



South West Aboriginal
Land and Sea Council
Aboriginal Corporation

SWALSC ANNUAL REPORT 2021





**South West Aboriginal
Land and Sea Council
Aboriginal Corporation**

ICN 3832 ABN 42 485 265 673

12 October 2021

The Hon Ken Wyatt AM MP
Minister for Indigenous Affairs
Parliament House
GPO Box 1566
Canberra ACT 2600

Dear Minister

Annual Report – South West Aboriginal Land and Sea Council

In accordance with clause 42 of the Native Title Funding Agreement, I have pleasure in presenting the Annual Report for the South West Aboriginal Land and Sea Council Aboriginal Corporation together with the audited financial statements for the financial year ended 30 June 2021.

Yours sincerely,

Brendan Moore
Chairperson
South West Aboriginal Land and Sea Council

REGIONAL CORPORATIONS TIMELINE

STEP 1

Establishing a Regional Corporation

A Regional Corporation must be an Aboriginal Corporation established under the CATSI Act. It must also satisfy the requirements set out in the Transition Principles and in the Regional Corporation Principles.

STEP 2

Agreement Group Endorsement

There must be an Agreement Group Endorsement of the Regional Corporation. An Agreement Group Endorsement is an endorsement given in writing by an Agreement Group following a special procedure set out in the Trust Deed.

STEP 3

Endorsement as Eligible Charity

There must be an endorsement by the Commissioner of Taxation (via the ACNC) that the entity is an Eligible Charity (or is capable of being endorsed as such). This means a fund, institution or other entity endorsed by the Commissioner of Taxation as income tax exempt under the Income Tax Assessment Act 1997 (Cth).

STEP 4

State Endorsement

The Trust Deed requires that the WA Government must provide written approval of the nomination of a corporation as a Regional Corporation before the Trustee can be satisfied that it may be appointed as a Regional Corporation. This is called State Endorsement.

STEP 5

Nomination of Regional Corporation

Once steps 1-4 are complied with, the Regional Corporation can nominate in writing for appointment as the Regional Corporation for its region.

STEP 6

Appointment of Regional Corporation

If satisfied that the Regional Corporation is eligible in accordance with the requirements of the Trust Deed, the Trustee must appoint it as the Regional Corporation for the Region by a written Appointment Notice.

STEP 7

Application for financial support made to the Trustee

A Regional Corporation may make an application and is eligible to receive support from the Trust in accordance with the rules of the Trust and in such amounts and on such conditions as the Trustee may determine. Applications must be made in accordance with the Funding Guidelines.

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CHAIR'S REPORT

On behalf of the board of directors, I present our Annual Report for the 2020/21 financial year. It has been an honour to serve as Chair for part of this year. I thank Vanessa Kickett for her service in this role before me.

This has been an eventful year for SWALSC and the Noongar people. We've seen a lot of progress towards putting the Noongar Boodja Trust to work for the benefit of all Noongar people.

The deed for the Noongar Boodja Trust was signed earlier this year in the presence of WA Governor Kim Beazley at Government House.

Following this signing, the first annual deposits were paid by the State of WA into the Trust and the first land parcels were transferred.

We then held six successful pre-incorporation meetings in which all the resolutions needed to begin setting up our regional corporations were endorsed by members of every agreement group. I'm also pleased to confirm that SWALSC was endorsed as the central services corporation.

Each agreement group now has four initial directors who are working hard to lodge all the necessary paperwork and finalise all the other steps for these corporations to be officially registered and endorsed.

These six regional corporations will have a strong voice in managing the land and resources held by the Noongar Boodja Trust on behalf of our Noongar nation.

They will also have a crucial role in protecting, strengthening and promoting our culture, with the support of our Elders.

I strongly encourage you to join your regional corporation. They will only be as strong and effective as the people who step up and contribute to the work needed to achieve the best possible outcomes for our people.

The next stage will be to seek nominations for the boards of directors and cultural advice committees of each regional corporation. Please consider nominating for one of these positions.

If your interest, skills and experience are in areas such as corporate management, finances, compliance, strategic planning, risk management, or economic development, you may wish to nominate to be a director.


If your interest, skills and experience are related to culture, community development, heritage protection, and the identification of cultural lands suitable for selection under the Settlement, you may be a suitable member of the cultural advice committee.

It's also important for each regional corporation to have a large and engaged membership ready to contribute when needed. If you haven't already filled out a membership application, please go to www.noongar.org.au/join-your-rc to fill out the easy online form.

There's still a lot of work ahead of us to bring the Noongar Boodja Trust under full Noongar control. But first let's take a moment to reflect on our hard work and achievements so far. Thank you to every one of you for being part of this journey. In particular, we acknowledge the working parties, members of the negotiation team, original applicants and elders who have passed and are not here with us today.



Brendan Moore
SWALSC CHAIR



"Today, I remember the Noongar elders who fought so long to win justice for our people and who passed before they were able to see this day come to pass.

We pay our respects to their memory and honour the legacy they leave for our people.

The path to date has brought many challenges, but we remain focused on honouring the vision of our ancestors, our elders and our communities, whose guidance and dignity inspire us to be strong and proud."

VANESSA KICKETT, NOONGAR BOODJA TRUST DEED SIGNING CEREMONY, 29 MARCH AT GOVERNMENT HOUSE



CEO'S REPORT

This has been a busy year for SWALSC, and we've seen a great deal of progress towards establishing the regional corporations and preparing to transition from a native title service provider to our new role as the Central Services Corporation (CSC).

At the end of last year, on 26 November 2020, SWALSC welcomed the High Court decision to dismiss all special leave applications challenging the registration of the six Indigenous Land Use Agreements (ILUAs) that form the South West Native Title Settlement, clearing the path to implementing the South West Native Title Settlement.

On Monday, 29 March 2021, SWALSC joined representatives of the WA government and Perpetual to sign the Noongar Boodja Trust deed. The signing ceremony took place at Government House, witnessed by the Honourable Kim Beazley AC, Governor of Western Australia, and Noongar elders who have committed decades of their lives to the pursuit of justice for the Noongar community.

Following the signing, the first contributions from the state to the Noongar Boodja Trust were made on 22 April – the first of twelve annual payments.

\$50 million per year will be paid into the Future Fund and a further \$10 million will be paid each year into the Operations Fund, which will fund the the six regional corporations and the central services corporation. The trust is currently being managed by Perpetual and will eventually transition into full Noongar control over the next 12 years.

On 14 July 2021 the first land parcels were signed over into the Noongar Boodja Trust at a signing ceremony at Parliament House. These lead transfers marked the start of a 5 year process of up to 300,000ha of land which will

be allocated as Crown Reserve or leasehold and up to 20,000ha of land to be allocated as freehold.

In August and September we began the pre-incorporation process to establish the six regional corporations and central services corporation (CSC).

The regional corporations will have a strong voice in managing the land and resources held by the Noongar Boodja Trust on behalf of, and for the benefit of, all Noongar people.

SWALSC is grateful for the support of the community in endorsing us as your CSC. We're excited about the opportunities to serve you in this new stage in the Settlement. We have brought in new staff and begun identifying and implementing the best systems to provide the regional corporations with financial, HR, records management and other administrative services the corporations will need for efficient and effective operations. We will also provide services such as research, land management, support for grant applications and programs to support Noongar people, to protect and promote culture, and advocacy to protect and promote culture on behalf of the broader Noongar nation.

Thank you for your ongoing support of the Settlement. We look forward to another productive year of finalising the establishment of your regional corporations and becoming your CSC.



Ed Armstrong
SWALSC CEO



IMPLEMENTATION REPORT

Community engagement

SWALSC has held over 50 community meetings this year with members throughout the south west. These meetings gave members an opportunity to provide final comments on the rulebooks and cultural advice policies before they were endorsed at our pre-incorporation meetings, and to learn more about the Settlement and the process of establishing the new regional corporations.

In August and September we held six successful pre-incorporation meetings where these documents were endorsed by agreement group members. Members also endorsed the other necessary resolutions to establish our regional corporations, and endorsed SWALSC's bid to become the central service corporation.

The implementation team is now working with the initial directors for each region to complete the remaining steps towards becoming fully operational.



Regional corporations

Each regional corporation elected four initial directors to undertake the work needed to finalise endorsement, which includes:

- Obtaining ORIC registration
- Getting ACNC endorsement as an eligible charity
- Getting endorsement by the state government and trustee
- Running a membership drive and processing member applications
- Opening nominations for member directors, expert directors and members of the cultural advice committee
- Holding elections and first general meetings

Each of the six regional corporations are expected to be up and running some time next year. SWALSC is working with the initial directors to achieve each of these milestones and will transition to the CSC in this same timeframe.

We're pleased to report that each regional corporation is well underway towards receiving incorporation through ORIC, seeking ACNC charity status, and approving new members.

Each regional corporation will be calling for nominations for those interested in serving as either a board director, or as a member of our cultural advice committee. Please give some thought to which committee will best suit your interest, skills and experience.



If your interest, skills and experience are in areas such as corporate management, finances, compliance, strategic planning, risk management, or matters such as education and training and economic development, you would probably be most suited to a role as a board director.

If your interest, skills and experience are related to culture, community development, heritage protection, and the identification of cultural lands suitable for selection under the Settlement, you may want to become a member of the cultural advice committee.

Cultural governance is an important aspect of the structure of each regional corporation, which must support and promote the work of the cultural advice committee and, with a few limited exceptions, implement their decisions.

Land estate

Our lands team and regional officers have organised opportunities for local Noongar people and elders to visit each parcel to provide their feedback on their suitability for inclusion in the Trust.

These visits have inspired enthusiastic discussion about how the land can be used. Once accepted into the Trust, the regional corporations will have a crucial role in determining how land is managed, based on strong input from their cultural advice committees.

Land transfers will continue over the next 5 years. This land will serve a range of purposes including cultural, social and economic. For more information or to see the interactive map visit www.noongar.org.au/noongar-land-estate.



Above: Signing ceremony for the first land parcels transferred into the Noongar Boodja Trust at Parliament House in July.

Below (clockwise from top left): GKB members inspecting freehold land in Williams; WKSNSN Elders Carol Pettersen and Eugene Eades at Peniup; Ballardong members inspecting land parcels in York.

LEGAL SERVICES REPORT

The 2020-21 reporting year has been an eventful one for progress with the Settlement.

Litigation – South West Settlement

On 27 November 2020, the High Court of Australia rejected an application for leave to appeal the Full Federal Court decision of 19 December, 2019 in *McGlade v South West Aboriginal Land & Sea Aboriginal Corporation (No 2)* [2019] FCAFC 238, dismissing all objections to the conclusive registration of the six Settlement Indigenous Land Use Agreements. This removed the final litigation barrier to the implementation of the South West Settlement in accordance with the terms of the six ILUAs.

Under the Settlement terms, Native Title was deemed surrendered over the Settlement agreement areas for all of the Noongar claims on 13 April 2021. From this date, all future act notifications and activities under the *Native Title Act* ceased, including the right to negotiate Native Title compensation agreements in relation to the Settlement agreement areas.

Final determination of the extinguishment of native title

While all the Native Title claims have been deemed to be surrendered by agreement under the South West Settlement ILUAs, this surrender needs to be formally determined by the Federal Court which will end the Noongar Native Title claims over the South

West Settlement agreement areas. To obtain this determination, the State Solicitors' Office has proposed that the draft consent orders be agreed to by all parties, including SWALSC, to be filed in the Court on 18 October 2021 requesting that the Federal Court make a determination that Native Title does not exist in any of the agreement areas under the six ILUAs. The entire extinguishment of native title in the six ILUA agreement areas by court decision may be completed by the end of October to early November.

Residual claim areas outside the ILUA agreement areas

The residual claim areas are small areas covered by the Yued Native Title claim and the Single Noongar claim, which are not covered by any of the six ILUA Settlement areas. Any native title which exists in these non-ILUA claim areas will survive as claim remnants after the NT is extinguished over the non-ILUA areas, and their claims will remain on foot in the Federal Court. They are currently represented by SWALSC.

As questions arise over to what to do with these leftover areas, the state has agreed that the future of these remnant areas should be left until the court has made the necessary determination that native title no longer exists in the Settlement ILUA areas. The decision on the claim remnants will then be the subject of later separate proceedings. We expect the state to discuss the options with us, and will seek advice from Clayton Utz and instruction from the SWALSC board as to acceptable options to pursue.



The final claim group working parties

The final claim group working party meeting for all claims was held in March 2021, just prior to the deemed surrender of the Native Title claims.

With the cessation of claim group working parties, we here at SWALSC wish to say a heartfelt thank you to every working party member who has represented and guided the claim groups and made many, sometimes difficult, decisions on a broad range of issues on their behalf. Working party members have given up their time to attend working party meetings for many years, and their service is greatly appreciated.

Heritage protection

Prior to the implementation of the Settlement, a substantial portion of the legal team's work was managing the Noongar heritage protection process. This includes the entering into heritage protection agreements and assisting the selection of Noongar heritage consultants by the SWALSC heritage selection panel.

The volume of heritage matters is expected to increase further with the West Australian

Local Government Association (WALGA) approving a heritage agreement template for local governments, which is based on the Noongar Standard Heritage Agreement. With more than 100 local government areas within the SWALSC representative area, the proposed introduction of this agreement during the next year is expected to increase the amount of heritage work.

SWALSC interim heritage selection panel

SWALSC will continue to manage survey consultant selections until the regional corporations are able to manage their own cultural heritage matters, including the selection of Noongar heritage consultants for surveys in their respective regions.

Expressions of interest were sought for two members from each of the six regions to be on the SWALSC interim heritage selection panel in March and April 2021, and posted on the SWALSC website. The panel has met twice to provide consultants for heritage surveys requested by proponents who have heritage agreements with SWALSC.

Assignment of native title agreements with ongoing benefits to the regional corporations

In anticipation of the final determination by the Court of the surrender of the Noongar native title claims, SWALSC has reviewed all native title agreements to ensure that as many of these agreements as possible that have ongoing benefits such as mining royalties, percentages of land sales or annual payments can eventually be transferred to the relevant regional corporations.

As native title claims have been deemed surrendered, each claim group working party has approved SWALSC to step in as the native title party (assignment) for each of these agreements as an interim measure to keep these agreements alive.

Once the regional corporations are established, SWALSC will re-assign these agreements to the relevant regional corporation when possible.

Whadjuk

The extinguishment of native title over the ILUA agreement areas has removed the requirement for mining companies to negotiate native title compensation agreements. However, there are still opportunities to enter into Community Partnership Agreements (CPAs) and voluntary non-native title compensation agreements.

Proposed Whadjuk Native Title Claim Group Trust

In 2020, both Equity Trustees and Perpetual made presentation at working party meetings with a view to becoming the trustee of a Whadjuk native title charitable trust to hold native title derived funds. Some progress was made towards the selection of a trustee in anticipation of its establishment, however, the selection was not finalised. This decision will need to be made by the Whadjuk regional corporation once established.

Yued

A native title compensation agreement with Image Resources for a mining lease was finalised in April this year after eight years of negotiation, just before native title was deemed surrendered. The Iluka Community Partnership Agreement will be assigned to the Yued regional corporation when established and the Iluka Implementation Committee continues to meet regularly.

Perpetual Trustees continues to manage the Yued People's Charitable Trust.

Gnaala Karla Booja (GKB)

All proponents with CPAs within the GKB claim group have agreed to have them operate beyond the surrender of native title and be transferred to the GKB regional corporation.

Alcoa is undergoing the approvals process for a significant expansion in their state agreement area. Their bauxite/alumina mining lease 1SA stretches along the Darling Range from north-east of Perth to south-east of Bunbury, and the area for potential clearing for mining is 6,621 hectares. Alcoa has entered into heritage agreements with GKB for the conduct of heritage surveys over the Myara North and Holyoake mines expansion areas.

South32 is also undergoing the approvals process for an expansion of their Boddington mine bauxite/alumina operations. They anticipate clearing up to 5,550 hectares of native vegetation for their proposed expansion.

Newmont Boddington Gold has agreed to permit the assignment of its CPA to the GKB regional corporation when established and continues to hold quarterly relationship committee meetings.

Australian Equity Trustees continue to manage Gnaala Karla Booja Charitable Trust.

Ballardong

Although exempted from the requirement to negotiate a native title compensation agreement, Classic Minerals Limited provided alternative compensation in return for Ballardong excess tonnage extraction approval.

Australian Equity Trustees continues to manage the Ballardong People's Trust.

Wagyl Kaip and Southern Noongar

Ravensthorpe Operations Agreement with First Quantum Minerals limited (ROA).

As operations at the Ravensthorpe nickel mine have recommenced, funding has become available under this agreement to support WK/SN people with education, health and wellbeing funding assistance. SWALSC has been given the task of managing the funds on instruction from the ROA relationship committee, which includes WKSN members. With funding from the ROA, SWALSC engaged a Noongar development officer to promote employment opportunities for members of the WKSN community.

Equity Trustees continues to manage the Wagyl Kaip/Southern Noongar People's Trust.

South West Boojarah

Iluka Resources Limited are ramping up exploration activity for assessing the feasibility of their Tutunup South Mineral Sands Project. Proposed sand mining activity is expected to extend up to 15 metres below ground level. In anticipation of upcoming exploration activity, Iluka have lodged activity notices for obtaining heritage consultants for proposed heritage surveys. Iluka have approached SWALSC with a view to achieving greater engagement with SWB Agreement Group members.

Equity Trustees continues to manage the South West Boojarah Charitable Trust.

Transition to CSC

The implementation has provided new challenges and changes, including a major restructure throughout SWALSC in response to the transition from a native title service provider and manager of Noongar heritage to the proposed central services corporation.

We thank past members of our team for their services and contributions in bringing SWALSC to the beginning of this new phase. They will be missed.

Legal Services Statistics

Service Provided	2020	2021
Active claims managed	9	9
Agreements reached	101	139
Future Act Notices responded to	177	68*
Heritage Activity Notices responded to	148	229

* Future Act Notices under the Native Title Act could not be responded to after 13 April 2021, the date Native Title was deemed surrendered under the terms of the Settlement ILUAs.



2020-21

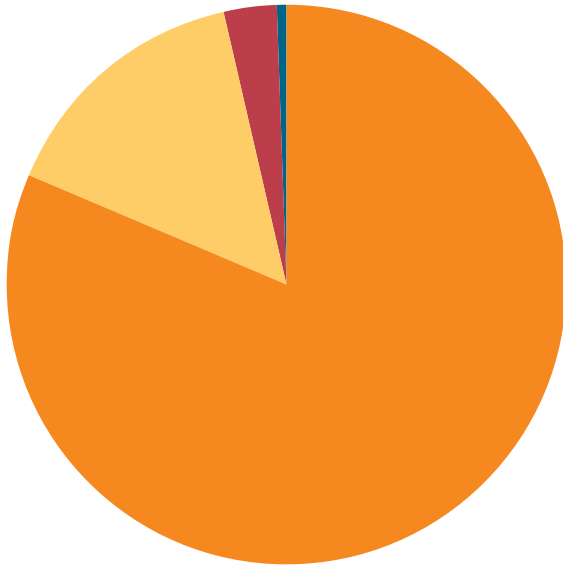
FINANCIAL REPORT

(FOR YEAR ENDED 30 JUNE 2021)



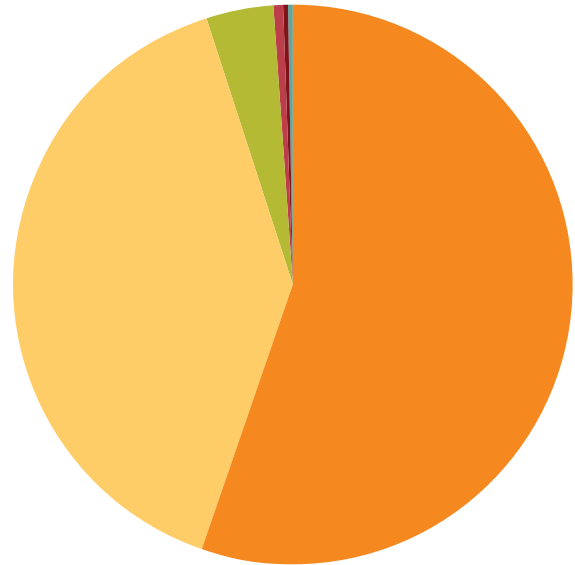
2020-21 OVERVIEW

REVENUE



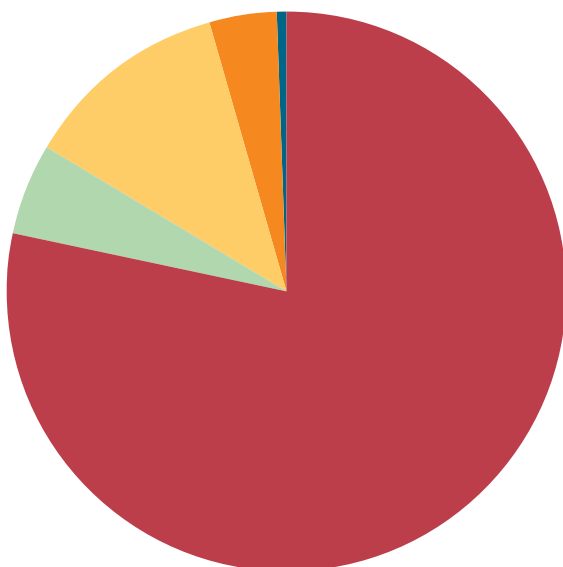
- NIAA Native Title Services Grant
- Other income
- Other grants and donations
- Interest

EXPENDITURE



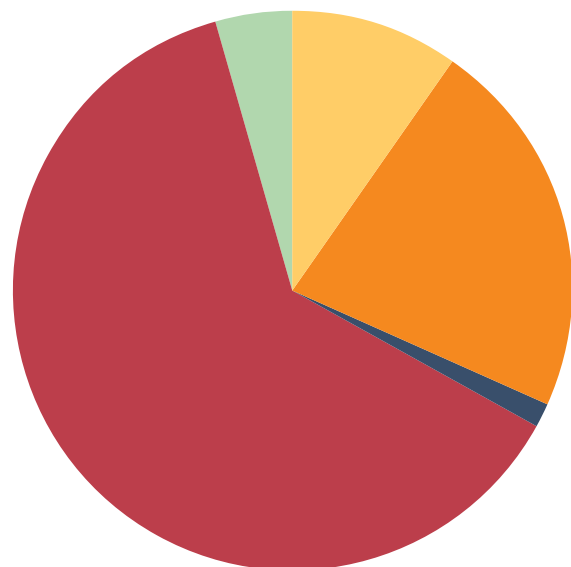
- Employee benefits
- Training and seminars
- Other supplies and services
- Depreciation and amortisation expense
- Finance costs
- Auditor's remuneration

ASSETS



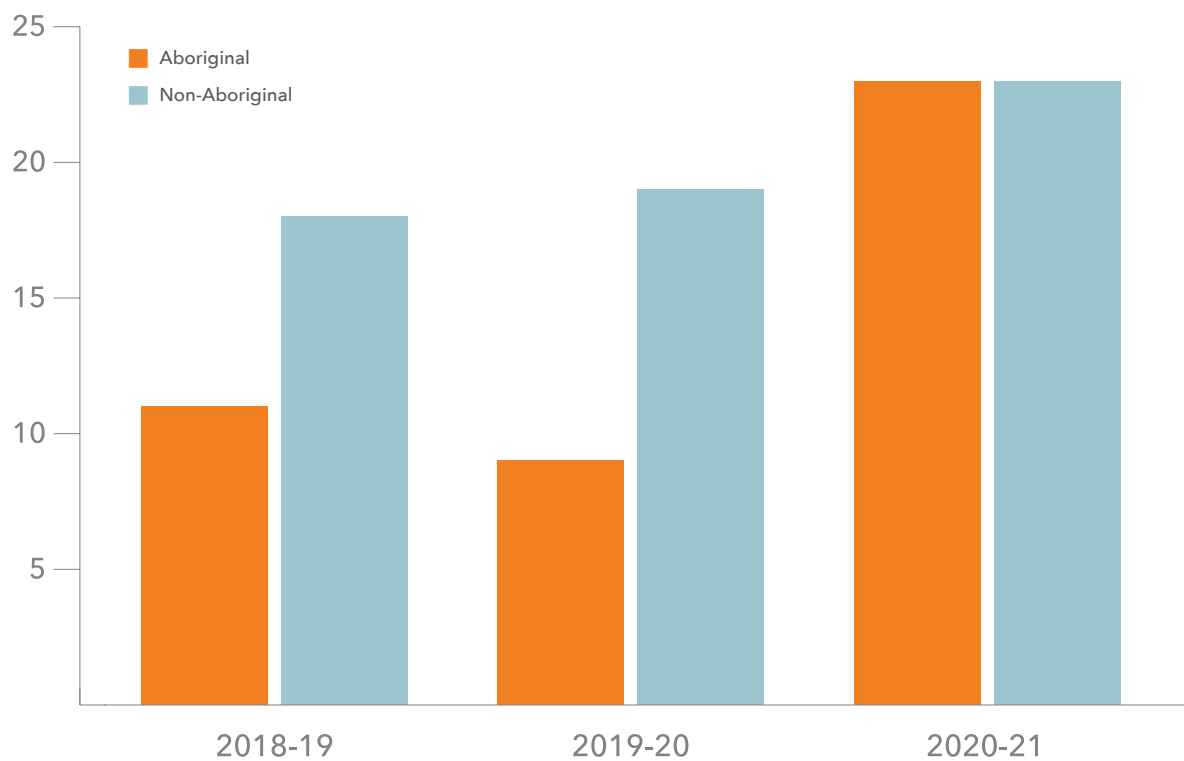
- Cash and cash equivalents
- Other current assets
- Financial Assets
- Property, plant and equipment
- Trade and other receivables

LIABILITIES



- Grant income in advance
- Trade and other payables
- Employee leave provisions
- Net GST Payable
- Lease liability

SWALSC EMPLOYEES



STAFF PROFILE

	Aboriginal			Non Aboriginal			Total		
	2019	2020	2021	2019	2020	2021	2019	2020	2021
Male	3	2	7	5	5	6	8	7	13
Female	8	6	16	13	12	17	21	18	33
TOTAL	11	8	23	18	17	23	29	25	46

SWALSC MEMBERSHIP

New members accepted between 1 July 2019 and June 30 2020	120
New members accepted between 1 July 2020 and June 30 2021	265
Total members at 30 June 2021	6168

DIRECTORS' REPORT

The directors submit the financial report of the South West Aboriginal Land and Sea Council Aboriginal Corporation for the financial year ended 30 June 2021 in accordance with Regulation 333-10.02 of the Corporations (Aboriginal and Torres Strait Islander) Regulations 2007.

Operating and financial review

The Corporation returned a surplus of \$42,534 for the 2020/2021 financial year (2020: \$138,699).

State of affairs

No significant change in the Corporation's state of affairs occurred during the year.

Principal activities

As the Native Title Service Provider for the Noongar People of the south west region of Western Australia, the principal activities of the Corporation during the financial year were to provide services and advocacy directed towards:

- securing land;
- protecting the spiritual and physical connection to land of members and their extended families in accordance with their traditions, laws and customs;
- supporting the maintenance, development and advancement of Noongar culture, language and society; and
- promoting Aboriginal reconciliation as a basic tenet of Australian society.

Events subsequent to reporting date

In September 2021 all six regions endorsed SWALSC as the Central Services Corporation. There has not arisen in the interval between the end of the financial year and the date of this report any other matter or circumstance that has significantly affected or may significantly affect the Corporation's operations, the results of those operations, or the state of affairs of the Corporation, in future financial years.

Likely developments

On 29 March 2021 the Trust Deed of the Noongar Boodja Trust was signed. This signified the "Trust Effective Date". As a consequence, the Trust became entitled, on behalf of the Noongar community, to start to receive the benefits included in the Settlement Terms.

SWALSC is proposed to be endorsed by the Trustee to be the Central Services Corporation (CSC). This is expected to occur by July 2022, after which time, the Trustee will be able to provide funding to SWALSC so that it can undertake the Core and Regional Services listed in the Noongar Boodja Trust Deed. In the interim period, SWALSC will continue to be funded by the Commonwealth. As such, SWALSC has assured funding on an on-going basis.

Until SWALSC is endorsed as the CSC, the main functions for SWALSC will be to assist the Regional Corporations to become established and to be endorsed by the Trustee as "Eligible Noongar Entities". SWALSC will also prepare to deliver the Core and Regional Services. Residual Native Title functions are expected to cease by the time of endorsement.

Under the provisions of the Settlement, SWALSC will continue to manage Heritage protection activities throughout Noongar country. This work is expected to transition to the new Regional Corporations once they are established, subject to arrangements being made with each Regional Corporation in that regard.

Environmental regulations

The Corporation's operations are not subject to any particular or significant environmental regulations under either Commonwealth or State legislation. However, the board believes that the Corporation has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Corporation.

Distributions

The Corporation's constitution precludes it from distributing any surpluses to members. Accordingly no distributions were paid, recommended or declared by the Corporation during the year.

Directors and board meeting attendance

Directors of the corporation during this financial year, and their attendance at board meetings:

Director name	Ward	Term	Meetings attended	Possible attendance
Brendan Moore (Chair 17 April-current)	YUED	1 February –	8	9
David Ashton	EXPERT	1 July –	18	20
Vanida Lennon	EXPERT	16 November –	12	13
Noelene McCormick	SWB	1 July –	20	20
Geri Hayden	GKB	7 May –	2	2
Noel Morich	WHADJUK	28 April –	2	2
Laurence Riley	WKSJN	18 February –	8	8
Barry Winmar	BALLARDONG	16 November –	10	13
Vanessa Kickett (Chair 17 Nov-17 April)	WHADJUK	16 November – 25 April	11	11
Roger Pickett	GKB	16 November – 25 April	1	6
Jeanice Krakouer	WKSJN	1 July – 16 November	7	7
Anthony Bennell	WHADJUK	1 July – 16 November	4	7
Kevin Fitzgerald	BALLARDONG	1 July – 16 November	7	7
Charmaine Walley	YUED	1 July – 16 November	3	7
Phillip Matera	GKB	1 July – 16 November	4	7

Barry Winmar was temporarily appointed to the position of company secretary on 18 November 2020, and resigned on 18 August 2021 after the board of directors appointed the new CEO, Edward Armstrong as the new company secretary.

Proceedings on behalf of the Corporation

During the year, no person has made application for leave in respect of the Corporation under section 169-5 of the Corporations (Aboriginal and Torres Strait Islander) Act 2006 (the "Act").

During the year, no person has brought or intervened in proceedings on behalf of the Corporation with leave under section 169-5 of the Act.



Brendan Moore
Chairperson

DIRECTOR'S DECLARATION

In the opinion of the Directors the financial report as set out on pages 18 to 47:

Presents a true and fair view of the financial position of South West Aboriginal Land and Sea Council Aboriginal Corporation as at 30 June 2021 and its performance for the year ended on that date in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and with the Corporations (Aboriginal and Torres Strait Islander) Act 2006.

At the date of this statement, there are reasonable grounds to believe that South West Aboriginal Land and Sea Council Aboriginal Corporation will be able to pay its debts as and when they fall due.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:



Brendan Moore
Chairperson

Dated this on the 12th day of October 2021.

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of South West Aboriginal Land & Sea Council Aboriginal Corporation for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

- a) No contraventions of the auditor independence requirements of the Corporations (Aboriginal and Torres Strait Islander) Act 2006 in relation to the audit; and
- b) No contraventions of any applicable code of professional conduct in relation to the audit

BUTLER SETTINERI (AUDIT) PTY LTD



MARCIA JOHNSON CA
Director

Perth
Date: 12 October 2021

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
Revenue			
NIAA Native Title Services Grant		3,915,381	3,995,556
Other grants and donations		719,362	343,366
Other income		152,134	191,848
Interest		21,014	38,378
Total revenue	7	<u>4,807,891</u>	<u>4,569,148</u>
Expenses			
Employee benefits	8	2,648,893	2,752,376
Depreciation and amortisation expense	9	183,060	178,844
Training and seminars		20,617	12,056
Other supplies and services	10	1,895,502	1,459,329
Finance costs	11	7,327	7,818
Auditor's remuneration	26	9,958	9,876
Bad debts written off		-	10,150
Total expenses		<u>4,765,357</u>	<u>4,430,449</u>
Net surplus before income tax		42,534	138,699
Income tax	4(a)	<u>-</u>	<u>-</u>
Net surplus		<u>42,534</u>	<u>138,699</u>
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income		<u><u>42,534</u></u>	<u><u>138,699</u></u>

This statement should be read in conjunction with the notes to the financial statements

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

Assets	Note	2021	2020
		\$	\$
Current assets			
Cash and cash equivalents	12	2,175,080	2,792,188
Financial Assets	13	112,167	-
Trade and other receivables	14	8,247	34,311
Other current assets	15	141,808	22,799
Total current assets		<u>2,437,302</u>	<u>2,849,298</u>
Non-current assets			
Property, plant and equipment	16	333,353	274,997
Total non-current assets		<u>333,353</u>	<u>274,997</u>
Total assets		<u><u>2,770,656</u></u>	<u><u>3,124,295</u></u>
Liabilities			
Current Liabilities			
Employee leave provisions	17	224,752	410,216
Trade and other payables	18	507,036	231,608
Net GST Payable	21	(30,547)	20,507
Grant income in advance	19	1,430,754	1,870,300
Lease liability	20	100,519	133,916
Borrowings		-	-
Total current liabilities		<u>2,232,514</u>	<u>2,666,546</u>
Non-current liabilities			
Lease liability	20	60,528	11,310
Employee leave provisions	17	6,609	17,967
Total non-current liabilities		<u>67,137</u>	<u>29,277</u>
Total liabilities		<u><u>2,299,651</u></u>	<u><u>2,695,824</u></u>
Net assets		<u><u>471,005</u></u>	<u><u>428,471</u></u>
Equity			
Retained earnings		428,471	289,772
Current year earnings		42,534	138,699
Total equity		<u><u>471,005</u></u>	<u><u>428,471</u></u>

This statement should be read in conjunction with the notes to the financial statements

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

	Note	Retained Earnings \$	General Reserves \$	Total \$
Balance at 1 July 2019		289,772	-	289,772
Other comprehensive income net of income tax		-	-	-
Operating Surplus		138,699	-	138,699
Balance at 30 June 2020		428,471	-	428,471
Other comprehensive income net of income tax		-	-	-
Operating Surplus		42,534	-	42,534
Balance at 30 June 2021		471,005	-	471,005

This statement should be read in conjunction with the notes to the financial statements

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
<i>CASH FLOWS FROM OPERATING ACTIVITIES</i>			
NIAA Native Title Services Grant receipts		3,915,381	3,995,556
Receipts from customers		897,560	538,702
Interest received		21,014	38,378
Payments to employees		(2,845,715)	(2,668,200)
Payments to suppliers		(1,797,136)	(1,565,141)
Interest paid		(7,327)	(7,818)
Grant income in advance		(439,546)	(562,990)
Net GST paid		<u>(51,054)</u>	<u>(120,020)</u>
Net cash provided by operating activities	23	<u>(306,823)</u>	<u>(351,533)</u>
<i>CASH FLOWS FROM INVESTING ACTIVITIES</i>			
Acquisition of Financial Asset		(112,167)	0
Proceeds from sale of property, plant and equipment		117,524	0
Purchase of property, plant and equipment		<u>(331,462)</u>	<u>(350,054)</u>
Net cash provided by (used in) investing activities		<u>(326,105)</u>	<u>(350,054)</u>
<i>CASH FLOWS FROM FINANCING ACTIVITIES</i>			
New lease liabilities		161,047	145,226
Principal repayments to lease liabilities		<u>(145,226)</u>	<u>(73,980)</u>
Net cash provided by (used in) financing activities		<u>15,821</u>	<u>71,246</u>
Net increase in cash held		<u>(617,108)</u>	<u>(630,341)</u>
Cash and cash equivalents at beginning of financial year		<u>2,792,188</u>	<u>3,422,528</u>
Cash and cash equivalents at end of financial year	12	<u><u>2,175,080</u></u>	<u><u>2,792,188</u></u>

This statement should be read in conjunction with the notes to the financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

The financial statements cover South West Aboriginal Land and Sea Council Aboriginal Corporation as an individual entity. South West Aboriginal Land and Sea Council Aboriginal Corporation is a corporation incorporated under the Corporations (Aboriginal and Torres Strait Islander) Act 2006.

The Corporation is domiciled in Australia. The Corporation's registered office is at Level 2, 100 Royal Street, East Perth 6004.

Note 1: Basis of accounting

Statement of compliance

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements ("AASBs") adopted by the Australian Accounting Standards Board ("AASB") and the *Corporations (Aboriginal and Torres Strait Islander) Act 2006*.

Basis of measurement

The financial statements have been prepared on a historical costs basis and modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets, and financial liabilities.

Economic dependency and going concern

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The Corporation is a not-for-profit entity and is reliant on government funding in order to continue its operations. On 29 March 2021 the trust deed of the Noongar Boodja Trust was signed which signified the trust effective date and enablement of benefits under the South West Native Title agreement to start flowing into the trust. The execution of the trust deed and commencement of the settlement means that all native title claims within the service area of the Corporation will become resolved and therefore the Corporation's operation as a native title body will eventually cease in the impending future.

The Corporation intends to transition to become the Central Services Corporation (CSC) under the trust deed. This requires a majority endorsement from the six agreement groups within the settlement area. This has already happened; all the six regions endorsed SWALSC as the CSC on their Pre-Incorporation Meetings held in August-September 2021.

The Corporation have received confirmation from its funding body for ongoing native title funding until native title operations cease as well as for additional funding to support the Corporation's transition to a central services corporation or winding up of operations. As such management have no reason to believe that the required funding will not be forthcoming for the foreseeable future. However, should future government funding be significantly reduced or curtailed, the Corporation would be unlikely to be able to continue its operations at current levels.

Note 2: Functional and presentation currency

The financial report is presented in Australian Dollars, which is the Corporation's functional currency and rounded to the nearest dollar.

Note 3: Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Corporation's accounting policies and the reported amounts of assets, liabilities and income and expenses. Actual results may differ from these estimates.

Estimate and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note 4(e) – Property, plant and equipment
- Note 4(g) – Impairment
- Note 4(h) – Provisions

Assumptions and estimation uncertainties

Management is not aware of any assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year.

Note 4: Significant Accounting Policies

a. Income Tax

The Corporation is a Public Benevolent Institution and is endorsed to access the following tax concessions: Goods and Services Tax (GST) Concession, Fringe Benefit Tax (FBT) and Income Tax Exemption. The Corporation is also endorsed as a Deductible Gift Recipient (DGR) from 1 October 2001 and is covered by Item 1 of the table in section 30-15 of the Income Tax Assessment Act 1997.

b. Revenue and Other Income

Revenue from contracts with customers

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with the customer. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which the Corporation expects to be entitled to in exchange for transferring promised goods or services to a customer, net of goods and services tax, returns, rebates and discounts. The transaction price is allocated to each performance obligation on the basis of the relevant standalone selling price of each distinct good or service promised in the contract. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

The Corporation recognises other revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Corporation and specific criteria have been met for each of the Corporation's activities. The Corporation bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Contract balances

Contract assets are recognised when the Corporation has transferred goods or services to the customer but where the Corporation is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

Contract liabilities represent the Corporation's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Corporation recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Corporation has transferred the goods or services to the customer.

c. Grants and Other Contributions

Grants under AASB 15

Grants (other than certain capital grants) are accounted for under AASB 15 where the grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations. As such, the revenue is recognised when each performance obligation is satisfied.

Grants under AASB 1058

Other grants, including certain capital grants, are generally accounted for under AASB 1058.

The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard is recognised where:

- an asset is received in a transaction, such as by way of grant, bequest or donation;
- there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and
- the intention is to principally enable the entity to further its objectives.

Assets arising from grants in the scope of AASB 1058 are recognised at the assets' fair values when the assets are received. Any related liability or equity items associated with the asset are recognised in accordance with the relevant accounting standard. Once the asset and any related liability or equity items have been recognised, then income is recognised for any remaining asset value at the time the asset is received.

For transfers of financial assets (usually cash and/or a receivable) to the Corporation which enable it to acquire or construct a recognisable non-financial asset, a liability is recognised for the excess of the fair value of the transfer received over any related amounts recognised. Related amounts recognised may relate to contributions by owners, AASB 15 revenue or contract liability recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance with AASB 9, or provisions in accordance with AASB 137. The liability is brought to account as income over the period in which the Corporation satisfies its performance obligation.

d. Employee benefits

Short-term benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Corporation has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Other long-term employee benefits

The Corporation's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in income or expense in the period in which they arise.

Termination benefits

Termination benefits are expensed at the earlier of when the Corporation can no longer withdraw the offer of those benefits and when the Corporation recognises costs of restructuring. If the benefits are not expected to be settled wholly within 12 months at the end of the reporting period, then they are discounted.

e. Property, Plant and Equipment

Recognition and measurement

Each class of property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Purchases costing less than \$1,000 are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total, or where specific purpose grants have approved the items).

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in income or expense.

Subsequent expenditure

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Corporation.

Depreciation

The depreciable amount of fixed assets purchased outright is depreciated using diminishing value method. Leased fixed assets including building and capitalised lease assets are depreciated straight line over the shorter of either the unexpired period of the lease or the estimated useful lives of the assets.

The following depreciation rates/period apply:

Motor Vehicles	22.50%
Office Equipment and Furniture	20%
Right of use assets:	
· Office leases	1,5 years
· Motor Vehicles	2 years
· Office Equipment	2 to 3 years

The assets' residual values and useful lives are reviewed and adjusted, if necessary, at each reporting date.

f. Financial Instruments

Recognition, initial measurement and derecognition

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are recognised when the Corporation becomes a party to the contractual provisions of the financial instrument.

A financial asset, unless it is a trade receivable without a significant financing component, or a financial liability is initially measured at fair value adjusted by transactions costs that are directly attributable to its acquisition or issue, except for those carried at fair value through profit or loss, which are measured initially at fair value. A trade receivable without a significant financing component is initially measured at the transaction price.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled, or expires.

Classification of financial assets

For subsequent measurement, financial assets - other than those designated and effective as hedging instruments - are classified into the following categories upon initial recognition:

- Amortised cost
- Fair value through profit or loss (FVTPL)
- Fair value through other comprehensive income (FVOCI)

Classifications are determined by both:

- The entities business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance income, finance costs or other financial items, except for impairment of trade receivables which is presented within other expenses.

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows,
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Corporation has determined that all of its financial assets fall within the amortised cost category.

Classification and measurement of financial liabilities

The Corporation's financial liabilities include trade and other payables. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Corporation designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

g. Impairment of Assets

Non-derivative financial assets

Financial assets and contract assets

The Corporation uses forward looking information to recognise expected credit losses – the 'expected credit losses (ECL) model'. Instruments within the scope of these requirements include loans and trade receivables.

The Corporation considers a broad range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial assets that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial assets that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial asset.

Trade and other receivables and contract assets

The Corporation makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Corporation uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses.

The Corporation assesses impairment of trade receivables on a collective basis as they possess credit risk characteristics based on the days past due.

Non-financial assets

At each reporting date, the Corporation reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. As the Corporation is a not-for-profit entity, value in use is the written down current replacement cost of an asset as the future economic benefits of the asset are not primarily dependent on the asset's ability to generate net cash inflows and as the entity would, if deprived of the asset, replace its remaining future economic benefits.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in expenses.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

h. Provisions

Provisions are recognised when the corporation has a legal or constructive obligation, because of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance costs.

i. Leases

At inception of a contract, the Corporation assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Corporation uses the definition of a lease in AASB 16.

At commencement or on modification of a contract that contains a lease component, the Corporation allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price. However, for the leases of property, the Corporation has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Corporation recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Corporation by the end of the lease term or the cost of the right-of-use asset reflects that the Corporation will exercise a purchase option. In that case, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Corporation's incremental borrowing rate. Generally, the Corporation uses its incremental borrowing rate as the discount rate.

The Corporation determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following where applicable:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Corporation is reasonably certain to exercise, lease payments in an optional renewal period if the Corporation is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Corporation is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Corporation's estimate of the amount expected to be payable under a residual value guarantee, if the Corporation changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to nil.

The Corporation presents right-of-use assets as a separate line item and lease liabilities within "loans and borrowings" in the statement of financial position.

The Corporation has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Corporation recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Note 5: Adoption of new and revised accounting standards

A number of new standards are effective from 1 July 2020 but they are not relevant to and/or do not have a material effect on the Corporation's financial statements.

Note 6: Accounting standards issued but not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning after 1 July 2020, and have not been applied in preparing these financial statements. The Corporation has not yet assessed the impact of these new or amended standards.

The Corporation does not plan to adopt these standards early.

Note 7: Revenue

	2021	2020
	\$	\$
NIAA Native Title (NT) Services Grant	3,915,381	3,995,556
Other grants and donations	719,362	343,366
Other income	152,134	191,848
Interest received	21,014	38,378
Total Revenue	<u>4,807,891</u>	<u>4,569,148</u>

Note 8: Employee Benefits

	2021	2020
	\$	\$
Wages and Salaries	2,153,498	2,116,273
Superannuation	201,556	217,686
Leave and other entitlements	267,203	390,580
Workers compensation premiums	26,635	27,837
Total employee benefits	<u>2,648,893</u>	<u>2,752,376</u>

SWALSC's Superannuation Guarantee Contributions are contributed to superannuation funds chosen by employees. SG Contributions are made at the statutory rate.

Note 9: Depreciation and Amortisation Expense

	2021	2020
	\$	\$
Office Equipment and Furniture	13,725	9,384
Motor Vehicle	17,817	9,041
Amortisation of Right of Use of Assets	151,518	160,419
Total Depreciation and Amortisation	<u>183,060</u>	<u>178,844</u>

Note 10: Other Supplies and Services

	2021	2020
	\$	\$
Consultants	620,367	880,160
Community Services	807,876	261,245
Administration	467,258	317,924
Total other supplies and services	<u>1,895,502</u>	<u>1,459,329</u>

Note 11: Finance costs

	2021	2020
	\$	\$
Finance Lease costs	7,327	7,818
Total Finance costs expense	<u>7,327</u>	<u>7,818</u>

Note 12: Cash and Cash Equivalents

	2021	2020
	\$	\$
Cash at bank and in hand	675,080	992,188
Short-term bank deposits	1,500,000	1,800,000
Total cash and cash equivalents	<u>2,175,080</u>	<u>2,792,188</u>

Note 13: Financial Assets	2021	2020
	\$	\$
Bank Guarantee	<u>112,167</u>	<u>-</u>
To secure obligation under new office lease		

Note 14: Trade and Other Receivables	2021	2020
	\$	\$
Trade Debtors	7,047	21,790
Other receivables	<u>1,200</u>	<u>12,521</u>
Total trade and other receivables	<u>8,247</u>	<u>34,311</u>

Current trade receivables are non-interest bearing loans and are generally receivable within 30 days. A provision for impairment is recognised against subscriptions where there is objective evidence that an individual trade receivable is impaired. No impairment was required at 30 June 2021 (2020: Nil).

Credit risk

The Corporation has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. The main source of credit risk to the Corporation is considered to relate to the class of assets described as reimbursement for monitoring and site survey fees paid in advance on behalf of the proponents.

The following table details the Corporation's receivables exposed to credit risk with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled within the terms and conditions agreed between the Corporation and the member or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining their willingness to pay and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Corporation.

The balances of receivables that remain within initial terms (as detailed in the table) are considered to be of high credit quality.

	Within Trade Terms	Past Due but Not Impaired (Days Overdue)			Total
	< 30	31–60	61–90	> 90	
	\$	\$	\$	\$	\$
Trade and other receivables 2021	<u>3,952</u>	<u>2,507</u>	<u>80</u>	<u>509</u>	<u>7,047</u>
	Within Trade Terms	Past Due but Not Impaired (Days Overdue)			Total
	< 30	31–60	61–90	> 90	
	\$	\$	\$	\$	\$
Trade and other receivables 2020	<u>5,104</u>	<u>7,000</u>	<u>5,868</u>	<u>3,818</u>	<u>21,790</u>

The corporation does not hold any financial assets classified as loans and receivables.

Note 15: Other Current Assets	2021	2020
	\$	\$
Prepaid expenses	<u>141,808</u>	<u>22,799</u>

Note 16: Property, Plant and Equipment (PPE)

	2021	2020
	\$	\$
<i>Office Equipment and Furniture</i>		
At cost	135,665	106,701
Accumulated depreciation	<u>(43,727)</u>	<u>(38,757)</u>
	<u>91,937</u>	<u>67,944</u>
<i>Motor Vehicles</i>		
At cost	80,073	74,636
Accumulated depreciation	<u>(12,617)</u>	<u>(9,041)</u>
	<u>67,456</u>	<u>65,596</u>
<i>Right of Use Assets (ROU)</i>		
At cost	229,977	301,877
Accumulated depreciation	<u>(56,018)</u>	<u>- 160,419</u>
	<u>173,959</u>	<u>141,458</u>
Total Property, Plant and Equipment	<u><u>333,353</u></u>	<u><u>274,998</u></u>

Movements in carrying amounts

Movement in the carrying amounts for each class of property; motor vehicle, office equipment and furniture between the beginning and the end of the current financial year.

PPE	Motor Vehicle	Office Equipment and Furniture	Total
	\$	\$	\$
Carrying amount at 1 July 2019	72,072	40,225	112,298
Additions	74,636	48,177	122,813
Disposals	(72,072)	(11,073)	(83,145)
Depreciation expense	<u>(9,040)</u>	<u>(9,384)</u>	<u>(18,424)</u>
Carrying amount at 30 June 2020	<u>65,596</u>	<u>67,945</u>	<u>133,541</u>
Additions	82,785	39,094	121,879
Disposals	(63,107)	(1,376)	(64,483)
Depreciation expense	<u>(13,725)</u>	<u>(17,817)</u>	<u>(31,542)</u>
Carrying amount as at 30 June 2021	<u><u>71,548</u></u>	<u><u>87,845</u></u>	<u><u>159,393</u></u>

ROU Assets	Office Lease	Motor Vehicle	Office Equipment and Furniture	Total
	\$	\$	\$	\$
Carrying amount at 31 July 2019	244,165	37,318	22,957	304,441
Additions	-	-	-	-
Disposals	-	-	-	-
Depreciation expense	(146,499)	(10,255)	(6,229)	(162,983)
Carrying amount as at 30 June 2020	97,666	27,063	16,728	141,458
Additions	207,020	-	-	207,020
Disposals	-	(23,000)	-	(23,000)
Depreciation expense	(140,795)	(4,063)	(6,660)	(151,518)
Carrying amount as at 30 June 2021	163,891	0	10,069	173,960
Total Carrying amount PPE and ROU Assets	163,891	71,548	97,913	333,353

Note 17: Employee Leave Provisions

	2021	2020
	\$	\$
<i>Current</i>		
Balance at 1 July 2020	410,216	304,988
Additions (Accruals)	72,153	170,661
Leave taken	(257,617)	(65,433)
Closing balance at 30 June 2021	224,752	410,216
<i>Non-current</i>		
Balance at 1 July 2020	17,967	39,019
Additions (Accruals)	15,653	9,277
Leave taken	(27,011)	(30,329)
Closing balance at 30 June 2021	6,609	17,967

Long Service Leave entitlements of 10 weeks after 10 years of service accessible after 7 years pro rata. The provision for long service leave represents the Corporation's best estimate of the future benefit that employees have earned. The amount and timing of the associated outflows is uncertain and dependent on employees attaining the required years of services. Where the Corporation no longer has the ability to defer settlement of the obligation beyond 12 months from the reporting date, liabilities are presented as current. This would usually occur when employees are expected to reach the required years of service in the 12 months from reporting date. The discount rate used to determine the present value of future benefits on 30 June 2021 was 2% (2020 2%).

Probability in % by the length of employment:

Probability	
0 to 2 Years	0.0%
More than 2yr less than 4 yrs	33.3%
More than 4yr less than 7 yrs	66.7%
More than 7 yrs	100.0%

Note 18: Trade and Other Payables	2021	2020
	\$	\$
Trade payables	202,693	106,481
Accrued salaries	237,735	44,114
PAYG payable	47,531	43,208
SGC Payable	6,535	3,264
Accrued expenses	3,214	11,170
Other liabilities	9,329	23,371
Total trade and other payables	<u>507,036</u>	<u>231,608</u>

Note 19: Grant Income in Advance

	2021	2020
	\$	\$
NIAA Native Title Services Grant	1,376,275	1,291,656
NRM Noongar Pathways Phase 2 - Lotterywest	49,774	186,433
NRM Heritage Trails - SFF	4,704	16,674
COVID-19 Emergency Relieve - Lotterywest	-	375,537
Total grants received in advance	<u>1,430,754</u>	<u>1,870,300</u>

Grants received in advance represents un-recognised revenue from Contracts with Customers for remaining performance obligations as of 30 June 2021.

Note 20: Lease Liability

	2021	2020
	\$	\$
Current		
Lease liability - MV	-	28,978
Lease liability - Office Premises	93,728	99,132
Lease liability - Other Assets	6,791	5,806
Total current lease liability	<u>100,519</u>	<u>133,916</u>
Non-current		
Lease liability - Office Premises	56,718	-
Lease liability - Other Assets	3,810	11,310
Total non-current lease liability	<u>60,528</u>	<u>11,310</u>
Total lease liability	<u>161,047</u>	<u>145,226</u>

Leases as lessee

The Corporation leases its offices premises. The lease runs for a period of two years, with an option to renew the lease after that date (15 Feb 2023). Lease payments are reviewed in line with the lease agreement annually to reflect market rates. None of these leases include contingent rentals.

A motor vehicle for the CEO was previously financed by St George Finance over 24 months. The agreement expired in March 2021.

The Corporation leases office equipment, namely printing hardware. These leases run for a period of one to five years. None of these leases include contingent rentals.

Note 21: GST Assets/(Liability)

	2021	2020
	\$	\$
GST Paid	51,739	36,675
GST Collected	<u>(21,192)</u>	<u>(57,181)</u>
Net GST Receivable/(Payable)	<u><u>30,547</u></u>	<u><u>(20,507)</u></u>

Note 22: Events after the reporting date

In September 2021 all six regions endorsed SWALSC as the Central Services Corporation. No other event occurred after the reporting date which would have a material effect upon the financial statements as at 30 June 2021.

Note 23: Reconciliation of cash flows from operating activities

	2021	2020
	\$	\$
Operating result	42,534	138,699
<i>Cash flows excluded from profit attributable to operating activities</i>		
Non-cash flow in profit:		
- depreciation	183,060	178,844
- net gain on disposal of property, plant and equipment	(27,478)	8,510
<i>Changes in assets and liabilities:</i>		
- (Increase)/decrease in trade and term debtors	(92,945)	(2,323)
- Increase/(decrease) in employee benefits	(196,823)	84,176
- Increase/(decrease) in trade and other payables	224,375	(196,449)
- Increase/(decrease) in grant income in advance	<u>(439,546)</u>	<u>(562,990)</u>
Net cash provided by operating activities	<u><u>(306,823)</u></u>	<u><u>(351,533)</u></u>

Note 24: Financial Risk Management

The following table shows the carrying amounts of financial assets and financial liabilities. Since all financial assets and financial liabilities are not measured at fair value, i.e. they are measured at amortised cost, the carrying amounts are reasonable approximations of fair value.

	Note	2021	2020
		\$	\$
<i>Financial assets</i>			
Cash and cash equivalents	12	2,175,080	2,792,188
Financial assets	13	112,167	-
Receivables	14	<u>8,247</u>	<u>34,311</u>
Total financial assets		<u><u>2,295,494</u></u>	<u><u>2,826,499</u></u>
<i>Financial liabilities</i>			
Financial liabilities at amortised cost:			
- trade and other payables	18	507,036	185,135
- lease liability	20	<u>161,047</u>	<u>145,226</u>
Total financial liabilities		<u><u>668,083</u></u>	<u><u>330,361</u></u>

Note 25: Related party disclosures

(a) Key management personnel's remuneration

The aggregate compensation of the key management personnel of the Corporation is set out below:

	Board of Directors		Management	
	2021	2020	2021	2020
Key management remuneration	.		482,319	506,214
Consultancy Fees (Grant Thornton)	-	-	57,024	-
MV Allowance			13,168	-
Expense reimbursement	51,764	17,853		-
Superannuation	-	-	34,826	49,547
Total key management personnel's remuneration	51,764	17,853	587,337	555,761

Key management personnel includes the Board of Directors, Chief Executive Officer, Chief Financial Officer, Principal Legal Officer and Implementation Manager. The CEO and CFO position was filled by Grant Thornton Australia Limited between the period of November 2020 - May 2021. Their service fee for the initial period was paid by the NIAA. For the period of 1/4/21-8/5/21 their consultancy fee was covered by SWALSC.

(b) Loan disclosures

During the year there were no loans made to a related party of the Corporation.

(c) Key management personnel equity holdings

The Corporation does not have a share-based payment plan, and as such none of the key management personnel holds any securities in the entity.

Note 26: Auditors remuneration

	2021	2020
<i>Audit Services</i>	\$	\$
Auditors of the Corporation - Butler Settineri		
- Audit of the financial statements	9,958	9,876
Total for audit services	9,958	9,876
<i>Other services</i>	-	-
Auditors of the Corporation – Butler Settineri		
- In relation to other assurance, taxation and due diligence services	-	-
Total auditors remuneration	9,958	9,876

Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 Years		Over 5		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment								
Trade and other payables (excluding grants receivable in advance)	259,553	173,060	-	-	-	-	259,553	173,060
Financial lease liabilities	100,519	133,916	60,528	11,310	-	-	161,047	145,226
Total expected outflows	360,072	306,976	60,528	11,310	-	-	420,600	318,286
Financial assets — cash flows realisable								
Cash and cash equivalents	2,175,080	2,792,188	-	-	-	-	2,175,080	2,792,188
Trade and other receivables	8,247	34,311	-	-	-	-	8,247	34,311
Financial assets — Bank guarantee	112,167	-	-	-	-	-	112,167	-
Total anticipated inflows	2,295,494	2,826,499	-	-	-	-	2,295,494	2,826,499
Net (outflow)/inflow on financial instruments	1,935,422	2,519,523	-60,528	-11,310	-	-	1,874,894	2,508,213

Costs of Native Title Services Functions

	2021	2020
	\$	\$
Facilitation	1,125,366	1,802,809
Certification	-	-
Dispute resolution	-	-
Notification	-	-
Agreement	-	-
Internal review	-	-
ILUA	1,289,955	675,363
Contested Litigation	-	-
Other	-	-
Total NT Activities	<u>2,415,321</u>	<u>2,478,172</u>
Corporate	<u>1,776,659</u>	<u>1,635,978</u>
Total NT Activities	<u><u>4,191,980</u></u>	<u><u>4,114,150</u></u>

Sources of Funding

	2021	2020
	\$	\$
Commonwealth NT Services Gran	3,915,381	3,995,556
Other Sources	892,510	573,592
Total Funding	<u><u>4,807,891</u></u>	<u><u>4,569,148</u></u>

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOUTH WEST ABORIGINAL LAND AND SEA COUNCIL ABORIGINAL CORPORATION

Report on the Financial Report

We have audited the accompanying financial report of South West Aboriginal Land & Sea Council Aboriginal Corporation, which comprises the statement of financial position as at 30 June 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the director's report.

In our opinion the financial report of South West Aboriginal Land & Sea Council Aboriginal Corporation,

- (a) gives a true and fair view of the corporation's financial position as at 30 June 2021 and of its performance for the year ended on that date; and
- (b) complies with Australian Accounting Standards (including the Australian Accounting Interpretations)

Basis for Opinion

We have conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report.

We are independent of the Corporation in accordance with the auditor independence requirements of the Corporations (Aboriginal and Torres Strait Islander) Act 2006 and the 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 our audit of the financial report in Australia. We have also fulfilled our ethical requirements in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Directors' Responsibility for the Financial Report

The directors of the corporation are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations (Aboriginal and Torres Strait Islander) Act 2006. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 report.

As part of an audit in accordance with the Australia Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess risks of material misstatement of the financial report, 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 our 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 Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements .

Compliance with Commonwealth Grant Conditions for Native Title Grants

In accordance with clause 41.7 of the Terms and Conditions- Native Title Agreement: For Agreements commencing on or after 1 July 2013, I certify that:

1. The financial statements are based on proper accounts and records;
2. The financial statements are in agreement with those accounts and records;
3. The receipt, expenditure and the investment of money, and the acquisition and disposal of assets during the year have been in accordance with the provisions of the Native Title Act 1993 and the Terms and Conditions- Native Title Agreement: For Agreements commencing on or after 1 July 2013;
4. There are no other matters requiring reporting.

Corporations (Aboriginal and Torres Strait Islander) Act 2006

Section 339-30 of the Corporations (Aboriginal and Torres Strait Islander) Act 2006 requires the auditor to form an opinion on various matters.

In relation to these requirements, we are of the opinion:

- a)
 - i) The financial report has been prepared in accordance with the Act,
 - ii) The financial report and the audit has been prepared and completed in accordance with any applicable regulations made for the purposes of sections 333-10 and 333-15.
 - iii) There isn't any additional applicable determinations made by the Registrar under section 336-1 or 336-5.
- b) We have been given all information, explanations and assistance necessary for the conduct of the audit.

- c) The Corporation kept its records sufficient to enable the financial reports to be prepared and audited.
- d) The Corporation has kept all of the other records and registers as required by this Act.

BUTLER SETTINERI (AUDIT) PTY LTD

A handwritten signature in black ink, appearing to be 'M Johnson', written over a horizontal line.

MARCIA JOHNSON CA
Director

Perth

Date: 12 October 2021

