pension Scheme.

27. Remuneration of auditors

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

Auditing the accounts, financial statements and performance indicators	23
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28. Related bodies

The Office has no related bodies.

29. Affiliated bodies

The Office has no affiliated bodies.

30. Special purpose account

Special purpose account section 16(1)(c) of FMA

Burrup and Maitland Industrial Estates Agreement Trust Account

The purpose of the trust account was to hold funds on behalf of native title claimants during an interim period whilst the claimants established an approved body corporate.

Balance at the start of the year	-
Add: Receipts	4,018
Interest	10
Less: Payments	(4,028)
Balance at the end of the year	-

31. Supplementary financial information

The Office has no write-off during the year.

Key Performance Indicators

Detailed Information in Support of Key Performance Indicators

Agency level Government desired outcomes and Key Effectiveness Indicators

Agency level Government desired outcome

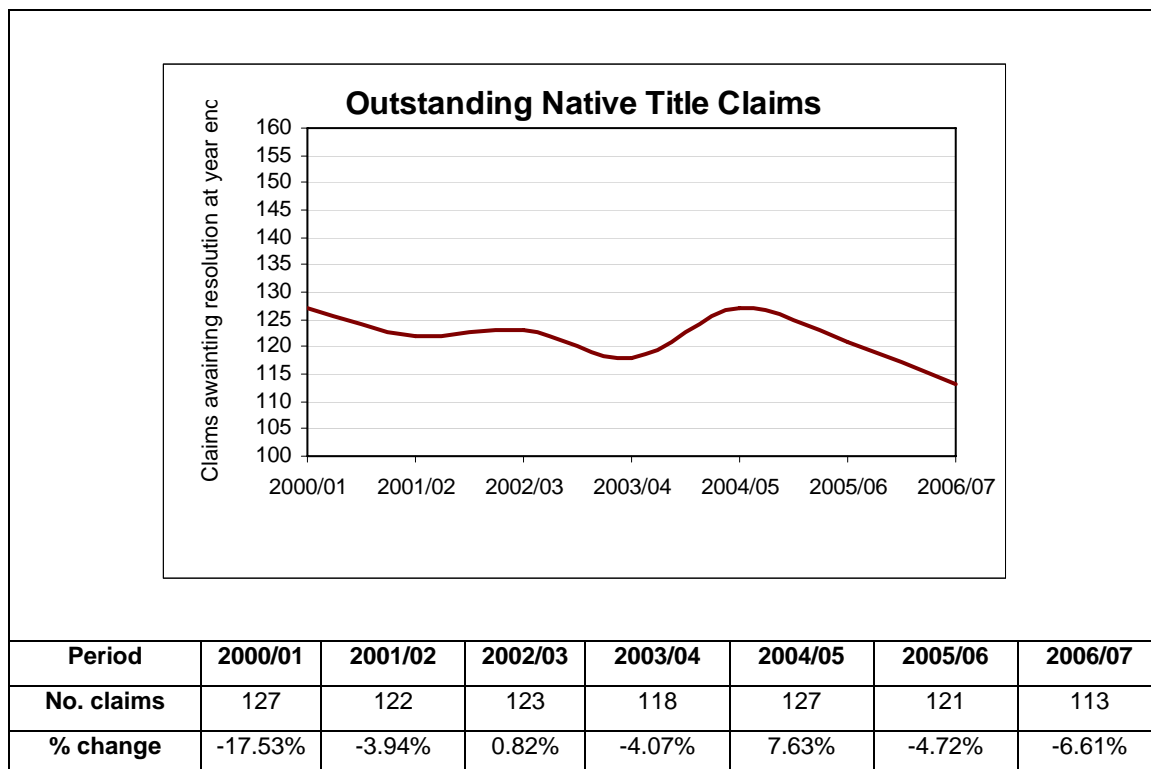
Resolution of native title matters in accordance with Government Policy.

The effectiveness indicator for this service reflects the percentage change in the number of outstanding native title claims awaiting resolution.

Effectiveness Indicator	2006-07 Target	2006-07 Actual	2007-08 Target
Percentage change in number of outstanding native title claims awaiting resolution.	-8.7%	-6.61%	-7.02%

Effectiveness Indicator

Percentage change in the number of outstanding native title claims awaiting resolution.

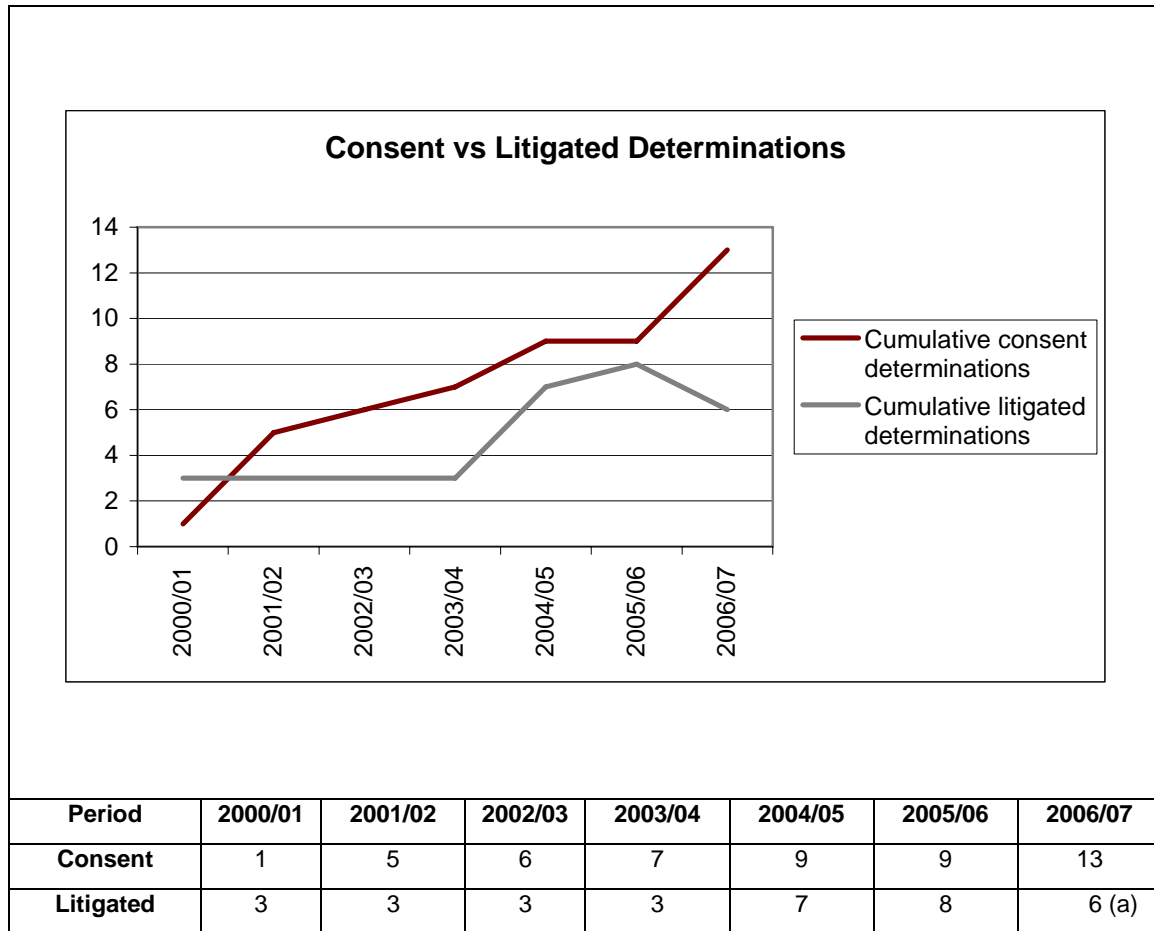


The effectiveness indicator for this service reflects the ratio of consent to litigated native title determinations.

Effectiveness Indicator	2006-07 Target	2006-07 Actual	2007-08 Target
Ratio of consent agreements to litigated decisions	18:12	13:6	21:6

Effectiveness Indicator

Ratio of consent to litigated native title determinations.



(a) An adjustment has been made to reduce the number of litigated determinations by 2 (these data were only agreements or resolutions and not determinations that occurred prior to 2000/2001).

Efficiency Indicators

Efficiency Indicators	2006-07 Target	2006-07 Actual	2007-08 Target
Average cost per native title determination	\$105,849	\$198,633	\$198,843
Average cost per native title application managed	\$150,417	\$160,536	\$213,509
Average time taken to achieve resolution of prioritised native title applications	3.0 yrs	2.77yrs	2.77yrs

The efficiency indicators are the average cost per native title determination, the average cost per a native title application managed and the average time taken to achieve resolution of prioritised native title applications. A native title determination is deemed to have taken place when the Federal Court makes an order.

A native title application managed is one that the parties (Native Title Tribunal, Office of Native Title and the Representative Bodies) have agreed to prioritise, and to which resources are allocated.

Applications managed are those being progressed toward determination, but not determined in the reporting period. Activities included in this indicator include non-native title outcomes such as

Industrial Land Use Agreements (ILUA). Grants and subsidies amounts are excluded from these indicators as they are not part of delivering services.

The average time taken to resolve prioritised native title applications is a moving average of the time from the date the parties agree to prioritise the application to its determination.

Performance Indicators	2007 Target	2007 Actual	Variation
Outcome (Resolution of native title matters in accordance with Government Policy) Effectiveness Indicator: Percentage change in the number of outstanding claims awaiting resolution.	-8.7%	-6.61%	2.09%(a)
Effectiveness Indicator: Ratio of consent determinations to litigated determinations.	18:12	13:6	-5:6 (b)
Outcome: (Resolution of native title matters in accordance with Government Policy) Efficiency Indicator: Average cost per native title determination.	\$105,849	\$198,633	-\$92,784 (c)
Efficiency Indicator: Average cost per native title application managed	\$150,417	\$160,536	-\$10,119 (d)
Efficiency Indicator: Average time taken to achieve resolution of prioritised native title applications.	3.0 yrs	2.77 yrs	0.23yrs (e)

Explanation of Variances

- a) The number of outstanding claims was one less than the 2007 Target.
- b) Less consent and litigated determinations than the 2007 Target.
- c) Less determinations than anticipated which resulted in an increased unit cost per determination.
- d) The average cost per native title application was similar to the 2007 Target.
- e) The average time taken was slightly better than the estimate.

Certification of Key Performance Indicators

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



Gary Hamley
Office of Native Title

ACCOUNTABLE AUTHORITY

Date: 3 September 2007

Ministerial Directives

No ministerial directives were received during the financial year.

Other Financial Disclosures

Employment and Industrial Relations

Staff Profile

2006-07	2005-06	2006-07
Full-time permanent	27	28
Full-time contract	2	4
Part-time measured on a FTE basis	2	3
On secondment	1	1

Staff Development

ONT staff strategies focus on the attraction and retention of quality staff and the establishment of a positive and supportive work environment. Professional, technical wellness and personal development training have all been conducted during the period. Many training programs have been accessed through the performance management process and some were offered as in-house programs.

- Recruitment initiatives targeting specific segments of the workforce include:-
- Indigenous traineeships and cadetships.

Other initiatives include:

- The promotion of work/life balance and flexible working arrangements;
- Building and maintaining constructive leadership through in-house leadership development programs;
- Team building and skills development programs; and
- A training budget, including an individual training allocation.

Industrial

Following expiry of the 2005 agreement, negotiations were commenced for a new Agency Specific Agreement. Matters under consideration to be retained in the new agreement include specific provisions relating to flexible working hours and motor vehicles.

Workers Compensation

Nil workers compensation claims were lodged during the period.

ONT staff attend a presentation annually, addressing prevention of occupational injuries. Reports of any potential risk situations or building faults are addressed immediately as part of the prevention programme.

During the period an occupational therapist assessed each ONT officer's workstation and made recommendations for ergonomic improvements and required workstations aids were installed.

Governance Disclosures

Nil

Other Legal Requirements

Advertising

In accordance with section 175ZE of the *Electoral Act 1907*, the Department is required to disclose expenditure made to advertising agencies, incurred the following expenditure in advertising, market research, polling, direct mail and media advertising:

1. Total expenditure for 2006-07 was \$11,892
2. Expenditure was incurred in the following areas:

Advertising agencies

- Marketforce Productions \$11,892

Market research organisations Nil

Polling organisations Nil

Direct mail organisations Nil

Media advertising organisations Nil

Disability Access and Inclusion Plan Outcomes

The ONT via the DTF Disability Access and Inclusion Plan is committed to ensuring that people with disabilities, their families and carers, have full access to the services and facilities that ONT provides. The Plan seeks to ensure that:

- Our functions and services meet the needs of people with disabilities;
- Our buildings and facilities are fully accessible;
- Information is provided in formats that meet the communication needs of people with disabilities;
- Our staff deliver advice and services with a full awareness and understanding of the needs of people with disabilities; and
- Opportunities are provided for people with disabilities to participate in public consultations, grievance mechanisms and decision-making processes that are available to other members of the public.

Our Disability Services Plan is accessible through the DTF Internet site www.dtf.wa.gov.au

Record Keeping Plans

ONT records are incorporated in the DTF Electronic Document Records Management System (EDRMS). ONT has adopted DTF RMS processes, procedures and Record Keeping Plan.

All new ONT staff participate in an induction programme that provides EDRMS training that includes record keeping obligations. Customised training is also offered.

Equal Employment Opportunity Outcomes

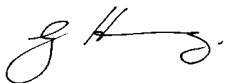
The Office of Native Title has implemented the Department of Treasury and Finance's 2006-09 Equity and Diversity Plan. The Office has also undertaken a study of flexible work practices. The study identified a number of flexible work arrangements that support the wide-ranging needs of staff. The information will help fulfil our commitment to providing a work/life balance for all employees.

Compliance with Public Sector Standards and Ethical Codes

Compliance with Public Sector Management Act Section 31(1)

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

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



Gary Hamley
ACCOUNTABLE OFFICER
12 September 2007

Government Policy Requirements

Corruption Prevention

In the ONT Business Plan 2006-07 the ONT has embraced integrity, accountability and transparency as core values.

As a result of the WA Government's Contact with Lobbyists Code, ONT has implemented a procedure where all meetings with people external to DTF must now be documented on a "Record of Meeting form", whether they are lobbyists or not, using a DMS template which is to be stored in the document management system.

The DTF Annual Internal Audit program, that incorporates ONT, focuses on evaluating and improving the effectiveness of ONT's risk management, internal control and corporate governance.

Corruption and Conflict of Interest Items from the Corruption and Crime Commission have been posted on the DTF Intranet for ONT access.

A Corruption and Crime Commission Conflict of Interest Workshop has been scheduled for all ONT staff on 19/9/2007.

Substantive Equality

ONT does not report separately for substantive equality and is included in the DTF annual report in respect of this matter.

Sustainability

ONT does not report separately for sustainability and is included in the DTF annual report in respect of this matter.

Appendices

Appendix 1: Amendments to Legislation Administered

Nil return

Appendix 2: Publications

The Office of Native Title produced a number of publications in 2006-07, as listed below:

Government Business and the Extinguishment of Native Title (April 2007)

Newsletters

Newsletter July 2006

Newsletter August 2006

Newsletter October 2006

Newsletter November 2006

Newsletter March 2007

Newsletter May 2007

Newsletter June 2007

Reports

Lessons Learned: An evaluation of the Framework of the Negotiations for the Ord Final Agreement 2006 (December 2006)

Fact Sheets

Western Australia: Native Title Update

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