



*We're working for
Western Australia.*



Annual Report 2018/19

Aboriginal Affairs Planning Authority



The Aboriginal Affairs Planning Authority recognises the diversity of the Aboriginal peoples of Western Australia and acknowledges the Traditional Owners and custodians and their connection to this land and its waterways. We pay our respect to Elders past and present and those who will follow in their footsteps.

Disclaimer

This document has been produced by the Department of Planning, Lands and Heritage on behalf of the Heritage Council of Western Australia. Any representation, statement, opinion or advice expressed or implied in this publication is made in good faith and on the basis that the Government, its employees and agents are not liable for any damage or loss whatsoever which may occur as a result of action taken or not taken, as the case may be, in respect of any representation, statement, opinion or advice referred to herein. Professional advice should be obtained before applying the information contained in this document to particular circumstances.

© State of Western Australia

Published by the
Heritage Council of Western Australia
Bairds Building
491 Wellington Street
Perth WA 6000

Locked Bag 2506
Perth WA 6001

Published September 2019
website: www.dplh.wa.gov.au
email: info@dplh.wa.gov.au

tel: 08 6551 8002
fax: 08 6551 9001
National Relay Service: 13 36 77

The Department of Planning, Lands and Heritage owns all photography in this document unless otherwise stated.

This document is available in alternative formats on application to the Department of Planning, Lands and Heritage Communications Branch.

About this report

This report covers the operations of the Aboriginal Affairs Planning Authority (AAPA), with functions relating to the Authority, coordinating council and advisory council administered by the Department of the Premier and Cabinet, and the Aboriginal Lands Trust and financial provisions of the AAPA administered by the Department of Planning, Lands and Heritage.

This report presents the audited financial statements and performance indicators for the year ended 30 June 2019. While every effort has been made to vet the contents of this report, it may contain references to, or images of, people who are now deceased. The AAPA regrets any offence this may cause.

Statement of compliance

To the
Hon Ben Wyatt LLB MSc MLA
Treasurer, Minister for Aboriginal Affairs

In accordance with section 63 of the *Financial Management Act 2006*, I hereby submit for your information and presentation to Parliament, the Annual Report for the Heritage Council of Western Australia for the financial year ended 30 June 2019.

This report has been prepared in accordance with the provisions of the *Financial Management Act 2006*.

Gail McGowan
Director General
Department of Planning, Lands and Heritage



Annual Report 2018/19

Aboriginal Affairs Planning Authority



Contents

About the Aboriginal Affairs Planning Authority	7	Disclosures and legal compliance	20
Western Australian Aboriginal Advisory Council	8	Auditor General Independent Auditor's report	21
Aboriginal Affairs Co-ordinating Committee	10	Certification of Financial Statements	25
Aboriginal Lands Trust	12	– Statement of comprehensive income for the year ended 30 June 2019	26
Operations and Issues	16	– Statement of financial position as at 30 June 2019	27
Governance	18	– Statement of changes in equity for the year ended 30 June 2019	28
		– Statement of cash flows for the year ended 30 June 2019	29
		– Notes to the financial statements for the year ended 30 June 2019	30
		– Statement of Comprehensive Income Estimates for the year ending 30 June 2020	43
		– Statement of Financial Position Estimates for the year ending 30 June 2020	44
		– Statement of Cashflows Estimates for the year ending 30 June 2020	45
		Key Performance Indicators Certification of Key Performance Indicators	46
		– Desired Outcome and Key Performance Indicators for the year ended 30 June 2019	47
		Remuneration of board members	50



Annual Report 2018/19

Aboriginal Affairs Planning Authority



About the Aboriginal Affairs Planning Authority

The *Aboriginal Affairs Planning Authority Act 1972* (AAPA Act) makes provision for the establishment of an Aboriginal Affairs Planning Authority and an Aboriginal Affairs Advisory Council to provide consultative and other services for the economic, social and cultural advancement of Aboriginal people in Western Australia.

Under this Act, four statutory bodies were created to facilitate these objectives:

Its primary roles are to:

- Aboriginal Affairs Planning Authority (AAPA)
- Aboriginal Affairs Co-ordinating Committee (AACC)
- Aboriginal Lands Trust (ALT)
- Western Australian Aboriginal Advisory Council (WAAAC).

The AAPA does not have any staff.

The AAPA funds the operational management of the ALT estate.

The Department of the Premier and Cabinet (DPC) is responsible for policy relating to Aboriginal affairs, including the functions of the AAPA, AACC and WAAAC.

The Department of Planning, Lands and Heritage is responsible for the land management functions of the ALT and related financial provisions, including annual reporting.

Western Australian Aboriginal Advisory Council

The Western Australian Aboriginal Advisory Council (WAAAC), established under section 18 of the AAPA Act, provides advice to the Minister for Aboriginal Affairs and the State Government on matters relating to the interests and wellbeing of Aboriginal people in Western Australia.

The WAAAC's mandate is to guide the State Government's strategic direction for Aboriginal affairs, transform relationships, and positively influence the social, economic and cultural outcomes for Aboriginal Western Australians.

Due to the expiration of the membership in September 2018, the WAAAC met only once in 2018/19, to consider and provide input into the development and design of State Government strategies and policies that affect the lives of Aboriginal Western Australians.

In 2018/19, membership of the WAAAC was as follows:



Mr Ian Trust (Chairperson)

Mr Trust has spent the past 30 years working to drive social and economic change for Aboriginal people in the East Kimberley. Mr Trust is a founder and Executive

Chairperson of the Wunan Foundation and a key leader for Empowered Communities in the East Kimberley. Mr Trust is committed to driving change to improve the lives of Aboriginal people.

Ms Allison (Deceased)

Ms Allison lived in Wiluna, and worked at the Ngangganawilli Aboriginal Health Service as Manager and Board Member. Ms Allison previously managed the Western Australia Drug and Alcohol Authority.



Mr Gordon Gray

Mr Gray was born and raised in Jerramungup and now lives in Geraldton. Mr Gray was previously an Environmental Health Officer with Bundiyarra Aboriginal Corporation. Mr Gray is

the Chairperson of the Midwest Aboriginal Organisations Alliance and the Deputy Chairperson of the Geraldton Regional Aboriginal Medical Service.



Ms Krista Dunstan

Ms Dunstan grew up in Esperance and now lives in Perth. During this time, Ms Dunstan built relationships with community leaders in Perth and has participated in, as well as led,

grassroots leadership and academic programs. Ms Dunstan is passionate about creating genuine relationships between Aboriginal people and the State Government.



Ms Carol Petterson

Ms Petterson was born at Gnowangerup Mission and raised in the bush at Jerramungup in a family of 17. Ms Petterson is a former President of the Women's Advisory Committee to the Premier

of Western Australia on women's issues, and was National NAIDOC Female Elder of the Year in 2008/09. Ms Petterson is committed to social change through educational opportunities and economic development.



Mr Phil Matera

Mr Matera is a Noongar man from Wagin. Mr Matera started a small electrical business in 2003 while playing professional football with the West Coast Eagles. In the 10 years following his playing

career, Mr Matera has developed a range of successful businesses that form the Matera Group.



Ms Brenda Garstone

Ms Garstone grew up in a small remote community, and now lives in Kununurra. Ms Garstone is committed to working to improve outcomes for Aboriginal people and their families, and

has been active in service delivery and policy development in remote communities for more than 20 years.



Aboriginal Affairs Co-ordinating Committee



The Aboriginal Affairs Co-ordinating Committee (AACC), established under section 19 of the AAPA Act, is the coordinating body for Aboriginal affairs, policies, services and programs.

The AACC includes the following membership:

- Director General, Department of the Premier and Cabinet
- Under Treasurer, Department of Treasury
- Director General, Department of Health
- Director General, Department of Education
- Director General, Department of Communities
- Director General, Department of Justice;
- Director General, Department of Planning, Lands and Heritage
- Commissioner, Western Australia Police Force
- Chairperson, Western Australian Aboriginal Advisory Council.

The Director General, Department of the Premier and Cabinet is the Chairperson of the AACC, and the Department provides secretariat support.

In 2018/2019, the AACC met five times to collectively consider the Aboriginal affairs reform agenda for Western Australia. This included providing direction on the development of whole-of-government strategy, and input into refreshing the Closing the Gap agenda.



Aboriginal Lands Trust



The Aboriginal Lands Trust (ALT) is established under section 20 of the AAPA Act. The ALT provides advice to the Minister for Aboriginal Affairs on ALT land issues, and is a significant landholder with responsibility for approximately 24 million hectares or 9.65 per cent of the State's land mass. This land comprises different tenures including reserves, leases and freehold properties. A significant proportion of this land comprises reserves that have management orders held by the ALT (generally having the power to lease), with their purposes mostly being for "the use and benefit of Aboriginal inhabitants".

The ALT estate includes 312 parcels of land including 249 crown reserves, 50 freehold, seven general purpose leases and six pastoral leases.

There are 81 ALT reserves (19 million hectares) that are the subject of a proclamation by the Governor under Part III of the AAPA Act, where special protections apply. A permit is required to enter or transit through these reserves.

The ALT estate includes 155 regional and remote Aboriginal communities and 28 town-based reserves, with an approximate population of 12,000 inhabitants.

Seventeen of the 20 largest Aboriginal communities are located on ALT estate. The five largest are: Bidyadanga, Balgo, Warburton, Kalumburu and Jigalong.

There are over 290 existing leasing arrangements which constitute approximately 13 million hectares (or 54 per cent) of the ALT estate.

The ALT is comprised of seven members appointed based on their knowledge, skills and experience in housing service provision, Aboriginal economic development and land management.

ALT Members



**Dr Robert Isaacs AM
(Chair)**

Dr Isaacs is from the Bibbulmun, Whadjuk, Wardandi, Noongar Language Group. He is the former Executive Manager of Social Lending Keystart Shared Equity Home

Loans for the Department of Housing. He has been awarded the Order of the Australian Medal (OAM) and is widely respected and recognised for his contributions to Aboriginal housing, local government, Aboriginal health, Aboriginal affairs, employment, education and the community. He was named the Western Australian of the Year in 2015.



**Mr James (Jamie)
Elliott**

Mr Elliott works for the Water Corporation based in Kununurra and with remote town-based reserve communities. He has extensive experience in the

development and management of programs and services focused on Aboriginal engagement. Mr Elliott has also worked for the Department of Housing, and is a current board member of the Wunan Foundation and has been reappointed by Minister Wyatt for a further four-year term.



Ms Roanna Edwards

Ms Edwards works for Horizon Power, and has a sound knowledge of housing service provision in regional/remote communities across WA. She has worked for the Northern Land Council,

leading the Council's communications around native title, pastoral leases, mining leases and gazetted townships. She also has a strong media background as previous board member on the Australian Broadcasting Corporation Indigenous Advisory Panel.



Mr Patrick Green

Mr Green is a Bunuba man from the Fitzroy Valley region of Western Australia. He lives in Junjuwa and is currently the Chairperson of his community. Mr Green is the Chairperson of

LEEDAL Pty Ltd, a local Aboriginal-owned business cooperative and the current Chairperson of Marra Worra Worra Aboriginal Corporation in Fitzroy Crossing.



Ms Nerida Haynes

Ms Haynes works for Terra Rosa Consulting, working with Aboriginal communities to utilise/develop land tenure to provide long-term economic return as well as achieve environmental,

cultural heritage and social targets. She has extensive knowledge in relevant legislation and government policies for Aboriginal heritage/land management processes. She is also undertaking part-time study for a Graduate Diploma in Archaeology and Cultural Heritage Management.



Mr Preston Thomas

Mr Thomas is a former Deputy Chairperson of the ALT and is the current Chairperson of Kanpa Community Council. He is also the Chair of the Ngaanyatjarra Council (Aboriginal Corporation).

He is committed to increasing economic development opportunities for Aboriginal Western Australians.



Ms Jacqueline Littlejohn

Ms Littlejohn is a Yamatji Malgana woman from Shark Bay in the North West of WA. With over 20 years' experience in the rapidly-evolving area of diversity, inclusion and

Aboriginal affairs, Ms Littlejohn has pioneered new ways to address prejudice, racism and discrimination. She is committed to advancing health, education and economic development opportunities for Aboriginal people.



Operations and issues

The operations of the AAPA are delivered between agencies, and further details are available through their respective websites and annual reports. The Department of the Premier and Cabinet is responsible for policy relating to Aboriginal affairs, including the functions of the AAPA, AACC and WAAAC. The Department of Planning, Lands and Heritage is responsible for the land management functions of the ALT.



Improving infrastructure

New legislation was introduced to bring certainty for the Tjuntjuntjara community to facilitate investment in health and infrastructure within the community. The lack of formal tenure has limited the community's ability to seek investment for critically-required infrastructure, and restricted its pursuit of on-ground economic activities. Having the right infrastructure and access to essential services will greatly improve living standards for the community and create jobs.

Divestment of ALT Estate

The Government will continue to facilitate the transfer of ALT land and infrastructure assets to Aboriginal control to foster increased economic opportunities critical to the sustainability of Aboriginal communities in regional and remote Western Australia.

Town-based reserves

There are 33 town-based reserves in Western Australia, 28 of which are located on the ALT estate. The ALT is working closely with these communities to ensure greater community safety and improved amenity.

Contaminated sites

Under the *Contaminated Sites Act 2003*, the AAPA is required to report known and suspected contaminated sites to the Department of Water and Environmental Regulation (DWER). In accordance with the Act, DWER classifies these sites on the basis of the risk to human health, the environment and environmental values. Where sites are classified as contaminated – remediation required or possibly contaminated – investigation required, the AAPA may have a liability in respect of investigation or remediation expenses.

During the year, 194 infrastructure reports or remediation activities were undertaken on the ALT Estate, which is an increase of 32 per cent on 2017/18.

Access to Aboriginal Lands

Entry permits are required for entry onto or through proclaimed ALT reserves and can be obtained online through the Department of Planning, Lands and Heritage website. For mining activity, including exploration and prospecting, a Mining Entry Permit and Consent to Mine approval is required from the Minister for Aboriginal Affairs.

During the year, the Department for Planning, Lands and Heritage issued 5,925 Aboriginal Lands transit permits and 20 Mining Entry permits.



Governance



The following activities are undertaken by the Department of Planning, Lands and Heritage on behalf of the AAPA and are reported in the Department's Annual Report.

- Disability access and inclusion plan
- Reconciliation action plan
- Substantive equality
- Freedom of information
- Recordkeeping plans
- Occupational safety, health and injury management
- Compliance with public sector standards and ethical codes.

View the Department of Planning, Lands and Heritage Annual Report:

www.dplh.wa.gov.au/annual-report



Disclosures and legal compliance





Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

THE ABORIGINAL AFFAIRS PLANNING AUTHORITY

Report on the Financial Statements

Opinion

I have audited the financial statements of The Aboriginal Affairs Planning Authority which comprise the Statement of Financial Position as at 30 June 2019, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the operating results and cash flows of The Aboriginal Affairs Planning Authority for the year ended 30 June 2019 and the financial position at the end of that period. They are in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for Opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Authority in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial statements. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibility of the Director General for the Financial Statements

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, the *Financial Management Act 2006* and the Treasurer's Instructions, and for such internal control as the Director General determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Director General is responsible for assessing the agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Authority.

Auditor's Responsibility for the Audit of the Financial Statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the agency's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Director General.
- Conclude on the appropriateness of the Director General's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the agency's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Director General regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on Controls

Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by The Aboriginal Affairs Planning Authority. The controls exercised by the Authority are those policies and procedures established by the Director General to ensure 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 (the overall control objectives).

My opinion has been formed on the basis of the matters outlined in this report.

In my opinion, in all material respects, the controls exercised by The Aboriginal Affairs Planning Authority are sufficiently adequate to 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 during the year ended 30 June 2019.

The Director General's Responsibilities

The Director General is responsible for designing, implementing and maintaining controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities are in accordance with the *Financial Management Act 2006*, the Treasurer's Instructions and other relevant written law.

Auditor General's Responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and the controls, necessary to achieve the overall control objectives, were implemented as designed.

An assurance engagement to report on the design and implementation of controls involves performing procedures to obtain evidence about the suitability of the design of controls to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including the assessment of the risks that controls are not suitably designed or implemented as designed. My procedures included testing the implementation of those controls that I consider necessary to achieve the overall control objectives.

I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Limitations of Controls

Because of the inherent limitations of any internal control structure it is possible that, even if the controls are suitably designed and implemented as designed, once the controls are in operation, the overall control objectives may not be achieved so that fraud, error, or noncompliance with laws and regulations may occur and not be detected. Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in conditions.

Report on the Key Performance Indicators

Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of The Aboriginal Affairs Planning Authority for the year ended 30 June 2019. The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of The Aboriginal Affairs Planning Authority are relevant and appropriate to assist users to assess the Authority's performance and fairly represent indicated performance for the year ended 30 June 2019.

The Director General's Responsibility for the Key Performance Indicators

The Director General is responsible for the preparation and fair presentation of the key performance indicators in accordance with the *Financial Management Act 2006* and the Treasurer's Instructions and for such internal control as the Director General determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

In preparing the key performance indicators, the Director General is responsible for identifying key performance indicators that are relevant and appropriate having regard to their purpose in accordance with Treasurer's Instruction 904 *Key Performance Indicators*.

Auditor General's Responsibility

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the agency's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.

I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

An assurance engagement involves performing procedures to obtain evidence about the amounts and disclosures in the key performance indicators. It also involves evaluating the relevance and appropriateness of the key performance indicators against the criteria and guidance in Treasurer's Instruction 904 for measuring the extent of outcome achievement and the efficiency of service delivery. The procedures selected depend on my judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments I obtain an understanding of internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances.

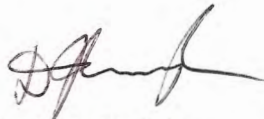
I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

My Independence and Quality Control Relating to the Reports on Controls and Key Performance Indicators

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Matters Relating to the Electronic Publication of the Audited Financial Statements and Key Performance Indicators

This auditor's report relates to the financial statements and key performance indicators of The Aboriginal Affairs Planning Authority for the year ended 30 June 2019 included on the Authority's website. The Authority's management is responsible for the integrity of the Authority's website. This audit does not provide assurance on the integrity of the Authority's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.



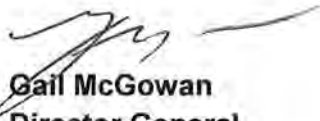
DON CUNNINGHAME
ASSISTANT AUDITOR GENERAL FINANCIAL AUDIT
Delegate of the Auditor General for Western Australia
Perth, Western Australia
16 September 2019

Certification of financial statements

for the reporting period ended 30 June 2019

The accompanying financial statements of the Aboriginal Affairs Planning Authority have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2019 and the financial position as at 30 June 2019.

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



Gail McGowan

Director General

Department of Planning, Lands and Heritage

16 September 2019



Maurice Hanrahan

Chief Finance Officer

Department of Planning, Lands and Heritage

16 September 2019

Statement of comprehensive income for the year ended 30 June 2019

		2019	2018
	Notes	\$000	\$000
COST OF SERVICES			
Expenses			
Supplies and services	2.1	4,852	6,551
Depreciation expense	4.1	1,144	1,137
Grants and subsidies	2.2	1,474	170
Other expenses	2.3	2,482	2,026
Total cost of services		9,952	9,884
Income			
<i>Revenue</i>			
Grants and contributions	3.3	2,000	1,700
Other revenue	3.2	771	474
Total revenue		2,771	2,174
Total income other than income from State Government		2,771	2,174
NET COST OF SERVICES		7,181	7,710
Income from State Government			
Services received free of charge	3.1	4,781	6,358
Total income from State Government		4,781	6,358
DEFICIT FOR THE PERIOD		(2,400)	(1,352)
OTHER COMPREHENSIVE LOSSES			
Items not reclassified subsequently to profit or loss			
Changes in asset revaluation surplus		(1,996)	(644)
Total other comprehensive losses		(1,996)	(644)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(4,396)	(1,996)

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

Statement of financial position

as at 30 June 2019

	Notes	2019 \$000	2018 \$000
ASSETS			
Current Assets			
Cash and cash equivalents	6.1	1,019	271
Restricted cash and cash equivalents	6.1	-	1,354
Receivables	5.1	398	224
Other current assets	5.2	-	4
Total Current Assets		1,417	1,853
Non-Current Assets			
Property (Land and Buildings)	4.1	102,643	105,049
Total Non-Current Assets		102,643	105,049
TOTAL ASSETS		104,060	106,902
LIABILITIES			
Current Liabilities			
Payables	5.3	676	32
Other liabilities	5.4	100	-
Provisions	5.5	1,330	1,254
Total Current Liabilities		2,106	1,286
NET ASSETS		101,954	105,616
EQUITY			
Contributed equity	8.8	840	106
Reserves (land and Buildings)		120,178	122,174
Accumulated deficit		(19,064)	(16,664)
TOTAL EQUITY		101,954	105,616

The Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of changes in equity for the year ended 30 June 2019

	Notes	Contributed Equity \$000	Reserves \$000	Accumulated surplus/ (deficit) \$000	Total equity \$000
Balance at 1 July 2017	8.8	106	122,818	(15,312)	107,612
Deficit		-	-	(1,352)	(1,352)
Other comprehensive losses		-	(644)	-	(644)
Total comprehensive loss for the period		-	(644)	(1,352)	(1,996)
16 September 2019					
owners:					
Capital appropriations		-	-	-	-
Distributions to owners		-	-	-	-
Total		-	-	-	-
Balance at 30 June 2018		106	122,174	(16,664)	105,616
16 September 2019	8.8	106	122,174	(16,664)	105,616
Deficit		-	-	(2,400)	(2,400)
Other comprehensive losses		-	(1,996)	-	(1,996)
Total comprehensive losses for the period		-	(1,996)	(2,400)	(4,396)
Transactions with owners in their capacity as owners:					
Capital appropriations		-	-	-	-
Contributions by owners		952	-	-	952
Distribution to owners		(218)	-	-	(218)
Total		734	-	-	734
Balance at 30 June 2019		840	120,178	(19,064)	101,954

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

Statement of cash flows

for the year ended 30 June 2019

	2019	2018
Notes	\$000	\$000
Utilised as follows:		
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments		
Supplies and services	(72)	(190)
Grants and subsidies	(1,474)	(170)
GST payments on purchases	(273)	(77)
GST payment to taxation authority	(2)	(11)
Other payments	(1,824)	(2,021)
Receipts		
Grants and contributions	2,000	1,700
GST receipts on sales	31	6
GST receipts from taxation authority	354	47
Other receipts	654	475
Net cash (used in) operating activities	(606)	(241)
Net (decrease) in cash and cash equivalents	(606)	(241)
Cash and cash equivalents at the beginning of the period	1,625	1,866
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	6.1 1,019	1,625

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

Notes to the financial statements for the year ended 30 June 2019

1. Basis of preparation

The Aboriginal Affairs Planning Authority (AAPA) is a WA Government entity and is controlled by the State of Western Australia, which is the ultimate parent. The entity is a not-for-profit entity (as profit is not its principal objective).

A description of the nature of its operations and its principal activities have been included in the 'Overview' which does not form part of these financial statements.

These annual financial statements were authorised for issue by the Director General of Department of Planning, Lands and Heritage on 16 September 2019.

Statement of compliance

These general purpose financial statements have been prepared in accordance with:

- 1) The *Financial Management Act 2006 (FMA)*;
- 2) The Treasurer's Instructions (the Instructions or TI);
- 3) Australian Accounting Standards (AASs) - Reduced Disclosure Requirements
- 4) Where appropriate, those AASs paragraphs applicable for not-for-profit entities have been applied.

The Financial Management Act 2006 and the Treasurer's Instructions take precedence over AASs. Several AASs are modified by TIs to vary application, disclosure format and wording. Where modification is required and has had 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.

Basis of preparation

These financial statements are presented in Australian dollars applying the accrual basis of accounting and using the historical cost convention. Certain balances will apply a different measurement basis (such as the fair value basis). Where this is the case the different measurement basis is disclosed in the associated note. All values are rounded to the nearest thousand dollars (\$'000).

Judgements and estimates

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements and estimates made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements and/or estimates are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances.

Contributed Equity

AASB Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities* requires transfers in the nature of equity contributions, other than as a result of a restructure of administrative arrangements, 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 appropriations have been designated as contributions by owners by TI 955 *Contributions by Owners made to Wholly Owned Public Sector Entities* and have been credited directly to Contributed Equity.

The transfers of net assets to/from other agencies, other than as a result of a restructure of administrative arrangements, are designated as contributions by owners where the transfers are non-discretionary and non-reciprocal.

2 Use of our funding

Expenses incurred in the delivery of services

This section provides additional information about how the Authority's funding is applied and the accounting policies that are relevant for an understanding of the items recognised in the financial statements. The primary expenses incurred by the Authority in achieving its objectives and the relevant notes are:

	Notes	2019 \$000	2018 \$000
Supplies and services	2.1	4,852	6,551
Grants and subsidies	2.2	1,474	170
Other expenses	2.3	2,482	2,026

2.1 Supplies and services

Support from Department of Planning, Lands and Heritage	4,781	6,358
Other services and contracts	71	193
Total supplies and services expenses	4,852	6,551

Supplies and services:

Supplies and services are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any materials held for distribution are expensed when the materials are distributed.

2.2 Grants and subsidies

Police and Community Youth Centres (PCYC)	1,336	-
Mining rents and Royalties	138	170
	1,474	170

Transactions in which the Authority provides goods, services, assets (or extinguishes a liability) or labour to another party without receiving approximately equal value in return are categorised as 'Grant expenses'. Grants can either be operating or capital in nature.

Grants can be paid as general purpose grants which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants which are paid for a particular purpose and/or have conditions attached regarding their use.

Grants and other transfers to third parties (other than contribution to owners) are recognised as an expense in the reporting period in which they are paid or payable. They include transactions such as: grants, subsidies, personal benefit payments made in cash to individuals, other transfer payments made to public sector agencies, local government, non-government schools, and community groups.

2.3 Other expenses

Repairs and maintenance	2,297	2,015
Other	185	11
Total other expenses	2,482	2,026

3 Our funding sources

How we obtain our funding

This section provides additional information about how the Authority obtains its funding and the relevant accounting policy notes that govern the recognition and measurement of this funding. The primary income received by the Authority and the relevant notes are:

	Notes	2019 \$000	2018 \$000
Income from State Government	3.1	4,781	6,358
Other revenue	3.2	771	474
Grants and contributions	3.3	2,000	1,700

3.1 Income from State Government

Services received free of charge from other State government agencies during the period:

Department of Planning, Lands and Heritage	4,781	6,358
Total services received	4,781	6,358

Where assets or services have been received free of charge or for nominal cost, the Authority recognises revenue (and assets or expenses) equivalent to the fair value of the assets and/or the fair value of those services that can be reliably determined and which would have been purchased if not donated.

	2019 \$000	2018 \$000
3.2 Other revenue		
Interest revenue	47	45
Royalties received	340	313
Other	384	116
	771	474

Other revenue is recognised and measured at the fair value of consideration received or receivable.

3.3 Grants and contributions

Recurrent grants - other government agencies ^(a)	2,000	1,700
	2,000	1,700

^(a) Grant from the Department of Planning, Lands and Heritage

For non-reciprocal grants, the Authority recognises revenue when the grant is receivable at its fair value as and when its fair value can be reliably measured.

The grants have been recognised in their entirety upon receipt as the only condition applying to its use is how it can be expended and it is not subject to performance measures in terms of service delivery.

4 Key assets

Assets the Authority utilises for economic benefit or service potential.

This section includes information regarding the key assets the Authority utilises to gain economic benefits or provide service potential. The section sets out both the key accounting policies and financial information about the performance of these assets:

	Notes	2019 \$000	2018 \$000
Property (Land and Buildings)	4.1	102,643	105,049
Total key assets		102,643	105,049

4.1 Property (Land and Buildings)

Reconciliations of the carrying amounts of property at the beginning and end of the reporting period are set out in the table below.

For the year ended 30 June 2019	Freehold land \$000	Reserves \$000	Pastoral leases \$000	Other leases \$000	Buildings \$000	Total \$000
1 July 2018						
Gross carrying amount	14,843	41,482	2,733	250	45,741	105,049
Accumulated depreciation	-	-	-	-	-	-
Carrying amount at start of period	14,843	41,482	2,733	250	45,741	105,049
Additions	-	-	-	-	951	951
Transfers ^(a)	-	(217)	-	-	-	(217)
Revaluation increments / (decrements)	(357)	327	-	-	(1,966)	(1,996)
Depreciation	-	-	-	-	(1,144)	(1,144)
Carrying amount at end of period	14,486	41,592	2,733	250	43,582	102,643
Gross carrying amount	14,486	41,592	2,733	250	43,584	102,645
Accumulated depreciation	-	-	-	-	(2)	(2)

^(a) The Department of Planning, Lands and Heritage (DPLH) is the only Department with the power to sell Crown land. The land is transferred to DPLH for sale and the Authority accounts for the transfer as a distribution to owner.

Initial recognition

Items of property, plant and equipment, costing \$5,000 or more are measured initially at cost. Where an asset is acquired for no or nominal cost, the cost is valued at its fair value at the date of acquisition. Items of property, plant and equipment costing less than \$5,000 are immediately expensed direct to the Statement of Comprehensive Income (other than where they form part of a group of similar items which are significant in total).

Subsequent measurement

Subsequent to initial recognition of an asset, the revaluation model is used for the measurement of:

- Freehold land, reserves and leases
- buildings

Freehold land, reserves and leases are carried at fair value.

Buildings are carried at fair value less accumulated depreciation and accumulated impairment losses.

Freehold land, reserves, leases and buildings are independently valued annually by the Western Australian Land Information Authority (Valuations and Property Analytics) and recognised annually to ensure that the carrying amount does not differ materially from the asset's fair value at the end of the reporting period.

Freehold land, reserves, leases and buildings were revalued as at 1 July 2018 by the Western Australian Land Information Authority (Valuations and Property Analytics). The valuations were performed during the year ended 30 June 2019 and recognised at 30 June 2019. In undertaking the revaluation, fair value was determined by reference to market values for freehold land, reserves and leases: \$28,354k (2017-18 \$29,393k) and buildings: \$9,777k (2017-18 \$10,372k). For the remaining balance, fair value of buildings was determined on the basis of current replacement cost and fair value of land was determined on the basis of comparison with market evidence for land with low level utility (high restricted use land).

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

4.1.1 Depreciation and impairment

Charge for the period

Depreciation

Buildings

Total depreciation for the period

	2019	2018
	\$000	\$000
Buildings	1,144	1,137
Total depreciation for the period	1,144	1,137

As at 30 June 2019 there were no indications of impairment to property.

All surplus assets at 30 June 2019 have either been classified as assets held for sale or have been written-off.

Finite useful lives

Property having a limited useful life is systematically depreciated over its estimated useful life in a manner that reflects the consumption of its future economic benefits. The exceptions to this rule include assets held for sale, land and investment properties.

Depreciation is generally calculated on a straight line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

Useful life: years	
Buildings	
Houses	40 years
Sheds and workshops	40 years
Other facilities	40 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments should be made where appropriate.

Freehold land, reserves, and leases are considered to have indefinite lives and not depreciated.

Impairment

Non-financial assets are tested for impairment whenever there is an indication that the asset may be impaired. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised.

Where an asset measured at cost is written down to its recoverable amount, an impairment loss is recognised through profit or loss.

Where a previously revalued asset is written down to its recoverable amount, the loss is recognised as a revaluation decrement through other comprehensive income unless offsetting a previous increment held in the reserve.

If there is an indication that there has been a reversal in impairment, the carrying amount shall be increased to its recoverable amount. However this reversal should not increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

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

5 Other assets and liabilities

This section sets out those assets and liabilities that arose from the Authority's controlled operations and includes other assets utilised for economic benefits and liabilities incurred during normal operations:

	Notes	2019 \$000	2018 \$000
Receivables	5.1	398	224
Other current assets	5.2	-	4
Payables	5.3	676	32
Other liabilities	5.4	100	-
Provisions	5.5	1,330	1,254

5.1 Receivables

Trade receivables	337	115
Allowance for impairment of receivables	(5)	-
GST receivable	66	109
Total current	398	224

The Authority does not hold any collateral or other credit enhancements as security for receivables.

Trade receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

5.2 Other assets

Current

Prepayments	-	4
Total current	-	4

Other assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

5.3 Payables

Current

Trade payables	481	8
Accrued expenses	195	24
Total current	676	32

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

5.4 Other liabilities

Current

Revenue received in advance ^(a)	100	-
Total current	100	-

^(a) This represents revenue received in advance for a pastoral sublease.

5.5 Provisions

Current

Remediation costs	1,330	1,254
Balance at end of period	1,330	1,254

5.5.1 Provision for remediation

Under the *Contaminated Sites Act 2003* the Authority has a legal or constructive obligation to rehabilitate affected parcels of land.

A provision for remediation is recognised when:

- there is a present obligation where contaminated sites have been identified and classified as 'contaminated - remediation required';
- it is probable that an outflow of economic benefits will be required to settle the obligation; and
- the amount of the provision can be measured reliably.

The estimated future obligations include the costs of restoring the affected areas.

The provision for future remediation costs is the best estimate of the present value of the expenditure required to settle the remediation obligation at the reporting date. Future remediation costs are reviewed annually and any changes in the estimate are reflected in the present value of the remediation provision at each reporting date.

5.5.2 Movements in provisions

Movements in each class of provisions during the period, other than employee benefits, are set out below.

	2019	2018
Remediation costs	\$000	\$000
Carrying amount at start of period	1,254	1,253
Additional/(reversals of) provisions recognised	76	1
Carrying amount at end of period	1,330	1,254

6 Financing

6.1 Cash and cash equivalents

6.1.1 Reconciliation of cash

Cash and cash equivalents	1,019	271
Restricted cash and cash equivalents:	-	1,354
Balance at end of period	1,019	1,625
<i>Restricted cash and cash equivalents</i>		
WA Strategic Intervention Package ^(a)	-	19
Multifunctional Police Facilities ^(b)	-	1,149
Royalties for Regions ^(c)	-	15
CL Johnson Bequest ^(d)	-	2
H Drake-Brockman ^(e)	-	1
Regional Partnership Agreement (RPA)	-	168
	-	1,354

^(a) WA strategic intervention package

Project complete

^(b) Multi-functional police facilities

Grant paid for development of police facilities at four remote communities - Burringurrah, Looma, Wingellina and Bidadanga.

^(c) Royalties for Regions

Program complete - Funds received for defined projects including Aboriginal Community Emergency Response Fund.

^(d) CL Johnson Bequest

The purpose of this trust account is to hold funds for the benefit of Aboriginal Missionaries in Western Australia during illness in accordance with the bequest of the late Christian Larsen Johnson to the Department of Native Welfare (now completed).

^(e) H Drake-Brockman

The purpose of this trust account is to hold funds to award a prize in the form of books, apparatus, equipment, etc. to the Aboriginal student who achieves the highest Tertiary Entrance Examination (TEE) aggregate results in Western Australia in accordance with the bequest of the late Henrietta Drake-Brockman (now completed).

For the purpose of the statement of cash flows, cash and cash equivalent (and restricted cash and cash equivalent) assets comprise cash on hand and short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value.

7 Financial instruments and contingencies

		2019	2018
	Notes	\$000	\$000
Financial instruments	7.1		
Contingent assets	7.1.1		
Contingent liabilities	7.1.2		

7.1 Financial instruments

The carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are:

Financial assets			
Cash and cash equivalents		1,019	271
Restricted cash and cash equivalents		-	1,354
Loans and receivables ^(a)		-	115
Financial assets at amortised cost ^(a)		332	-
Total financial assets		1,351	1,740
Financial liabilities			
Financial liabilities at amortised cost		676	32
Total financial liabilities		676	32

(a) The amount of receivables/financial assets at amortised cost excluded GST recoverable from the ATO (statutory receivable)

7.1.1 Contingent assets

Contingent assets are not recognised in the statement of financial position but are disclosed and, if quantifiable, are measured at nominal value.

Contingent assets are presented inclusive of GST receivable or payable respectively.

The Authority is not aware of any contingent assets.

7.1.2 Contingent liabilities

Contingent liabilities are not recognised in the statement of financial position but are disclosed and, if quantifiable, are measured at nominal value.

Contingent liabilities are presented inclusive of GST receivable or payable respectively.

The following contingent liabilities are excluded from the liabilities included in the financial statements.

Contaminated sites

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

During the 2018-19 financial year, a total of 32 suspected contaminated sites were reported to DWER. In total, 41 sites require formal investigation and have been classified by DWER as 'possibly contaminated – investigation required' and 3 sites require remediation or management and have been classified by DWER as 'contaminated – remediation required'.

These sites will remain as a contingent liability until such time as funding is identified to complete Preliminary Site Investigations, classifications determined and it is practicable to estimate the potential financial effect or to identify the uncertainties relating to the amount or timing of any outflows. While there is no possibility of reimbursement of any future expenses that may be incurred in the remediation of these sites, the Authority may apply for funding from the Contaminated Sites Management Account to undertake further investigative work or to meet remediation costs that may be required.

Insurance

Buildings and contents on land that is owned or under the Aboriginal Land Trust's responsibility covers approximately 10% of the state and due to the size of this land there is limited information on the number and current condition of these fixed assets. An assessment is made on insured values for known property conditions and these properties are now insured at replacement building value or cost to demolish. There is a risk that these buildings will not be fully insured at replacement value however the Authority is continuing to work with RiskCover to address their disclosure requirements. The Authority reviews its insurance requirements on an annual basis.

Water

Previously the Water Corporation brought to the attention of management a contingent liability regarding the supply of water on the Aboriginal Land Trust estate. Outgoing costs on leased or tenanted land is the responsibility of the tenant but if it is not recoverable from the lessee or tenant, this debt (under the Water Corporations' system) generally reverts to the landowner.

Currently invoices of approximately \$1,357k issued by Water Corporation to the Authority remains outstanding as at period end. No provision was raised at 30 June 2019 as there was no present legal or constructive obligation and management considers an outflow of resources embodying economic benefits is highly improbable.

8 Other disclosures

This section includes additional material disclosures required by accounting standards or other pronouncements, for the understanding of this financial report.

	<u>Notes</u>
Events occurring after the end of the reporting period	8.1
Initial application of Australian Accounting Standards	8.2
Key management personnel	8.3
Related party transactions	8.4
Related bodies	8.5
Affiliated bodies	8.6
Remuneration of auditors	8.7
Equity	8.8
Supplementary financial information	8.9
Explanatory statement	8.10

8.1 Events occurring after the end of the reporting period

No information has become apparent after the end of the reporting period which would materially affect the financial statements.

8.2 Initial application of Australian Accounting Standards

AASB 9 Financial Instruments

AASB 9 *Financial instruments* replaces AASB 139 *Financial instruments: Recognition and Measurement* for annual reporting periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Authority applied AASB 9 prospectively, with an initial application date of 1 July 2018. The adoption of AASB 9 has resulted in changes in accounting policies, however there have been no adjustments to the amounts recognised in the financial statements.

(a) Classification and measurement

Under AASB 9, financial assets are subsequently measured at amortised cost, fair value through other comprehensive income (fair value through OCI) or fair value through profit or loss (fair value through P/L). The classification is based on two criteria: the Authority's business model for managing the assets; and whether the assets' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the Authority's business model was made as of the date of initial application, 1 July 2018. The assessment of whether contractual cash flows on financial assets are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of AASB 9 did not have a significant impact to the Authority. The following are the changes in the classification of the Authority's financial assets:

- Trade receivables classified as Loans and receivables as at 30 June 2018 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as Financial assets at amortised cost beginning 1 July 2018.
- The Authority did not designate any financial assets as at fair value through P/L.

In summary, upon the adoption of AASB 9, the Authority had the following required (or elected) reclassifications as at 1 July 2018:

AASB 139 category	<u>\$000</u>	<u>AASB 9</u> <u>category</u>	<u>Fair value</u>	<u>Fair value</u>
		<u>cost</u>	<u>through OCI</u>	<u>through P/L</u>
		<u>\$000</u>	<u>\$000</u>	<u>\$000</u>
Loans and receivables				
Trade receivables [*]	115	115	-	-
		<u>115</u>	-	-

^{*} The change in carrying amount is a result of additional impairment allowance. See the discussion on impairment below.

(b) Impairment

The adoption of AASB 9 has fundamentally changed the Authority's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach. AASB 9 requires the Authority to recognise an allowance for ECLs for all financial assets not held at fair value through P/L. The adoption of the expected credit loss approach did not result in any adjustment as at 1 July 2018.

8.3 Key management personnel

The Authority has determined key management personnel to include the responsible minister members of the Authority. The Authority does not incur expenditures to compensate the responsible Minister and those disclosures may be found in the Annual Report on State Finances.

The total fees, salaries, superannuation, non-monetary benefits and other benefits for members of the Authority for the reporting period are presented within the following bands:

Compensation Band (\$)	2019	2018
0 - 10,000	7	7
	2019	2018
	\$000	\$000
Total compensation of key management personnel	13	21

Total compensation includes the superannuation expense incurred by the Authority in respect of members of the accountable authority.

The Department of Planning, Lands and Heritage (DPLH) provides full administrative support to the Authority. Compensation of members, disclosed above, form part of the services received free of charge from DPLH.

8.4 Related party transactions

The Authority is a wholly owned public sector entity that is controlled by of the State of Western Australia.

Related parties of the Authority include:

- all cabinet ministers and their close family members, and their controlled or jointly controlled entities;
- all senior officers and their close family members, and their controlled or jointly controlled entities;
- other departments and statutory authorities, including related bodies, that are included in the whole of government consolidated financial statements (i.e. wholly-owned public sector entities);
- associates and joint ventures of a wholly-owned public sector entity; and
- the Government Employees Superannuation Board (GESB).

Significant Transactions with Government-related entities

In conducting its activities, the Authority is required to transact with the State and entities related to the State. These transactions are generally based on the standard terms and conditions that apply to all agencies. Such transactions include:

- income from State Government (Note 3.1);
- equity contributions (Note 8.8);
- remuneration for services provided by the Auditor General (Note 8.7).

Material transactions with other related parties

Outside of normal citizen type transactions with the Authority, there were no other related party transactions that involved key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.

8.5 Related bodies

The Authority had no related bodies during the current or previous financial year.

8.6 Affiliated bodies

The Authority had no affiliated bodies during the current or previous financial year.

8.7 Remuneration of auditors

Remuneration paid or payable to the Auditor General in respect of the audit for the current financial year is as follows:

Auditing the accounts, financial statements, controls and key performance indicators

	2019	2018
	\$000	\$000
Auditing the accounts, financial statements, controls and key performance indicators	17	16

8.8 Equity

Contributed equity

Balance at start of period

Contribution by owners

Transfer of net assets from other agencies

Land and buildings

Total contribution by owners

Balance at start of period	106	-
<i>Contribution by owners</i>		
<i>Transfer of net assets from other agencies</i>		
Land and buildings	952	106
Total contribution by owners	952	106

Distribution to owners

Transfer of net assets to other agencies

Land and buildings

Total distributions to owners

Balance at end of period

<i>Distribution to owners</i>		
<i>Transfer of net assets to other agencies</i>		
Land and buildings	(218)	
Total distributions to owners	(218)	-
Balance at end of period	840	106

Asset revaluation surplus

Balance at start of period

Net revaluation increments

Freehold land, reserves and leases

Buildings

Balance at end of period

Balance at start of period	122,174	122,818
Net revaluation increments		
Freehold land, reserves and leases	(30)	(2,041)
Buildings	(1,966)	1,397
Balance at end of period	120,178	122,174

Accumulated deficit

Balance at start of period

Result for the period

Balance at end of period

Balance at end of period

Balance at start of period	(16,664)	(15,312)
Result for the period	(2,400)	(1,352)
Balance at end of period	(19,064)	(16,664)
Balance at end of period	101,954	105,616

8.9 Supplementary financial information

(a) Write-offs

The Authority did not have any write offs for the current or previous year.

(b) Losses through theft, defaults and other causes

No reported losses due to theft, defaults and other causes for the current or previous year.

(c) Gifts of public property

The Authority did not provide any gifts of public property for the current or previous year.

8.10 Explanatory statement

All variances between estimates (original budget) and actual results for 2019 are shown below. Narratives are provided for selected major variances, which are generally greater than:

- 5% and \$90K for the Statements of Comprehensive Income and Cash Flows; and
- 5% and \$2M for the Statement of Financial Position.

8.10.1 Statement of Comprehensive Income Variances

	Variance	Estimate	Actual	Actual	Variance between estimate and actual	Variance between actual results for 2019 and 2018
	Note	2019	2019	2018		
		\$000	\$000	\$000	\$000	\$000
Expenses						
Supplies and services	1, A	122	4,852	6,551	(4,730)	(1,699)
Depreciation expense		1,155	1,144	1,137	11	7
Accommodation expenses	2	105	-	-	105	-
Grants and subsidies	3, B	250	1,474	170	(1,224)	1,304
Other expenses	1, C	2,902	2,482	2,026	420	456
Total cost of services		4,534	9,952	9,884	(5,418)	68
Income						
Revenue						
Grants and contributions	4, D	-	2,000	1,700	(2,000)	300
Other revenue	5, E	317	771	474	(454)	297
Total Revenue		317	2,771	2,174	(2,454)	597
Total income other than income from State Government		317	2,771	2,174	(2,454)	597
NET COST OF SERVICES		4,217	7,181	7,710	(2,964)	(529)
Income from State Government						
Services received free of charge	1, F	2,880	4,781	6,358	(1,901)	(1,577)
Total income from State Government		2,880	4,781	6,358	(1,901)	(1,577)
DEFICIT FOR THE PERIOD		(1,337)	(2,400)	(1,352)	1,063	(1,048)
OTHER COMPREHENSIVE LOSSES						
Items not reclassified subsequently to profit or loss						
Changes in asset revaluation surplus	6, G	-	(1,996)	(644)	1,996	(1,352)
Total other comprehensive income		-	(1,996)	(644)	1,996	(1,352)
TOTAL COMPREHENSIVE LOSSES FOR THE PERIOD		(1,337)	(4,396)	(1,996)	3,059	(2,400)

Major Estimate and Actual (2019) Variance Narratives

- The variances between supplies and services, other expenses and services received free of charge (SRFOC) is a result of:
 - the budgeted expense for SRFOC being included in expenses in comparison, to the actual being included in supplies and services.
 - the actual SRFOC expense exceeding the estimate by \$1.9m, which was adjusted during the mid-Year process.
 - no estimate was included for repairs and maintenance in other expenses, which amounted to \$2.3m for the year.
- There were no expense items incurred and classified as accommodation.
- The payment of grant to WA Police for \$1.336m was approved at Mid-Year Review and therefore not included in the original budget.
- The variance is due to a grant payment from DPLH to AAPA that was approved at Mid-year Review for \$2M.
- The variance is due to an increase in mining royalties and rent received above budget.
- The item is unbudgeted as no impact was anticipated for the property valuation changes.

Major Actual (2019) and Comparative (2018) Variance Narratives

- A** The variance is mainly due to reduced support costs from the Department of Planning, Lands and Heritage due to other income being received.
- B** The variance is mainly due to the payment of grant in 2018-19 to WA Police for \$1.336m.
- C** The variance is mainly due to increased repairs and maintenance on properties.
- D** The variance between years is due to the approved grant in 2018-19 of \$2m compared to \$1.7m in 2017-18 amount from DPLH to AAPA
- E** The variance is due to an increase in mining royalties and rent received during 2018-19.
- F** The variance is due to a lower service received free of charge from the Department of Planning, Lands and Heritage in 2018-19 due to other income being received independent of DPLH.
- G** The variance is due to the change in the valuation of property held.

8.10.2 Statement of Financial Position Variances

	Variance	Estimate	Actual	Actual	Variance between estimate and actual	Variance between actual results for 2019 and 2018
	Note	2019	2019	2018		
		\$000	\$000	\$000	\$000	\$000
ASSETS						
<i>Current Assets</i>						
Cash and cash equivalents		151	1,019	271	(868)	748
Restricted cash and cash equivalents		1,355	-	1,354	1,355	(1,354)
Receivables		86	398	224	(312)	174
Other current assets		129	-	4	129	(4)
Total Current Assets		1,721	1,417	1,853	304	(436)
<i>Non-Current Assets</i>						
Property (land and buildings)	7, H	109,434	102,643	105,049	6,791	(2,406)
Total Non-Current Assets		109,434	102,643	105,049	6,791	(2,406)
TOTAL ASSETS		111,155	104,060	106,902	7,095	(2,842)
LIABILITIES						
<i>Current Liabilities</i>						
Payables		46	676	32	(630)	644
Provisions		1,253	1,330	1,254	(77)	76
Other current liabilities		-	100	-	(100)	100
Total Current Liabilities		1,299	2,106	1,286	(807)	820
TOTAL LIABILITIES		1,299	2,106	1,286	(807)	820
NET ASSETS		109,856	101,954	105,616	7,902	(3,662)
EQUITY						
Contributed equity		106	840	106	(734)	734
Reserves		127,733	120,178	122,174	7,555	(1,996)
Accumulated deficit		(17,983)	(19,064)	(16,664)	1,081	(2,400)
TOTAL EQUITY		109,856	101,954	105,616	7,902	(3,662)

Major Estimate and Actual (2019) Variance Narratives

- 7 The variance is an over estimation of the increment in the value of the land and buildings.

Major Actual (2019) and Comparative (2018) Variance Narratives

- H The variance is mainly due to the revaluation of land and buildings during 2018-19.

Statement of Comprehensive Income

Estimates for the year ending 30 June 2020

	2019-2020 \$000
COST OF SERVICES	
Expenses	
Supplies and services	3,119
Services received free of charge	6,500
Depreciation expense	1,155
Accommodation expense	187
Grants and subsidies	175
Other expenses	15
Total cost of services	<u>11,151</u>
Income	
Revenue	
Interest revenue	8
Grants and subsidies	2,997
Other revenue	309
Total revenue	<u>3,314</u>
Total income other than income from State Government	<u>3,314</u>
NET COST OF SERVICES	7,837
Income from State Government	
Services received free of charge	6,500
Total income from State Government	<u>6,500</u>
SURPLUS /(DEFICIT) FOR THE PERIOD	<u><u>(1,337)</u></u>
OTHER COMPREHENSIVE INCOME	
Items not reclassified subsequently to profit or loss	0
Changes in asset revaluation surplus	0
Total other comprehensive income	<u>0</u>
TOTAL ESTIMATED COMPREHENSIVE INCOME FOR THE PERIOD	<u><u>(1,337)</u></u>

Statement of Financial Position

Estimates for the year ending 30 June 2020

	2019-2020
	\$000
ASSETS	
Current Assets	
Cash and cash equivalents	126
Receivables	225
Other current assets	4
Total Current Assets	355
Non-Current Assets	
Property	107,752
Total Non-Current Assets	107,752
TOTAL ASSETS	108,107
LIABILITIES	
Current Liabilities	
Payables	33
Provisions	1,254
Total Current Liabilities	1,287
TOTAL LIABILITIES	1,287
NET ASSETS	106,820
EQUITY	
Contributed Equity	106
Reserves	127,187
Accumulated surplus/(deficit)	(20,473)
TOTAL EQUITY	106,820

Statement of Cashflows

Estimates for the year ending 30 June 2020

	2019-2020
	\$000
CASH FLOWS FROM OPERATING ACTIVITIES	
Payments	
Supplies and services	(3,119)
Accommodation expenses	(266)
Grants and subsidies	(175)
GST payments on purchases	(119)
Other payments	(15)
Receipts	
Interest received	8
Grants and subsidies	2,997
GST receipts from taxation authority	119
Other receipts	388
Net cash provided by/ (used in) operating activities	(182)
Net increase / (decrease) in cash and cash equivalents	(182)
Cash and cash equivalents at the beginning of the period	308
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	126

Key Performance Indicators

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 Aboriginal Affairs Planning Authority's performance, and fairly represent the performance of the Aboriginal Affairs Planning Authority for the financial year ended 30 June 2019.



Gail McGowan
Director General
Department of Planning, Lands and Heritage
16 September 2019

Desired Outcome and Key Performance Indicators for the year ended 30 June 2019

Relationship to Government Goals

The Aboriginal Affairs Planning Authority (the Authority) contributes to the Government goal of Better Places: A quality environment with liveable and affordable communities and vibrant regions.

The desired outcome of the Authority is that the use and management of land held by the Aboriginal Lands Trust (ALT), or for which the ALT is in any manner responsible, accords with the wishes of the Aboriginal inhabitants of the area so far as that can be ascertained and is practicable.

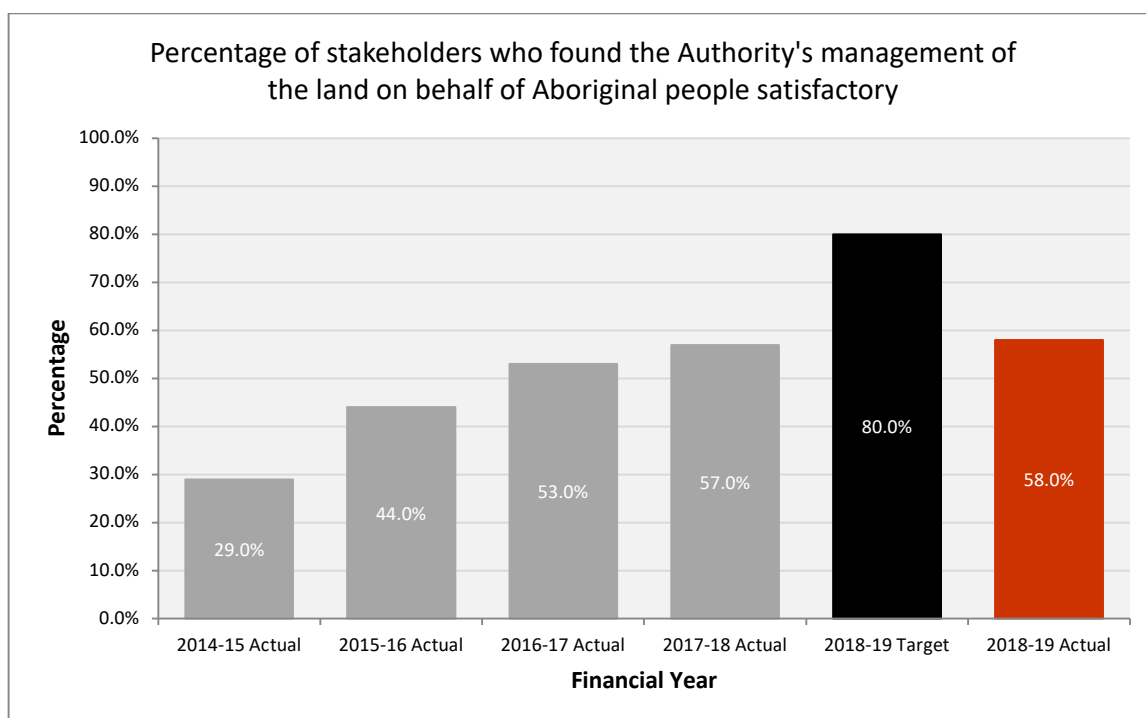
Efficiency Indicators:

Percentage of stakeholders who found the Authority's management of the land on behalf of Aboriginal people satisfactory

The Authority's effectiveness in achieving its outcome was measured in the context of the use and management of the land held by the ALT.

To measure this effectiveness the Department of Planning Lands and Heritage (the Department) commissioned an independent research consultancy to conduct a survey of key stakeholders for 2018-19. Survey responses are sought from direct stakeholders, including other government agencies, key stakeholder committees and key community organisations. Stakeholders are identified as those individuals or organisations that have had substantial interactions with the department and its services during the reporting period. The number of survey respondents fluctuates from year to year because of individuals who opt out and those who are unable to be contacted.

For 2018-19, a total of 49 respondents from a database of 76 stakeholders participated in the survey, yielding a 64 per cent participation rate that provides a confidence level of 95 per cent with a maximum margin of error of ± 8.4 per cent.



Explanation for significant variance

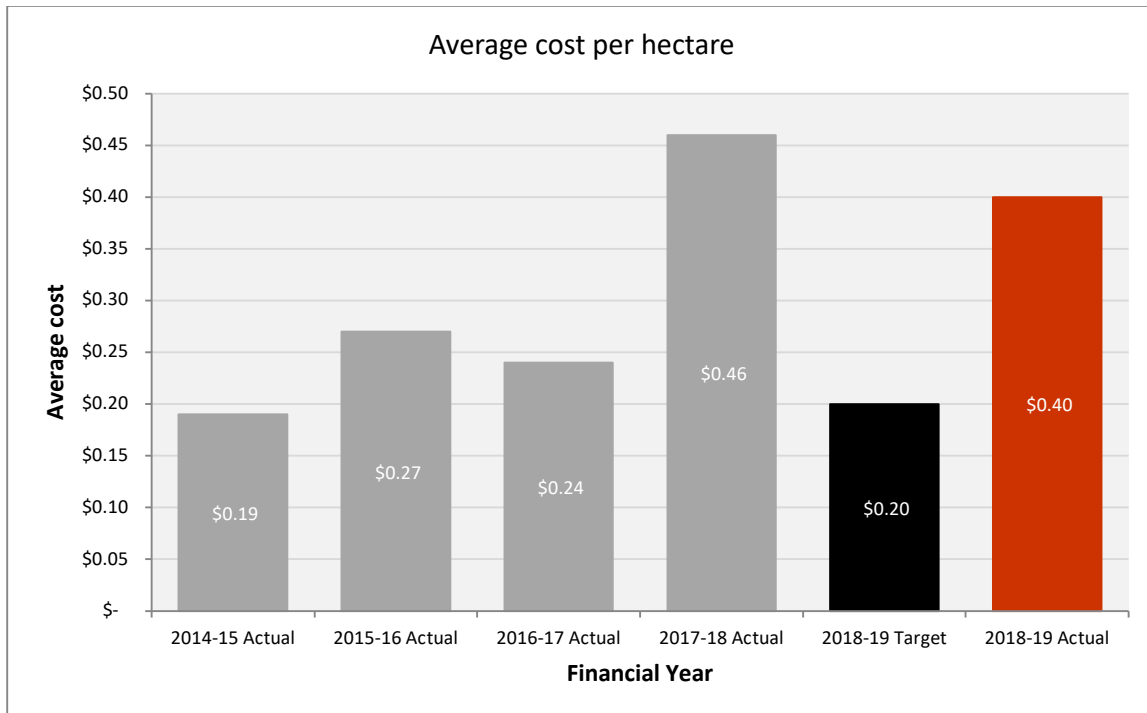
The target of 80 per cent satisfaction was established to bring uniformity to the performance goals of the Aboriginal Lands and Aboriginal Heritage outcomes. While overall satisfaction has been improving annually and is at its highest level, the 2018-19 stakeholder satisfaction regarding the management of land on behalf of Aboriginal people still fell short of the target by 22 per cent. Though there has been a general improvement in the services delivered by the Department on behalf of the ALT / the Authority, there is still an underlying historical dissatisfaction in relation to the way the State manages land on behalf of Aboriginal people combined with lower stakeholder satisfaction in relation to promoting economic opportunities for Aboriginal people on the ALT estate.

Efficiency Indicators:

Average cost per hectare

This efficiency indicator measures the average cost (calculated by the adjusted cost of service) per hectare spent managing and maintaining the ALT estate.

Costs include services received free-of-charge from the Department for the administration of the estate and spending on maintenance of the estate.



Explanation for significant variance

The significant change in the average cost per hectare since 2016-17 is due predominantly to an increase in resources received free of charge from the Department. The Department provides full administrative and operational support to the Authority since 1 July 2017. The resources received free of charge reflects the full cost of providing this support which is borne by the Department. In comparison, the former Department of Aboriginal Affairs, which previously provided support to the Authority up to 30 June 2016, only included partial direct costs and a marginal overhead allocation rate to calculate resources provided free of charge, and this is reflected in the 2018-19 target. The total adjusted cost of service does not include grant expenditure. In 2018-19, the total adjusted cost of service associated with the ALT estate reduced by 12.7 per cent due primarily to a significant decrease in supplies and services costs during the year, driven by a reduction in services received free of charge.

Remuneration of board members

Details of members and remuneration for 2018/19 is provided below:

Western Australian Aboriginal Advisory Council

Position	Member	Type of remuneration	Period of membership for 2018/19	Gross remuneration 2018/19
Chairperson	Mr Ian Trust	Sitting fees (per meeting attended)	3 months	\$540.00
Member	Ms Allison	Sitting fees (per meeting attended)	3 months	\$350.00
Member	Mr Gordon Gray	Sitting fees (per meeting attended)	3 months	\$350.00
Member	Ms Carol Pettersen	Sitting fees (per meeting attended)	3 months	\$350.00
Member	Ms Brenda Garstone	Sitting fees (per meeting attended)	3 months	\$350.00
Member	Ms Krista Dunstan	Sitting fees (per meeting attended)	3 months	\$350.00
Member	Mr Phil Matera	Sitting fees (per meeting attended)	3 months	\$230.00
			Total	\$2,520.00

Aboriginal Lands Trust

Position	Member	Type of remuneration	Period of membership for 2018/19	Gross remuneration 2018/19
Chair	Dr Robert Isaacs	Per full day meeting or per part day meeting	12 months	\$3,780.00
Member	Ms Nerida Haynes	Per full day meeting or per part day meeting	12 months	\$1,750.00
Member	Mr James Elliott	Per full day meeting or per part day meeting	12 months	Zero
Member	Ms Roanna Edwards	Per full day meeting or per part day meeting	12 months	Zero
Member	Mr Preston Thomas	Per full day meeting or per part day meeting	12 months	\$2,800.00
Member	Mr Patrick Green	Per full day meeting or per part day meeting	12 months	\$2,450.00
Member	Ms Jacqueline Minney	Per full day meeting or per part day meeting	12 months	\$700.00
			Total	\$11,480.00