



# 2020 ANNUAL REPORT



**CENTRAL DESERT** NATIVE TITLE SERVICES

## WARNING TO ABORIGINAL AND TORRES STRAIT ISLANDER READERS:

This report may contain culturally sensitive information and images of people who have passed away since publication.

We sincerely regret any distress that may be caused.



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# GLOSSARY

<b>ACNC</b>	Australian Charities and Not-for-Profits Commission
<b>AGM</b>	Annual General Meeting
<b>CATSI</b>	The Corporations (Aboriginal and Torres Strait Islander) Act 2006
<b>Central Desert</b>	Central Desert Native Title Services Limited
<b>CDG</b>	Central Desert Group
<b>CHMP</b>	Cultural Heritage Management Plan
<b>DSS</b>	Desert Support Services
<b>GDNR</b>	Gibson Desert Nature Reserve
<b>ILUA</b>	Indigenous Land Use Agreement
<b>MNR</b>	Mungarlu Ngurrarankatja Rirraunkaja (Aboriginal Corporation)
<b>MOU</b>	Memorandum of Understanding
<b>NIAA</b>	National Indigenous Australians Agency
<b>NNTT</b>	National Native Title Tribunal
<b>NTA</b>	Native Title Act 1993
<b>NTRB</b>	Native Title Representative Body
<b>ORIC</b>	Office of the Registrar of Indigenous Corporations
<b>PBC</b>	Prescribed Body Corporate
<b>RFM</b>	Rockhole Funds Management
<b>RNTBC</b>	Registered Native Title Body Corporate



## CENTRAL DESERT NATIVE TITLE SERVICES

The Hon Ken Wyatt AM MP  
Minister for Indigenous Australians  
Parliament House  
Canberra ACT 2600

Dear Minister

I have great pleasure in presenting the Annual Report of Central Desert Native Title Services Limited for the period 1 July 2019 to 30 June 2020.

This report includes the organisation's report of operations and the audited financial statements for the year ended 30 June 2020.

Sincerely,



Mr Terry Grose  
Chairperson

# CHAIRPERSON'S REPORT

**I am pleased to present this report on behalf of the Board of Central Desert Native Title Services for the year to 30 June 2020, and what a year it has been. When Covid 19 struck and the Government announced the severe restrictions on movements across the country most of our programs were put on hold and travel to work with our clients became impossible for some time. Despite this we were able to continue with a range of activities as noted below and outlined in more detail in this Annual Report.**

The Kultju Determination was held at Turtle Creek on 30 October 2019. This was a joyous occasion for the Traditional Owners and all others who attended. The Federal Court was presented with a painting by native title holder, Edie Ulritch.

The Untiri Pulka claim was filed in September 2019 and a Consent Determination is anticipated early in the new financial year.

At long last some progress has been made towards an Agreement between the Gibson Desert People and the State Government over the Gibson Desert Nature Reserve. After much negotiation this area came close to settlement in 2008 through what was to be the "Indigenous Conservation Title" bill, but at the last minute the passage of the bill through Parliament was frozen due to a change of Government. A compensation application was filed, with evidence taken by the Court on country in Gibson Desert but following identification of some very old Petroleum leases this application was withdrawn. After a long hiatus

negotiation with government were restarted and as I write this report, I am pleased to note that agreement with the State Government has now been reached.

The Manta Rirrtinya Determination was varied on 24 April 2020 such that exclusive possession native title has now been recognised over most of the determination area, including areas that were covered by mineral exploration licences. This variation was possible following the High Court decision in *Tjungarrayi v WA* (2019).

Two compensation claims were filed in June 2020, one by Tjiwarl RNTBC and the other by Brett Lewis on behalf of the Tjiwarl compensation claim group. Case law on compensation claims is still in its infancy and rep bodies around Australia will be watching the Tjiwarl claim with great interest.

Instructions have been received to file two additional compensation claims – for Birriliburu and Gingirana. These claims are still to be filed as the Covid 19 restrictions prevented the necessary field work from being completed.

The Yilka Talintji Prescribed Body Corporate was finalised during the year and directors have been elected.

The main change in the senior management team during the year was the retirement of Ian Rawlings in December 2019. Ian had been the company's Chief Executive Officer since its creation in 2007 and his departure represented the end of an era. The Board and staff all farewelled Ian, thanking him sincerely for guiding the company through a range of challenges and achieving substantial growth in the process.



In addition, Rob Thomas retired in September 2019. During his nine years with the Central Desert Group Rob held a number of senior management roles. Through his strong commitment to the Aboriginal People of the Central Desert area he played a major part in achieving recognition of a number of Indigenous Protected Areas and establishing strong land management programs. We wish him well in his future endeavours.

Jo Lanagan took up the CEO position upon Ian's retirement. Having occupied the position of Deputy CEO for some time Jo was able quickly to settle into the CEO's role and was thus ready to cope competently with the upheavals and uncertainties caused by Covid 19.

Following Ian's departure, we explored different ways of organising the work of the Central Desert Group and in the course of this work the board determined that the administration of Desert Support Services should be reviewed in detail. Andy Gilmour, one of the company's directors, has a long history of consulting as a partner in a major Perth based accounting practice so the board asked him to undertake a thorough review of the entire Desert Support Services operation. To facilitate a comprehensive review the Board employed Andy on an interim basis as acting CEO. After reviewing Andy's findings, the Board came to the view that the PBC Support team should be relocated from Desert Support Services back into the main Central Desert organisation. This will happen in November 2020.

Since the end of the financial year Dr Guy Singleton has resigned from the board of Central Desert. Guy has been a

strong contributor to the company over the last four years and it is with real regret that I accepted his resignation which he felt obliged to give due to the potential for a perceived conflict of interest as his employer, Northern Star Resources, is mining in our region and is thus negotiating with Central Desert and its clients. In addition, Fiona Skyring who has been a director of the company for 12 years has decided that she will not stand for re-election when her current term expires later this year. I would like to thank Fiona for her long service to the company and wish her all the very best for the future.

Finally, I want to thank our CEO, Jo Lanagan, and all staff for their excellent work in an exceedingly difficult year. Despite the disruptions, and the need to work from home for several months, the whole team remained focused and was able to achieve some great results. I also want to thank my Board colleagues for their commitment to the goals of the company and their unflagging support. It is an honour and pleasure to work with them.



**Terry Grose**  
Chairperson



# CHIEF EXECUTIVE OFFICER'S REPORT

**On behalf of Central Desert, I would like to commence by acknowledging the traditional owners who passed away during the year, I offer sincere condolences to their family and friends. Some of those traditional owners worked with Central Desert and were valuable and well-respected members of the team. They will be sadly missed.**

The past year has been highly productive, despite the COVID-19 pandemic. It has also been a year marked by change.

Mr Ian Rawlings continued as CEO of Central Desert, until 31 December 2019 when he retired. Mr Rawlings led the organisation in its various forms for 12 years and oversaw many significant outcomes achieved by the traditional owners of the Central Desert with assistance from his teams. He developed strong relationships with all stakeholders both external to the organisation and internally. His thoughtful, intelligent persona will be missed by Central Desert People and his team and we wish him well in retirement.

Despite the challenges of working from home for a period during the year and our concern to ensure we kept the communities we travelled into safe, it has been a year of major achievements. September saw the Yilka Talantji PBC finalised, which enabled the native title holders to get on with managing their business together. In October 2019 the Kultju People achieved recognition by the Federal Court of the native title rights and interests they have held since time immemorial. The Court handed down the Decision at a joyful celebration held on country at Turtle Creek near Leinster. Early into the new financial year in July 2020, A Determination is to be made by the Federal Court in Untiri Pulka, recognising their native title rights and interests. Due to Covid, the Determination will be made in Perth, but it is hoped to hold a celebration on country when it is safe to do so.

Research continued to progress throughout the year; the culminating material was written into comprehensive reports that will lead to the filing of five new applications for determination of native title early into the new financial year. As noted in the Chairperson's report, two compensation claims have been filed on behalf of Tjiwarl, these will be followed by the filing of further Tjiwarl compensation claims before the end of 2020.

A major achievement which will be finalised early in the new financial year will be a Settlement Agreement between the State Government, Gibson Desert People and Central Desert. Negotiations progressed through the year with the Gibson Desert People taking control of their future through what will be significant outcomes in the Agreement. It will be a proud celebration when the Agreement is signed on country early in the new financial year. Central Desert respects the strength of the Gibson Desert People for the resolve they have shown to reach a resolution, considering the many obstacles put in their way.

Central Desert has made many submissions over the years to the proposed amendments to the *Aboriginal Heritage Act 1972* (AHA), the most recent submissions addressed the proposed draft Bill. Undoubtedly there has been much consultation about amendments to the AHA, particularly by the current Government. Unfortunately, the consultation on the proposed draft Bill, which was released in September for four weeks, did not allow enough time to consult with Aboriginal people and contains some major inadequacies.

Among other things, the draft Bill does not recognise Aboriginal People as the primary decision makers in the protection of their cultural heritage. Instead, the Minister continues to have the final say over destruction of heritage, if relevant parties are not able to come to an agreement under the new regime. The integrity of the draft Bill is largely reliant on the Regulations and subsidiary documents which are yet to be drafted. Without these documents, it is unclear that the proposed mechanisms for consultation, protection and agreement making will be sufficient or effective. Having said all of this, Central Desert is supportive of a new Bill as the current AHA is completely unworkable, we will be commenting on the Regulations and subsidiary documents once they are made public.

I would like to thank the Central Desert Chairperson and directors for their commitment and attention to ensure the organisation is achieving the best outcomes for the people in our communities. I would also like to mention the productive partnership with our core funders, the National Indigenous Australians Agency and to all key partners for their consistent support and productive working relations.

Finally, I want to acknowledge the team of remarkable people who work at Central Desert Native Title Services. Each and every member of the team is committed to the work they do to achieve outcomes for the people in our communities. They turn up, not because it's a job, but because they care and believe in the work of Central Desert and are proud to be a part of that work. I am honoured to work here alongside the team at Central Desert and to work with the people in our communities. I want to acknowledge the support and care given to our team by the traditional owners, we understand the impositions that are often placed on you and we are grateful for your patience and generosity of spirit.

Thank you.

I submit the CEO report for your consideration.



**Jo Lanagan**  
Chief Executive Officer





# DIRECTORS



## MR TERRY GROSE

(Chairperson of Central Desert and DSS)

**Appointed 14 December 2012  
Central Desert Native Title Services**

Terry Grose has a strong commercial background gained through his experience as a merchant banker, senior executive and business consultant in Australia and overseas.

He has gained extensive experience working with Aboriginal organisations over the past ten years. Terry joined the board of Central Desert Native Title Services in 2012 and was appointed Chair in 2013. He is also Chair of Desert Support Services and Native Title Services Goldfields.

Terry has been on the board of Yirra Yaakin Aboriginal Theatre Company for a decade. He is an Ambassador for Community First Development (formerly known as Indigenous Community Volunteers) and has carried out assignments for them in the Kimberley and Gascoyne regions and in Arnhem Land.

Earlier in his career Terry spent time as a merchant banker before joining Wesfarmers where he worked for a decade in a range of senior management positions, before moving to Hong Kong where he was CFO of an innovative computer software company for three years before establishing Grose International, a commercial and financial consultancy operating in Hong Kong and through Asia.



## THE HON FRED CHANEY AO

**Appointed 11 September 2007  
Central Desert Native Title Services**

Fred Chaney has served as a Member and Deputy President of the National Native Title Tribunal, Co-Chair and director on the board of Reconciliation Australia Limited, Chair of Desert Knowledge Australia, Chair of the Consultation Committee on a Human Rights Act for Western Australia and as Minister for Aboriginal Affairs from 1978-80.

In 2008 he was awarded the Sir Ronald Wilson Leadership Award for "Exceptional leadership in the fields of social justice, human rights, equality and anti-racism". Fred continues to serve as a director of Reconciliation WA and is a co-founder and Deputy Chair of the Graham (Polly) Farmer Foundation.

In 2011 he was a member of the Expert Panel on the Constitutional Recognition of Indigenous Australians. Fred was the recipient of the Senior Australian of the Year for 2014.



## DR FIONA SKYRING

**Appointed 7 October 2008  
Central Desert Native Title Services**

Fiona Skyring is a historian. While employed by the Kimberley Land Council from 1999 to 2005 as an expert witness, Fiona gave evidence on behalf of the native title applicants in five trials in the Federal Court. Since then Fiona has worked for native title service providers on behalf of applicants, for Aboriginal heritage organisations and for government.

She has contributed to community history projects, award-winning museum exhibitions and to academic publications. Fiona is the author of 'Justice: A History of the Aboriginal Legal Service of Western Australia', which won the 2012 Margaret Medcalf Award, the State Library of Western Australia WA History Prize and the WA Premier's Prize.



**MR ANDREW (ANDY) GILMOUR**

**Appointed 14 December 2012**  
**Central Desert, DSS & Rockhole**

Andy has over 35 years' experience as a chartered accountant and business adviser initially in the area of audit and subsequently in corporate finance and transaction support. He has had a wide breadth of experience with exposure to businesses in diverse industries from financial services to mining, and of varying size, from small to medium sized family concerns to large multinational corporations.

Andy has provided advice and consulting services to Government departments, Government Funded Organisations and Not for Profits.

Andy was admitted as a partner of RSM Australia Partners in 1994 and retired in 2018 after more than 25 years of service with that organisation.

In April 2020 Andy was appointed Interim CEO of Desert Support Services Pty Ltd.



**DR CAROLYN TAN**

**Appointed 14 December 2012**  
**Central Desert Native Title Services**

Carolyn Tan has been an In-house Legal Counsel at Yamatji Marlpa Aboriginal Corporation since 2003 where she has provided native title advice and appeared in the Federal Court, High Court and before the National Native Title Tribunal and the Mining Warden. Prior to that she was a litigation partner at Dwyer Durack for 15 years and headed up their Native Title Department as well as being engaged in a range of commercial, administrative and other civil and industrial litigation.

In 2019, Carolyn became a director of Native Title Services Goldfields. Carolyn has been a Deputy President of the WA Equal Opportunity Tribunal and has served on numerous legal and social justice committees. She holds a PhD for her research on a topic related to Indigenous heritage and religious freedom laws in Australia, New Zealand, USA and Canada. Carolyn has also been a director of Native Title Services Goldfields since 2019.



**DR GUY SINGLETON**

**Appointed 20 July 2016**  
**Central Desert Native Title Services**

Guy Singleton has a diverse educational and professional background, which support his interests in realising meaningful Aboriginal opportunity. Guy has a first-class Honours degree in biological science and a PhD in remote Aboriginal community development and Indigenous affairs from Curtin University's Business School.

He has worked with and for a range of Aboriginal corporations on development projects in WA, SA and the NT. Since 2012 Guy has held a range of Social Responsibility positions within the resource industry sector. His current position of Manager – Social Responsibility and External Relations at Northern Star Resources Limited sees him leading the Environment, Social Responsibility, Sustainability and Government Relations functions across the company's assets in Australia and the United States (Alaska).

Guy is also an Adjunct Research Fellow at the University of Western Australia within the Centre for Regional Development. His published works have been cited by a range of organisations, including the United Nations.



# COMPANY OFFICERS



**MRS JO LANAGAN**  
Chief Executive Officer and  
Company Secretary

**Appointed Company Secretary  
31 December 2019**

Jo Lanagan joined Central Desert Native Title Services (Central Desert) in 2012 where she has held various senior management roles. She was appointed as the Chief Executive Officer on 1 January 2020.

Mrs Lanagan has extensive experience in native title, holding senior roles in both the Commonwealth and State Governments. She worked with The National Native Title Tribunal for 9 years, before moving on to the Office of Native Title within the WA Government, where she spent 7 years in senior positions. Prior to commencing with Central Desert, she spent two years with the Department of Aboriginal Affairs.

Mrs Lanagan's extensive native title experience includes conducting mediations, negotiating major State and Commonwealth agreements, governance and agreement implementation work.

Mrs Lanagan was appointed to the Conservation and Parks Commission in May 2018 and was appointed Deputy Chair in May 2019.

Mrs Lanagan was appointed Company Secretary of Central Desert on 31 December 2019.



**MR MALCOLM O'DELL**  
Principal Lawyer

Malcolm O'Dell has served as the company's Principal Lawyer since its inception. Mr O'Dell has extensive native title experience having worked for the National Native Title Tribunal from 1996 to 1999 before entering legal practice with Dwyer Durack.

He joined Ngaanyatjarra Council in 2004, working in the Native Title Unit, and moved to Central Desert when it was formed in 2007. He has extensive experience in native title in the areas of mediation, negotiation, corporate establishment and governance, agreement making, court representation, arbitral inquiries and hearings.

In the reporting period, Mr O'Dell was also a director of Access Housing Australia Ltd, a not-for-profit provider of social and affordable housing in WA.

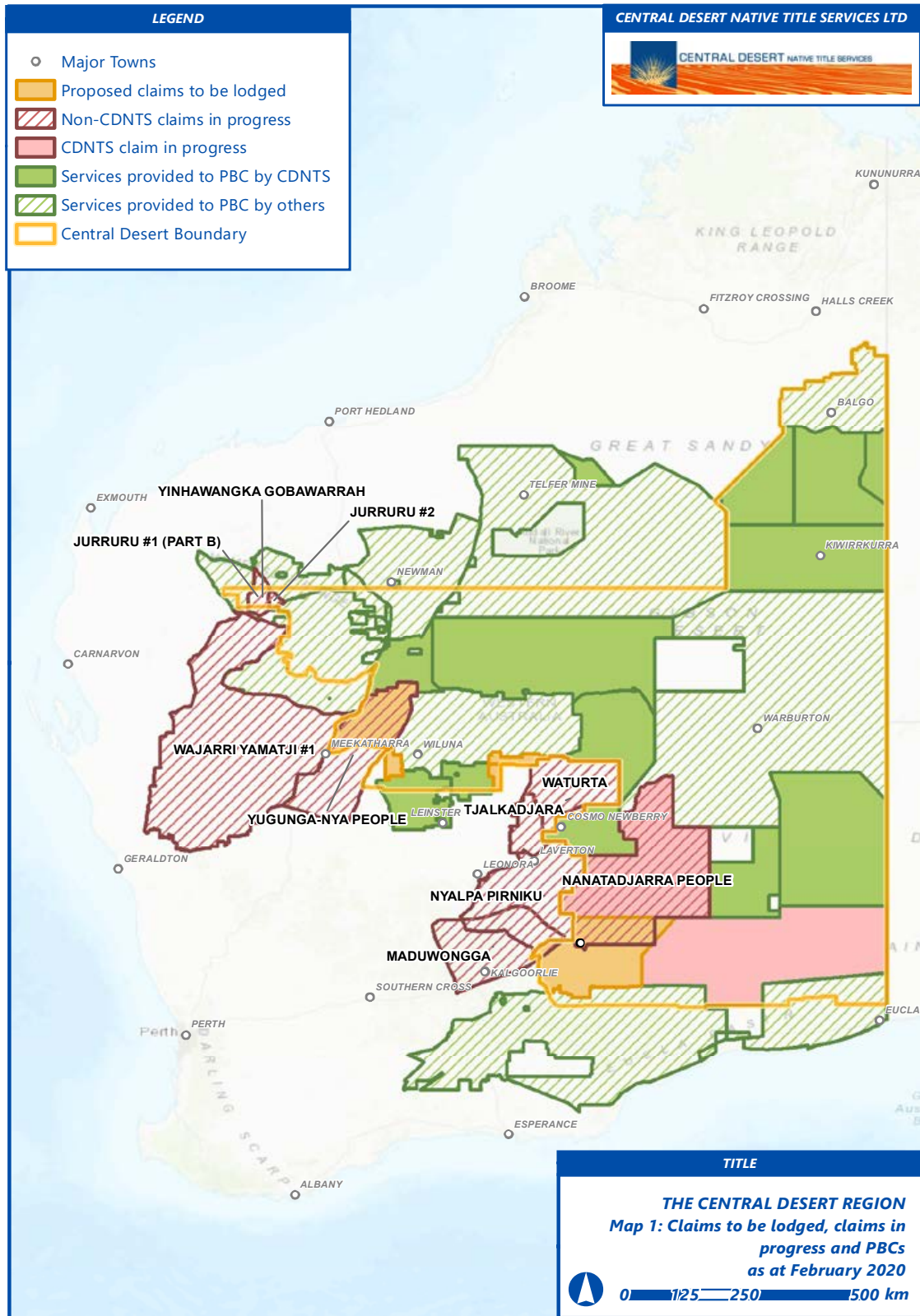


**MR RUWAN SILVA**  
Chief Financial Officer and  
Company Secretary

Ruwan Silva holds a bachelor's degree in accounting and Finance from Curtin University and is a Fellow of the Institute of Public Accountants. He has worked in the Not for Profit sector for the past 17 years starting his career in Port Hedland as a Financial Counsellor and then as Manager of the Pilbara Community Legal Service.

He has many years' experience working with indigenous communities in the Pilbara region and worked at Parkerville Children and Youth Care for more than 10 years as the Financial Accountant overseeing rapid growth.

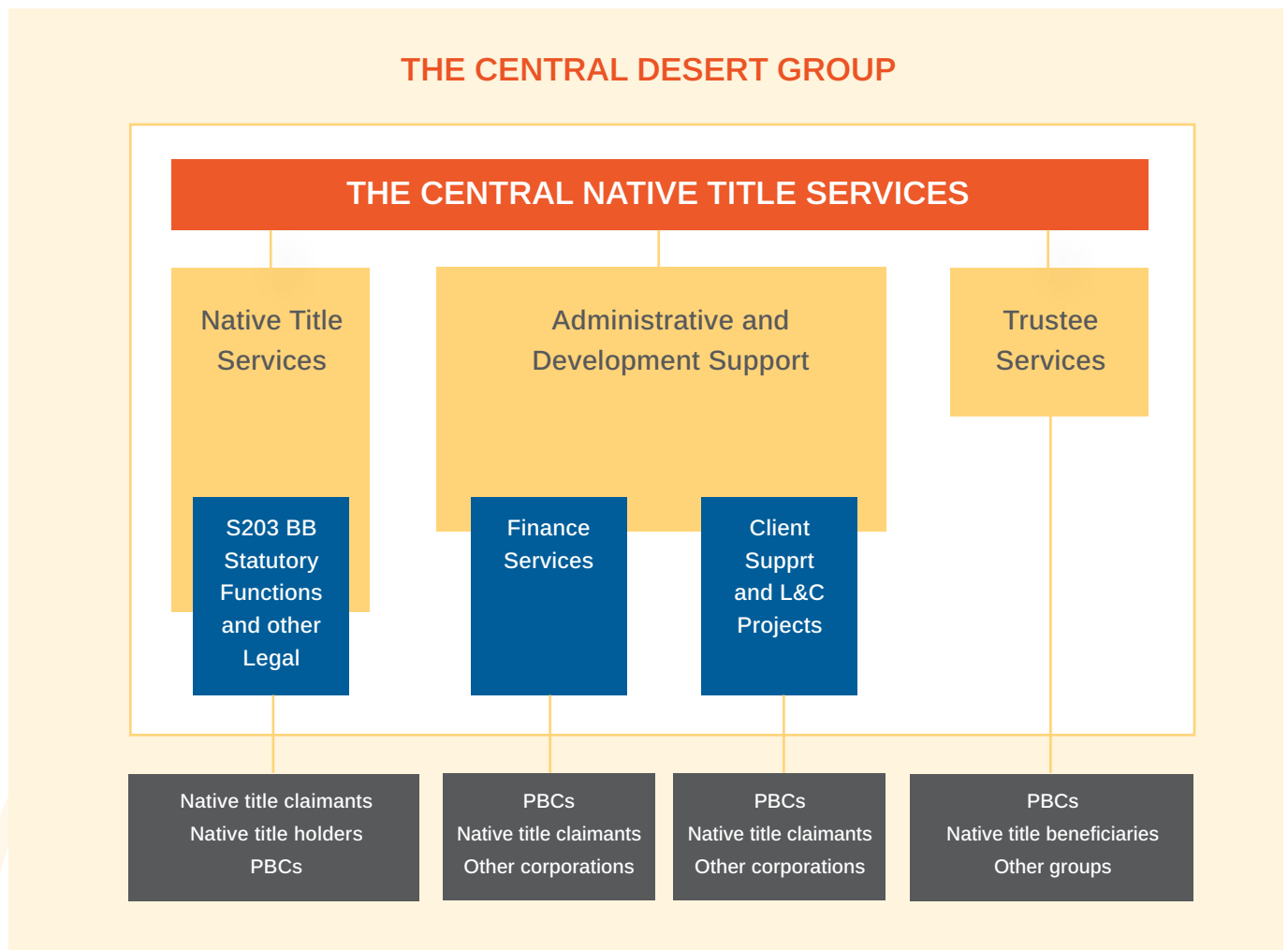
# THE CENTRAL DESERT REGION



# WHO WE ARE

## THE CENTRAL DESERT GROUP

Since its inception in 2007 Central Desert Native Title Services Limited (Central Desert) has established two wholly owned subsidiary companies. Desert Support Services Pty Ltd (DSS) commenced operations in 2011 and Rockhole Funds Management Pty Ltd (RFM) in 2013.



The three entities are collectively referred to as the Central Desert Group (CDG) and we continue to deliver the services of a recognised native title service provider through Central Desert Native Title Services, along with a suite of expanded services provided by the subsidiaries. Mr Ian Rawlings was the CEO of all entities comprising the CDG until 31 December 2019. Mrs Jo Lanagan is the current CEO appointed 31st December 2019. Mr Andy Gilmour is currently acting CEO of DSS. Our professional team with their extensive knowledge and experience are committed to advancing and protecting the native title rights and interests of our constituents.

Central Desert currently has six directors on its Board of Management who volunteer their time. Read more about the wealth of skills and experience that our directors bring to the company at the profile pages 10-11.



ABN: 53 124 921 811

**BOARD OF DIRECTORS:**

Terry Grose  
 Fred Chaney  
 Fiona Skyring  
 Andy Gilmour  
 Carolyn Tan  
 Guy Singleton



ABN: 41 154 511 494



ABN: 65 165 808 333

**DIRECTORS:**

Terry Grose  
 Fred Chaney  
 Fiona Skyring  
 Andy Gilmour  
 Guy Singleton  
 Alan James

**DIRECTORS:**

Andy Gilmour  
 Alan James  
 Ian Baird



# WHAT WE DO

## OUR ROLE AND FUNCTIONS

As a native title service provider Central Desert carries out specific functions under part 11, Division 3 of the Native Title Act (NTA). In addition to these prescribed activities, Central Desert provides a range of related services and expertise to native title communities in the Central Desert region of WA.

Central Desert is committed to the promotion of a corporate culture that is ethical and transparent and an organisational culture that is community-focused and driven by values based on focusing on what matters most, fostering teamwork & collaboration, committing to health, safety & wellbeing. Central Desert is highly respected by its constituents, by government and industry.

## LEGAL SERVICES

As a native title service provider Central Desert has specific functions under part 11, Division 3 of the NTA. These functions are:

- Facilitation and assistance; Agreement-making;
- Certification functions;
- Dispute resolution;
- Notification functions;
- Internal review; and
- Other functions as conferred by the Act.

Central Desert's statutory functions and corporate services operate with core funding provided by the Commonwealth in accordance with s203FE of the NTA 1993 (Cth).

## HERITAGE AGREEMENTS AND COMPLIANCE

Central Desert assists and facilitates negotiations between native title holders or claimants and resource or other companies regarding access to areas within the Central Desert region. This area of work also monitors that agreement terms are being implemented and timeframes complied with.

## LEGAL SERVICES SUPPORT TO PBCS

Central Desert Native Title Services' supports PBCs to advance their native title rights and interests and manage and maximise native title outcomes through the development of strong corporations and strong agreements.

## CENTRAL DESERT GROUP STRATEGIES

During the 2019-20 year the Central Desert Group continued its focus on delivering against the objectives of its Strategic Plan.

Central Desert prioritises securing timely and strong settlements and agreements for our constituents and maximising effective and beneficial use and management of Aboriginal lands, with a strong emphasis on supporting native title land holding entities (PBCs).

Central Desert Group's Strategic Plan is provided below. Our Mission, Vision and Values statements and Strategic plan can be found on our website at: [www.centraldesert.org.au/about-us-item/our-vision-mission-and-values/](http://www.centraldesert.org.au/about-us-item/our-vision-mission-and-values/)

### OUR VISION

is that the peoples of the Central Desert are using their traditional lands to fulfill their highest social, cultural and economic aspirations.

### OUR MISSION

is to ensure that solid foundations are laid for the peoples of the Central Desert to determine and build their own social, cultural and economic futures.

### THE VALUES THAT DRIVE OUR BEHAVIOUR ARE

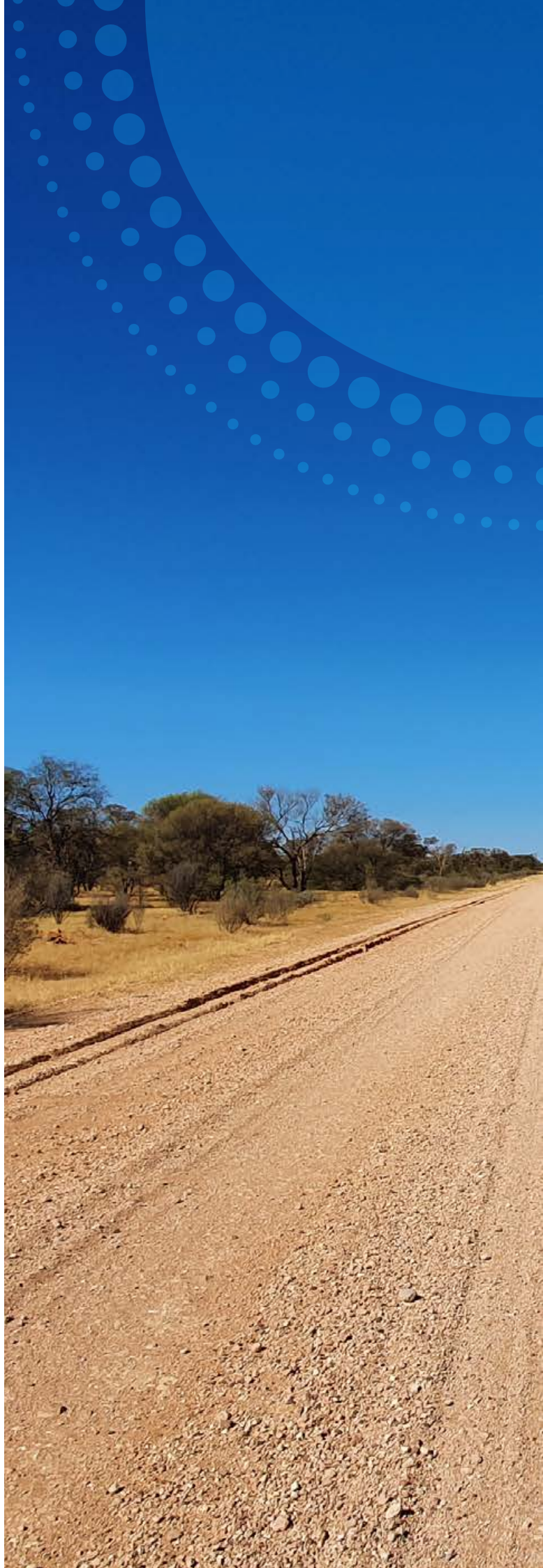
- Focus on what matters most
- Foster teamwork & collaboration
- Commit to health, safety & wellbeing

## OBJECTIVES AS STATED IN THE CONSTITUTION

The objects of the Company are to directly assist and benefit the Aboriginal people of the Central Desert Area by: -

- (a) relieving poverty, sickness, suffering, distress, misfortune, destitution and helplessness amongst Aboriginal people of the Central Desert Area;
- (b) recognising that such poverty, sickness, suffering, distress, misfortune, destitution and helplessness result from such Aboriginal people having been progressively dispossessed of their land and/ or waters, without compensation, as a consequence of which they have become socially, spiritually and economically dis-empowered and are now the most disadvantaged section of Australian society to:
  - (i) directly assist them in regaining recognition of their rights and interests in lands and waters arising from their traditional laws and customs and to satisfy their aspirations with respect to such land and/or waters;
  - (ii) assist such Aboriginal people to regain access to their traditional lands and/or waters;
  - (iii) assist such Aboriginal people to have a voice in relation to the future use and exploitation of their traditional lands and/ or waters; and/ or
  - (iv) assist such Aboriginal people to obtain compensation in relation to their dispossession from their traditional lands and/or waters and in relation to the future use and exploitation of such traditional lands and/or waters.
- (c) promoting and protecting their distinctive laws and customs and Aboriginal culture generally; and
- (d) otherwise directly assist in the advancement of the general welfare of the Aboriginal people of the Central Desert Area;

to the extent that these are charitable purposes as recognised by the law of equity and the *Income Tax Assessment Act 1997* (Cth).



# HOW WE PERFORM

## OPERATIONAL – SECTION 203BB 'FACILITATION AND ASSISTANCE FUNCTION'

### STRATEGIC PLAN FOCUS AREAS:

1. Securing strongest native title or alternative outcomes and researching, preparing and settling claims.
2. Securing compensation for past extinguishment of, or interference with, native title.

### CONSENT DETERMINATIONS

#### *Kultju*

FCA No.	WAD225/2018
Area	5,491km <sup>2</sup>
Date Filed	28/05/2018
Date	Determined 30/10/2019

The Kultju claim was filed on 28 May 2018. The claim was registered on 20 July 2018 and the notification period for the claim closed on 21 November 2018. On 30 October 2019, Justice Colvin made a consent determination of native title in favour of the Kultju native title claimants and determined that Kultju (Aboriginal Corporation) RNTBC would be the prescribed body corporate for the native title holders at the same time.

The determination of native title recorded in *Sceghi on behalf of the Kultju Native Title Claim Group v State of Western Australia* [2019] FCA 1756 comprises entirely of non-exclusive native title rights and interests and includes the area of the Barwidgee and Wonganoo pastoral leases.

### VARIATIONS OF NATIVE TITLE

#### *Manta Rirrtinya*

FCA No.	WAD298/2019
Date Filed	29/05/2019
Determination Variation Date	24/04/2020

On 29 May 2019, Wakamurru (Aboriginal Corporation) RNTBC filed an application to vary the approved consent determination of native title originally made by the Federal Court of Australia on behalf of the Manta Rirrtinya native title holders as recorded in *Muir on behalf of the Manta Rirrtinya People v State of Western Australia* [2018] FCA 1388. Orders to give effect to the variation application were made by consent in chambers by Justice Charlesworth on 24 April 2020.

The application to vary the approved determination was made on the basis that events had taken place since the original determination was made which caused the determination to no longer be correct, being the delivery of

the decision of the High Court of Australia in *Tjungarrayi v Western Australia* [2019] HCA 12 . As a result, the areas of the original Manta Rirrtinya determination which were covered by exploration licences granted under the *Mining Act 1978* (such that those areas were denied the operation of section 47B of the *Native Title Act 1993* (Cth)) were corrected to revive exclusive possession native title in those areas.

## APPLICATIONS IN PROGRESS IN THE CENTRAL DESERT REGION AS AT 30 JUNE 2020

As at 30 June 2020 there were 8 native title applications and two compensation claims in progress within the Central Desert Native Title Services Ltd (**Central Desert**) representative area. Four of these claims are represented by Central Desert, the Nangaanya-ku [WAD460/2018], Untiri Pulka [WAD472/2019] claims and both the Tjiwarl compensation claim applications [WAD141/2020 and WAD142/2020].

CLAIM	FCA NO.	AREA KM <sup>2</sup>	DATE FILED
Represented by Central Desert			
Nangaanya-ku	WAD460/2018	48,697	09/10/2018
Untiri Pulka	WAD472/2019	66,309	19/09/2019
Tjiwarl (Aboriginal Corporation) RNTBC	WAD141/2020	~	17/06/2020
Tjiwarl Compensation Claim Group	WAD142/2020	~	17/06/2020
Not represented by Central Desert			
Wajarri Yamatji #1	WAD28/2019	97,682	21/12/2004
Yinhawangka Gobawarra	WAD490/2016	3423	17/10/2016
Yugunga-Nya People	WAD29/2019	30280	09/12/1999
Jurruru #2	WAD538/2018	666	22/11/2018
Nanatadjarra People	WAD348/2017	57,134	07/07/2017
Maduwongga	WAD186/2017	25,476	21/04/2017

### Nangaanya-ku

On 21 September 2018, an authorisation meeting was held in Kalgoorlie and on 9 October 2018 the Nangaanya-ku claim was filed in the Federal Court of Australia. The claim passed the registration test on 9 November 2018 and was entered on the Register of native title claim applications on the same day.

The claim area is overlapped by the Nanatadjarra People claim [WAD348/2017] and the Federal Court has been case managing the matter during the reporting period. Central Desert has also been progressing connection with the State of Western Australia pending the resolution of the overlap.

### Untiri Pulka

On 19 September 2019, an application for native title was filed in relation to an area of land and waters which covers the eastern part of the Nullarbor to the South Australian border. The claim was registered on the Register of native title claims on 22 November 2019.

The State of Western Australia accepted connection during the reporting period and progress was made to finalise a consent determination of native title with Pila Nguru (Aboriginal Corporation) RNTBC accepting the nomination to be determined as the prescribed body corporate for the Untiri Pulka native title holders.

### ***Tjiwarl Compensation Claims***

On 17 June 2020, Central Desert filed two compensation claims on behalf of the Tjiwarl native title holders. One compensation claim was brought on behalf of a compensation claim group for acts that extinguished native title since 1975 and the other was brought on behalf of Tjiwarl (Aboriginal Corporation) RNTBC for acts that impaired native title rights and interests.

The compensation claims seek compensation pursuant to the *Native Title Act 1993* (Cth) in relation to a variety of past acts, intermediate period acts and future acts since 1975 and include a number of mining projects within the Tjiwarl determination area.

### **PROGRESS ON PROPOSED NEW NATIVE TITLE CLAIMS**

Central Desert is in the process of researching and assisting groups to file both native title determination applications and compensations claims within its representative area.

### ***Gibson Desert Natures Reserve***

Following several years of negotiations with the State of Western Australia regarding its compensation liability over the extinguishment of native title caused by the vesting of the Gibson Desert Nature Reserve (GDNR), a settlement of these issues is foreshadowed in the forthcoming reporting period. As part of the settlement negotiations, Central Desert is assisting those native title holders affected by the extinguishment in bringing both a compensation claim and a native title determination application over the area of the GDNR. Any native title determination application is dependent on the Commonwealth parliament passing amendments to the *Native Title Act 1993* (Cth), which would introduce a new 'section 47C' allowing native title to be claimed over areas of extinguishment.

### ***An area south of the Gingirana determination area***

Following a request for assistance, during the reporting period Central Desert undertook research in relation to an area of land and waters south of, and contiguous with, the Gingirana determination area. The request for assistance was made by those persons who identify as 'Putijarra', the native title holders for the Gingirana determination area.

### ***An area west of the Gingirana determination area***

Similarly, to the above, following a request for assistance, during the reporting period Central Desert undertook research in relation to an area of unclaimed land and waters west of, and contiguous with, the Gingirana determination area. The request for assistance was made by those persons who identify as 'Putijarra', the native title holders for the Gingirana determination area.

### ***An area to the west of the Untiri Pulka determination area***

In 2017, Central Desert briefed anthropologist Dr Scott Cane to undertake anthropological research within the Nullarbor area of Central Desert's representative region. The research ultimately led to the filing and determination of the Untiri Pulka area.

Research continues to the west of the Untiri Pulka determination area with the view of filing a new native title determination application in the forthcoming reporting period.

### ***Ullula Pastoral Lease***

Central Desert is in discussions with interested indigenous parties in relation to holding the Ullula pastoral lease to bring it within the Aboriginal estate on trust for a future native title claim group. Discussions have been held with Tarlka Matuwa Piarku (Aboriginal Corporation) RNTBC in relation to holding the pastoral lease on trust ahead of an authorisation meeting for the area in the forthcoming reporting period.

### ***An area south of the Wiluna determination area***

Central Desert has undertaken research in relation to an area of unallocated Crown land which is immediately south of the Wiluna #3 determined lands. Central Desert will convene an authorisation meeting to discuss the research in the forthcoming reporting period.

### ***Request for assistance to bring compensation claims***

Central Desert has received requests for assistance from:

- (a) Mungarlu Ngurrarankatja Rirraunkaja (Aboriginal Corporation) RNTBC to research and file a compensation claim(s) over all or part of the Birriliburu determination area; and
- (b) Tarlka Matuwa Piarku (Aboriginal Corporation) RNTBC to research and file a compensation claim(s) over all or part of the Wiluna determination area,

and will work with these two prescribed bodies corporate over the forthcoming reporting period on advancing these requests.

## ASSISTANCE TO PRESCRIBED BODIES CORPORATE

Strategic Plan Focus Area - Negotiating best agreements to deliver on social, cultural and economic aspirations and ensure implementation and compliance of agreements

Central Desert continues to provide section 203BB agreement making and implementation assistance to the following prescribed bodies corporate:

- Kaltupakal Aboriginal Corporation RNTBC – the Pilki PBC.
- Kultju Aboriginal Corporation RNTBC – the Kultju PBC.
- Kulyakartu (Aboriginal Corporation) RNTBC – the Kulyakartu PBC.
- Marputu Aboriginal Corporation RNTBC – the Gingirana PBC.
- Mungarlu Ngurrarankatja Rirraunkaja (Aboriginal Corporation) RNTBC (MNR) – the Birriliburu PBC.
- Ngurra Kayanta Aboriginal Corporation RNTBC – the Ngurra Kayanta PBC.
- Parna Ngururrpa (Aboriginal Corporation) RNTBC (Parna Ngururrpa)– the Ngururrpa PBC.
- Pila Nguru (Aboriginal Corporation) RNTBC – the Spinifex PBC.
- Rapi (Aboriginal Corporation) RNTBC – the Lappi Lappi and Ngulupi PBC.
- Tjamu Tjamu (Aboriginal Corporation) RNTBC (Tjamu Tjamu) – the Kiwirrkurra PBC.
- Tjiwarl (Aboriginal Corporation) RNTBC (Tjiwarl AC) – the Tjiwarl PBC.
- Wakamurru (Aboriginal Corporation) RNTBC (Wakamurru) – the Manta Rirrintinya PBC.
- Yilka Talintji (Aboriginal Corporation) – the Yilka/Sullivan/Edwards PBC.



## DETERMINATIONS OF NATIVE TITLE

As at 30 June 2020 there have been 33 determinations that native title exists on lands within the Central Desert Representative Area.

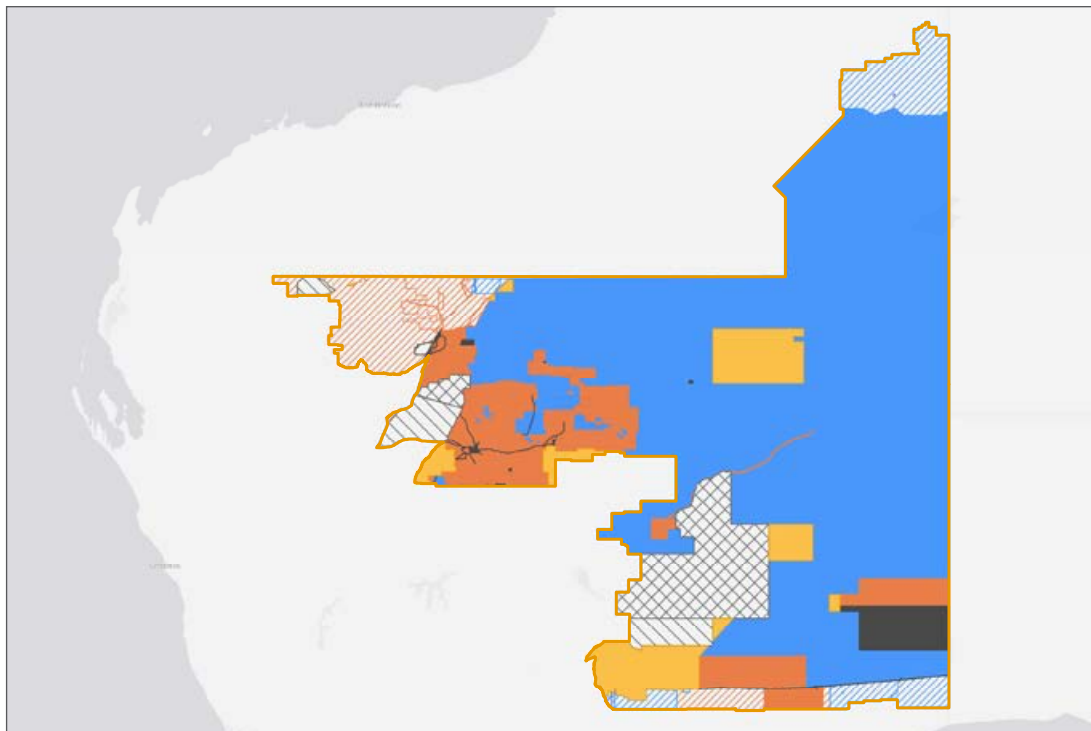
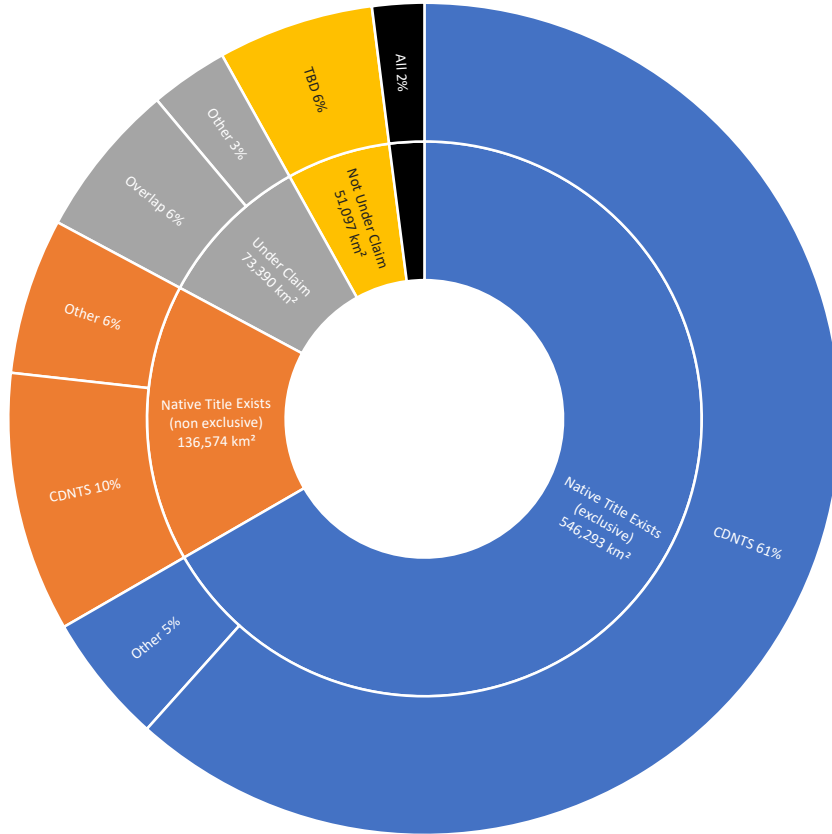
CLAIM	FCA NO.	AREA KM2	DATE FILED	DATE DETERMINED
Spinifex	WAD6043/98	50,000	30/09/98	28/11/00
Tjurabalan	WAD160/97	25,917	18/12/97	20/08/01
Kiwirrkurra	WAD619/98	42,905	30/09/98	19/10/01
Martu part A	WAD6110/98	135,942	30/09/98	27/09/02
Ngaanyatjarra Lands part A	WAD6004/04	187,600	23/04/04	26/06/05
Ngururpa	WAD357/06	29,600	08/12/06	18/01/07
Ngaanyatjarra Lands part B	WAD6004/04	1,427	23/04/04	03/06/08
Birriliburu part A	WAD6284/98	66,875	30/09/98	20/06/08
Martu part B	WAD6110/98	3,010	30/09/98	16/05/13
Martu #2	WAD141/2010	836	01/06/10	16/05/13
Karnapyrri	WAD77/2006	151	22/03/06	16/05/13
Wiluna	WAD6164/1998	45,796	30/09/98	29/07/13
Wiluna #3	WAD181/2012	3,596	03/08/12	29/07/13
Tarlpa	WAD248/2007	5,369	14/12/07	29/07/13
Wiluna #2	WAD241/2004	5,616	28/10/04	03/09/13
Pilki	WAD6002/2002	17,858	12/08/02	02/12/14
Birriliburu part B	WAD6284/98	105	30/09/98	06/06/16
Birriliburu #2	WAD108/2008	105	27/06/08	06/06/16
Birriliburu #3	WAD50/2010	3,319	15/03/10	06/06/16
Birriliburu #4	WAD299/2011	15	18/07/11	06/06/16
Tjiwarl #1	WAD228/2011	13,623	17/06/11	27/04/17
Tjiwarl #2	WAD302/2015	1312	22/06/15	27/04/17
Ngurra Kayanta #1	WAD410/2012	19,574	21/12/12	15/08/17
Ngurra Kayanta #2	WAD326/2015	19,574	30/06/15	15/08/17
Yilka #1	WAD297/2008	12,260	15/12/08	27/09/17
Yilka #2	WAD303/2013	3	06/08/13	27/09/17
Sullivan/Edwards	WAD498/2011	9,308	07/12/11	27/09/17
Kulyakartu #1	WAD293/2005	3,550	11/10/05	27/10/17
Kulyakartu #2	WAD720/2015	3,550	04/12/15	27/10/17
Gingirana	WAD6002/2006	12,150	10/03/06	07/12/17
Manta Rirrtinya	WAD453/2017	23526.97	15/8/17	13/09/18
Lappi Lappi and Ngulupi	WAD48/2018	6072	14/2/18	24/10/18
Kultju	WAD225/18	5490.7316	28/05/18	30/10/19

There was 1 native title claims determined within the Central Desert Representative Area during the reporting period.

### CENTRAL DESERT REP BODY REGION

822,887 km<sup>2</sup>

Determination outcomes over land area percentage





# CORPORATE SERVICES

Central Desert's success is supported by its corporate services strategies.

Corporate Services strategies focus on four key areas:

- sound governance;
- high-quality staff;
- effective systems; and
- diversifying our resource base.

## SOUND GOVERNANCE

Central Desert is a public company limited by guarantee, registered with the Australian Charities and Not-for-profits Commission (ACNC) as a Public Benevolent Institution. We are endorsed by the Australian Taxation Office (ATO) as a Deductible Gift Recipient. Maintaining an effective compliance system is a priority for our directors and senior employees.

Our directors bring a strong blend of skills and experience to the company's corporate governance. Being a not-for-profit organisation, our directors do not have a beneficial interest in the company. They volunteer their time, enthusiasm and expertise to this important work. While the Board maintains strict independence from operational matters involving claims and future acts, their influence is felt through the company's strategic and policy frameworks. They have a keen interest in setting a clear strategic direction for the company with the cooperation of the CEO, management team and employees.

## HIGH-QUALITY EMPLOYEES

Central Desert operates with a team of skilled, experienced and professional employees. We pride ourselves on recruiting well and retaining quality people. We provide staff with clear expectations through the ongoing review and development of duty statements, employment contracts and conditions, and the management of a performance evaluation and learning system.

An Enterprise Agreement has been in place since 5 June 2018, ensuring conditions of employment with the organisation are of a high and consistent level and offers various flexible working arrangements. A Joint Consultative Committee comprising of management and non-management team members has been established to oversee and deal with any potential issues arising from the Enterprise Agreement during the course of its lifetime.

We partner with another not-for-profit organisation, Community Business Bureau, to provide tailor-made salary packaging opportunities to employees. This, and our family friendly workplace, enables us to provide a competitive offer to attract and retain talented people.

## EFFECTIVE SYSTEMS

To deliver our services to a consistent standard in some of the remotest parts of the country we have to:

- build and maintain effective business systems to support our operational team;
- preserve our corporate knowledge; and
- keep our Board, employees, clients and stakeholders informed.

The Organisational and Operational Support teams perform this behind-the-scenes work with enthusiasm, skill and dedication. Key activity indicators and previous year comparison are provided in the table below.

The Coronavirus pandemic had a major effect on operations for the last quarter of 2019/20, with limitations on travel into Aboriginal communities

	2019/20	2018/19
Number of trips	69	113
Number of return flight bookings	214	396
Number of person days travelling	1180	2502
Number of vehicle operating days	102	268

## DIVERSIFYING OUR RESOURCE BASE

In order to support and add to its current range of activities, Central Desert is continually investigating ways to diversify and expand its funding and income opportunities. Maintenance of revenue and grant funding is critical to the organisation's ability to achieve its strategic aims and advance the objectives of our constituents.

Central Desert received core funding through a two-year grant funding head agreement covering 2016-18 to provide the services described in the operational plan. This head agreement has been extended via variation to cover the 2018-19 and 2019-20 financial years. Core funding for the reporting year and anticipated core funding in forward years continues to reduce from previous levels



as the National Indigenous Australians Agency (NIAA) has changed its funding processes to an outcomes-based model as part of the Indigenous Advancement Strategy:

2016-17	\$3,990,400
2017-18	\$3,990,400
2018-19	\$3,672,000
2019-20	\$3,603,050

The outcomes-based funding model includes an opportunity to apply for additional funding mid-year if all outcome targets are being met. Central Desert has been successful in meeting targets and getting additional funding in the reporting year. The National Indigenous Australians Agency also provides PBC Support Funding to assist PBCs in the region in meeting their corporate compliance requirements.

The WA Government has not provided any funding to deal with future act processes since 2010 when a funding agreement expired. Some agreements, which were formed on the presumption of ongoing State support in relation to future act matters, are still in force. These agreements place considerable pressure on administration costs as they restrict the ability to charge for legitimate services.

Central Desert negotiates with industry to assist with the costs of meetings dealing with agreement negotiations and to provide training to claimants and native title holders in situations where there are mutual benefits.

Central Desert wishes to thank our funding bodies and corporate partners for their support during the year.

## CONSULTANTS AND COMPETITIVE TENDERING AND CONTRACTING

Central Desert is committed to achieving value for money in the purchasing of goods and services, including tendering and contracting. Central Desert maintains a register of consultants with skills and experience in relevant areas. In accordance with our grant conditions Central Desert ensures that contract specifications do not bias or predetermine the outcome by placing unreasonable restrictions or qualifications on the prospective tenders.

Where we expect the cost of an asset or service to exceed \$80,000 we either obtain public tenders or invite three suitable, qualified service providers to tender for the provision of the asset or service.

Exemptions to the above procedures apply to:

- the engagement of an auditor;
- the acquisition of services from water, electrical, telephone, gas or municipal authorities where there is no other competitor in reasonable proximity; or
- in respect of native title related activities for the engagement of anthropological, legal or other professional service providers, or their staff, who are members of, or eligible for membership of the relevant professional association, where the service fee is less than \$80,000; and
- vehicle purchases from preferred suppliers.

# HUMAN RESOURCES MANAGEMENT

## OUR TEAM

Central Desert Native Title Services owes its continued success to the outstanding efforts of our team. We value each of them highly and thank them for their dedication to assisting to achieve successful, sustainable native title outcomes for the people of the Central Desert. We thank all of the people listed below who were employed by Central Desert during the 2019/20 year.

Aimee Ryan	Jasmine Morris	Monique Jekel
William (Bill) Kruse	Jo Lanagan	Nadisha Senasinghe
Bridie Hardy	Karine Flematti	Patrick Smith
David Reger	Katrina Shaw	Rachel Melville
Destyni Morrison	Kim Baldwin	Rebecca Parker
Emma Thompson	Malcolm O'Dell	Samantha Murray
Elle Sewell	Marian Hennessy	Sarah Hobson
Felicity Noonan	Marika Erceg	Sean Calderwood
Gavin Dunn	Matthew Spooner	Susan Ware
Giacomo Boranga	Melanie Kirsten	Tegen Scott
Glenda Allen	Michael Allbrook	Tracey Blokland
Heather Lynes	Michael McMahon	Trinity Handley
Ian Rawlings	Monica Walker	Victoria Camp

## EMPLOYEE LEVELS AND RETENTION RATES FOR THE YEAR

As at 30 June 2020 Central Desert Native Title Services comprised a core team of 26 employees. This included 22 full-time, 4 part-time. 8 people commenced employment during the 2019/20 year. 4 fixed term contracts, and 3 casual contracts were completed during the period. One Employee accessed parental leave.

5 employees left the organisation during the financial year representing a retention rate of 80%.

## PROFESSIONAL DEVELOPMENT

Central Desert encourages and supports its employees to participate in regular professional development workshops and courses. These are sourced from a wide range of training providers to consolidate and increase relevant skills and knowledge.

Priority is given to those employees obliged to complete annual requirements of Continuing Professional Development (CPD) to retain their certificate of practice or professional affiliations.

Central Desert also has a focus on safety for employees travelling in remote locations. New employees receive training in first aid and how to manage and maintain four-wheel drive vehicles.

## OCCUPATIONAL SAFETY AND HEALTH PERFORMANCE

Central Desert has a comprehensive Occupational Safety and Health (OSH) Policy and is compliant with the statutory obligations of the Occupational Safety and Health Act 1984 (WA) and the Occupational Safety and Health Regulations 1996 (WA).

Central Desert requires its employees to report any incidents and/or identified hazards. There is an effective in-house online system to assist the process which categorises events into three categories: Incidents, Witness Reports and Hazards. Incidents include people and injury related and vehicle damage. The following OSH incidents were reported this financial year:

	2019/20
Incident	
<i>People/Injury</i>	5
<i>Vehicle Incidents</i>	2
Witness Report	1
Hazard	
<b>Total</b>	<b>8</b>

Lost time injuries for the 2019-20 year were zero.

# OUTPUTS

NTRBs are required to report on a number of the following they have dealt with throughout the year.

Facilitation and Assistance	2020	2019
<b>Number of claims at 1 July</b>		
Active in the Central Desert Region	6	8
Active and represented by CDNTS	3	4
Plus: Filed this year by CDNTS	0	1
Less: Claims determined	1	2
Less: Claims dismissed	0	0
Less: Claims Withdrawn	0	0
Less: Claims Amalgamated/Altered	0	0
<b>Number of active Claims at 30 June</b>		
Active and represented by CDNTS	2	9
Active in the Central Desert Region	5	3
CDNTS as Respondent	9	9
CDNTS as Intervener	0	0
Claims in Development	6	4
Non-claimant Applications	0	0
Compensation claims	2	10
<b>The Agreements Experience</b>		
Future Acts		
Notices received	185	227
Responses to Future Acts	185	227
Agreements		
Agreements concluded	13	15
Agreements in development	2	5
ILUAs		
ILUAs concluded and registered	0	0
ILUAs in development	0	0
<b>Complaints and Disputes</b>		
<b>Complaints</b>		
Received	0	2
Resolved	0	2
Pending	0	0
Disputes relating to native title	0	0
Disputes relating to ILUAs, rights of access and other matters	0	0
Requests for s203B1 reviews of decisions not to assist		
Completed	0	0
Pending		

# SUBSIDIARIES

Central Desert Native Title Services has two wholly owned subsidiaries, being Desert Support Services Pty Ltd and Rockhole Funds Management Pty Ltd

## DESERT SUPPORT SERVICES

Formed: 6 January 2012

### *Objectives as stated in the Constitution*

The objects of Desert Support Services Pty Ltd are to:

- \$5953
- (a) deliver services including administrative, financial, labour hire, training, and land management services to support Aboriginal people, Aboriginal Communities and Aboriginal Organisations (including PBCs) and projects on Aboriginal Land;
  - (b) promote and further the economic, social and cultural development of Aboriginal people in Australia;
  - (c) establish and maintain Amenities for the benefit of Aboriginal people; and
  - (d) relieve poverty, sickness, misfortune, suffering, distress and helplessness of socially and financially disadvantaged Aboriginal people in Australia through the provision of services to people and organisations, including those services set out in rule 4.1(a).

The Company must operate solely for the purpose of promoting and advancing its objects. However, the Company is not required to promote each specific object at the same time or in any particular order and may, in its absolute discretion, determine the level and amount of promotion, funding or any other support that should be applied to anyone or more specific objects at any given time.

	2020	2019
Financial Results	190,165	481,092
Casual Labour Hire Employees	377	349

## ROCKHOLE FUNDS MANAGEMENT

Formed: 26 July 2013

### *Objectives as stated in the Constitution*

The Company is established as a not for profit company for the sole purpose of:

- a) Acting as trustee for trusts that receive, hold or manage benefits (including cash or non-cash benefits) within the meaning of the ITAA97, that relates to:
  - i. native title (within the meaning of the Native Title Act 1993); or
  - ii. traditional indigenous rights of ownership, occupation, use of enjoyment of land; and
- b) Any other function or purpose that is consistent with or furthers the objects of the trusts which the Company acts as trustee.

	2020	2019
Financial Results	\$1,507	481,092
Funds Under Management	\$2,478,740	\$1,856,323
Trust Funds	9	9

# SUMMARY FINANCIAL INFORMATION

## PERFORMANCE UNDER NATIVE TITLE REPRESENTATIVE BODY GRANT

	Budget 2019-2020	Actual 2019-2020	Variance 2019-2020	Budget 2018-2019	Actual 2017-2018
<b>Income</b>					
<b>Native Title Funding</b>					
Unexpended grants	505,100	505,100	-	499,100	395,284
Capital	-	-	-	-	90,000
Operational	4,911,430	4,911,430	-	5,223,350	5,024,975
<b>Other Income</b>					
Other Income	50,000	57,879	(7,879)	21,440	134,407
Recoveries	45,000	15,906	29,094	29,328	52,348
Interest	36,000	1,471	34,529	30,482	31,486
	<b>5,547,530</b>	<b>5,491,786</b>	<b>55,744</b>	<b>5,803,700</b>	<b>5,728,500</b>
<b>Expenditure</b>					
Capital Acquisitions	-	-	-	-	110,151
Corporate	1,539,750	1,717,798	(178,048)	1,596,322	1,727,094
Activities	4,007,780	3,089,468	918,312	3,702,278	3,392,155
	<b>5,547,530</b>	<b>4,807,266</b>	<b>740,264</b>	<b>5,298,600</b>	<b>5,229,400</b>
<b>Net Result</b>	<b>-</b>	<b>684,520</b>	<b>684,520</b>	<b>505,100</b>	<b>499,100</b>

CENTRAL DESERT NATIVE TITLE SERVICES  
LTD AND ITS CONTROLLED ENTITIES

# THE CENTRAL DESERT GROUP

CONSOLIDATED DIRECTORS'  
AND FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

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# CORPORATE DIRECTORY

## The Group

Central Desert Native Title Services Ltd  
Desert Support Services Pty Ltd  
Rockhole Funds Management Pty Ltd

## Chairperson

Mr. Terence Grose

## Company Secretaries

Mr. Ruwan Silva

## Registered Address

76 Wittenoom Street,  
EAST PERTH WA 6004

## Telephone

08 9425 2000

## Fax

08 9425 2001

## Email address

reception@centraldesert.org.au

## Group Auditor

Mr. Wen-Shien Chai  
Moore Australia

# GLOSSARY

<b>ABN</b>	Australian Business Number
<b>ACNC</b>	the Australian Charities and Not-for-Profits Commission
<b>ASIC</b>	the Australian Securities and Investments Commission
<b>ATO</b>	the Australian Taxation Office
<b>Central Desert</b>	Central Desert Native Title Services Ltd
<b>Central Desert Group</b>	Central Desert, DSS and RFM
<b>The company</b>	Central Desert Native Title Services Ltd (ABN 53 124 921 811)
<b>DAF</b>	WA Department of Agriculture and Food
<b>DGR</b>	Deductible Gift Recipient
<b>DPM&amp;C</b>	the Commonwealth Department of the Prime Minister and Cabinet
<b>DSS</b>	Desert Support Services Pty Ltd (ABN 41 154 511 494)
<b>FBT</b>	Fringe Benefits Taxation
<b>GST</b>	Goods and Services Tax
<b>HR</b>	Human Resources
<b>IPA</b>	Indigenous Protected Area
<b>NIAA</b>	National Indigenous Australian Agency
<b>NRM</b>	Natural Resource Management
<b>NTA</b>	the Native Title Act 1993
<b>PBC</b>	Prescribed Body Corporate
<b>PBI</b>	Public Benevolent Institution
<b>RFM</b>	Rockhole Funds Management Pty Ltd (ABN 65 164 808 333)
<b>TO</b>	Traditional Owner
<b>RNTBC</b>	Registered Native Title Body Corporate
<b>TMPAC</b>	Tarlka Matuwa Piarku (Aboriginal Corporation)
<b>TO</b>	Traditional Owner



# DIRECTORS' REPORT

The directors of Central Desert Native Title Services Ltd present this report on the Central Desert Group for the year ended 30 June 2020.

## THE CENTRAL DESERT GROUP

The Central Desert Group comprises the following entities:

Name	Principal Activity	Formed	% Held
Central Desert Native Title Services Ltd	Native Title service provider, heritage surveys and future acts management.	16 Apr 2007	N/A
Desert Support Services Pty Ltd	Accounting, HR, labour hire, land and community management services.	6 Jan 2012	100%
Rockhole Funds Management Pty Ltd	Management of Native Title Trusts for PBCs and Claimant groups.	26 Jul 2013	100%

## DIRECTORS

Directors within the Group are as follows:

Name	Central Desert		DSS	RFM
	Board	Audit & Risk Committee CDNTS Group		
Mr. Terence (Terry) Grose	Chairperson	Member	Chairperson	-
Hon. Frederick (Fred) Chaney AO	Director	-	Director	-
Dr. Fiona Skyring	Director	-	Director	-
Dr. Carolyn Tan	Director	-	-	-
Mr. Andrew (Andy) Gilmour	Director	Chairperson	Director	Chairperson
Dr Guy Singleton	Director	Member	Director	-
Mr. Ian Baird	-	-	-	Director
Mr. Allan James (Appointed:06/03/2020)	-	-	Director	Director

The directors have been in office since the beginning of the financial year unless otherwise stated. Their profiles are provided in the annual report. Directors do not have a beneficial interest in the companies in the Group and volunteer their time to their duties.

## OFFICERS & COMPANY SECRETARIES

The following people serve as officers and secretaries within the Group:

Name	Central Desert	DSS	RFM
Mr. Ian Rawlings (Resigned: 31/12/2019)	Chief Executive Officer, Company Secretary	CEO	CEO
Mrs. Jo Lanagan (Appointed:31/12/2019)	Chief Executive Officer, Company Secretary	-	-
Mr. Ruwan Silva	Chief Financial Officer, Company Secretary	CFO, Secretary	CFO, Secretary
Mr. Malcolm O'Dell	Principal Lawyer, Chief Operations Officer	-	-

The officers have been in office since the beginning of the financial year unless otherwise stated. Their profiles are provided in the annual report.

## REVIEW OF OPERATIONS

### Operating Results

The Group's consolidated comprehensive income for the year was \$290,502 (2019: \$721,560).

### Principal Activities

#### Central Desert

Central Desert provides services equivalent to a Native Title Representative Body, and therefore the Company has specific functions under Part 11, Division 3 of the Native Title Act 1993. These functions are:

- Facilitation & assistance functions referred to in section 203BB;
- Certification functions referred to in section 203BE;
- Dispute resolution functions referred to in section 203BF;
- Notification functions referred to in section 203BG;
- Agreement-making functions referred to in section 203BH;
- Internal review functions referred to in section 203BI, and
- Other functions referred to in section 203BJ, and such other functions as are conferred on representative bodies by the Act.

The Company also coordinates Heritage and Archaeological surveys on a fee-for-service basis, linking exploration and mining companies with Traditional Owners and Native Title Claimants.

The Australian Taxation Office ("ATO") endorsed the Company as a Public Benevolent Institution and it conducts a range of charitable activities. The Company is also endorsed as a Deductible Gift Recipient. Donations of \$2 or more are tax deductible. No change in its tax status as a result of activities undertaken during the year is likely.

#### Desert Support Services

The principal activities of the Company during the financial year were:

- a) Accounting, bookkeeping and HR services for Prescribed Bodies Corporate (PBC) and community groups within the central desert region;

- b) Assisting aboriginal groups with land management, capacity building and ranger programs;
- c) The 10 Desert project funded by BHP Foundation has operated for the full term in 2019/20; and
- d) Labour hire of casual employees, usually regionally-based Traditional Owners to Central Desert for future act and land management activities;

The Company is a non-profit organisation. The Company is endorsed by Australian Charities and Not-for-profits Commission (ACNC) and the Australian Taxation Office (ATO) as a Public Benevolent Institution (PBI).

#### Rockhole Funds Management

The principal activity of the Company during the financial year was to serve as a Native Title Trust fund management service for Central Desert PBCs and for claim groups where Native Title has not been determined. Trust funds held are below the commercial threshold for private trust fund services. The Company deliberately operates on a low cost model and uses the Public Trustee as its 'high' benchmark for costs. The Company holds legal advice stating that the Company does not need to be the holder of an Australian Financial Services Licence for the scope of services provided.

The Company is a non-profit organisation. The Company is endorsed by the Australian Charities and Not-for-profits Commission (ACNC) and the Australian Taxation Office (ATO) as a charity.

#### Significant Changes in State of Affairs

No significant changes in the Group's state of affairs occurred during the year.

#### Events Subsequent to the End of the Reporting Period

On 3 September 2020, the Board resolved for the PBC Support business unit to transfer from DSS to CDNTS. This decision was made on the basis that the PBC Support business units core services are more closely aligned to the business of CDNTS than DSS. The PBC Support business unit will transfer on 2nd November 2020. For the year ended 30 June 2020 the PBC Support unit generated revenue of \$264,438 and incurred a loss of \$42,682. The PBC Support unit holds no assets and its principal liabilities are employee entitlements attached to the three full time employees.

No other matter has arisen since the end of the year that will or may significantly affect:

- The Group's operations in future financial years; or,
- The results of those operations in future financial years; or
- The Group's state of affairs in future financial years.

### Likely Developments

There are no significant changes expected in the nature of the operations of the Group.

### New Accounting Standards Implemented

The Group has implemented three new Accounting Standards that are applicable for the current reporting period.

AASB 15: *Revenue from Contracts with Customers*, AASB 1058: *Income of Not-for-Profit Entities* and AASB 16: *Leases* have been applied using the cumulative effective method; that is, by recognising the cumulative effect of initially applying AASB 15, AASB 1058 and AASB 16 as an adjustment to the opening balance of equity at 1 July 2019. Therefore, the comparative information has not been restated and continues to be reported under AASB 118: *Revenue*, and AASB 117: *Leases* and AASB 1004: *Contributions*.

### MEETINGS OF DIRECTORS

During the financial year, a series of meetings of directors, including committees of directors, were held by the parent entity. Attendances by each director during the year were as follows:

Directors	Director's Meetings		Audit & Risk Committee Meetings	
	Eligible to attend	Number attended	Eligible to attend	Number attended
Mr. Terrence Grose	5	5	4	4
Hon. Frederick Chaney AO	5	3	0	0
Dr. Fiona Skyring	5	4	0	0
Dr. Carolyn Tan	5	4	0	0

### ENVIRONMENTAL PERFORMANCE

The Group is not subject to any particular and significant environmental regulation under a Commonwealth, State or Territory law.

### DISTRIBUTIONS TO MEMBERS DURING THE YEAR

The Companies within the Group are all non-profit companies and their constitutions do not allow payments including dividends, bonuses or distributions of profit, directly or indirectly, to members, officers, servants, agents or employees other than as reasonable remuneration for services actually rendered.

### INDEMNIFYING OFFICERS OR AUDITOR

The Group has entered into deeds of access and indemnity with all directors and officers to the extent allowed at law. Other than these, no indemnities have been given during or since the end of the financial year, for any person who is or has been an officer or auditor of the group. The Group holds an Association's Liability insurance policy which includes both directors and officers and professional indemnity cover.

### PROCEEDINGS ON BEHALF OF THE GROUP

No person has applied for leave of Court to bring proceedings on behalf of the Group or to intervene in any proceedings, to which any company within the Group is a party, for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings. The Group was not a party to any such proceedings during the year.

**Moore Australia Audit (WA)**

Level 15, Exchange Tower,  
2 The Esplanade, Perth, WA 6000  
PO Box 5786, St Georges Terrace, WA 6831

T +61 8 9225 5355

F +61 8 9225 6181

[www.moore-australia.com.au](http://www.moore-australia.com.au)

**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 AND  
SUBDIVISION 60-40 OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS  
COMMISSION ACT 2012  
TO THE DIRECTORS OF CENTRAL DESERT NATIVE TITLE SERVICES LTD**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020, there have been no contraventions of:

- a) the auditor independence requirements as set out in the *Corporations Act 2001* and *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- b) any applicable code of professional conduct in relation to the audit.

A handwritten signature in blue ink, appearing to read 'Wen-Shien Chai', written over a light blue horizontal line.

WEN-SHIEN CHAI  
PARTNER

A handwritten signature in blue ink that reads 'Moore Australia' written over a light blue horizontal line.

MOORE AUSTRALIA AUDIT (WA)  
CHARTERED ACCOUNTANTS

Signed at Perth this 16th day of October 2020.

# CONSOLIDATED FINANCIAL REPORT

For The Year Ended 30 June 2020

## DIRECTORS' DECLARATION

For The Year Ended 30 June 2020

In accordance with a resolution of the directors of Central Desert Native Title Services Ltd, the directors of the Company declare that:

1. The consolidated financial statements and notes, as set out in pages 8 to 30 are in accordance with the Corporations Act 2001 and:
  - a. Comply with Australian Accounting Standards – Reduced Disclosure Requirements; and,
  - b. Give a true and fair view of the financial position of the Group as at 30 June 2020 and of its performance for the year ended on that date.
2. There are reasonable grounds to believe that the Company, and the Group, will be able to pay its debts as and when they fall due.



Terence Grose  
Director  
16 October 2020



Andrew Gilmour  
Director  
16 October 2020

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For The Year Ended 30 June 2020

	Note	2020 \$	2019 \$
<b>Revenue and Other Gains</b>			
Revenue from continuing operations	4	<b>15,811,059</b>	15,098,821
Other gains	4	<b>220,177</b>	78,503
		<b>16,031,236</b>	15,177,324
<b>Expenses</b>			
Employee benefits expense - CDNTS group		<b>(6,038,512)</b>	(5,652,861)
Employee benefits expense - labour hire		<b>(1,139,802)</b>	(1,578,534)
Services and supplies		<b>(4,185,103)</b>	(3,956,749)
Motor vehicle expenses		<b>(202,600)</b>	(301,592)
Occupancy costs		<b>(390,543)</b>	(481,429)
Travel expenses		<b>(1,182,664)</b>	(1,448,062)
Depreciation/amortisation		<b>(372,033)</b>	(241,177)
Interest expense		<b>(82,143)</b>	-
Other expenses	5	<b>(2,147,334)</b>	(795,360)
		<b>(15,740,734)</b>	(14,455,764)
Operating result for the year before income tax		<b>290,502</b>	721,560
Income tax expense	3(j)	-	-
Operating result for the year after income tax		<b>290,502</b>	721,560
<b>Other Comprehensive Income For The Year:</b>			
- Items that will not be reclassified subsequently to profit or loss		-	-
- Items that will be reclassified subsequently to profit or loss when specific conditions are met		-	-
Total other comprehensive income for the year		-	-
Total Comprehensive Income For The Year		<b>290,502</b>	721,560

The accompanying notes form part of these financial statements.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As At 30 June 2020

	Note	2020 \$	2019 \$
<b>Current Assets</b>			
Cash and cash equivalents	7	9,114,787	7,399,912
Trade and other receivables	9	896,846	1,735,449
Other current assets	10	616,406	270,106
<b>Total Current Assets</b>		<b>10,628,039</b>	9,405,467
<b>Non-Current Assets</b>			
Property, plant & equipment	11	1,428,620	1,455,647
Right of use assets	12	1,194,232	-
<b>Total Non-Current Assets</b>		<b>2,622,852</b>	1,455,647
<b>Total Assets</b>		<b>13,250,891</b>	10,861,114
<b>Current Liabilities</b>			
Trade and other payables	14	734,024	1,271,101
Lease liabilities	15	172,509	-
Provision for employee benefits	16	877,654	911,124
Contract liability	17	4,222,622	3,366,406
Trust liabilities	18	1,998,740	1,856,323
Other liabilities	19	440,000	-
<b>Total Current Liabilities</b>		<b>8,445,549</b>	7,404,954
<b>Non-Current Liabilities</b>			
Lease liabilities	15	1,069,046	-
Provision for employee benefits	16	190,281	200,647
<b>Total Non-Current Liabilities</b>		<b>1,259,327</b>	200,647
<b>Total Liabilities</b>		<b>9,704,876</b>	7,605,601
<b>Net Assets</b>		<b>3,546,015</b>	3,255,513
<b>Equity</b>		<b>3,546,015</b>	3,255,513

The accompanying notes form part of these financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Year Ended 30 June 2020

	Note	Retained Earnings \$	Reserves \$	Total \$
Balance at 30 June 2018		<u>2,461,962</u>	<u>71,991</u>	<u>2,533,953</u>
Operating result for the year		721,560	-	721,560
Other comprehensive income for the year		-	-	-
Total comprehensive income for the year		<u>721,560</u>	<u>-</u>	<u>721,560</u>
Movement in reserves		<u>2,000</u>	<u>(2,000)</u>	<u>-</u>
Balance at 30 June 2019		<u>3,185,522</u>	<u>69,991</u>	<u>3,255,513</u>
Operating result for the year		290,502	-	290,502
Other comprehensive income for the year		-	-	-
Total comprehensive income for the year		<u>290,502</u>	<u>-</u>	<u>290,502</u>
Movement in reserves		<u>20,491</u>	<u>(20,491)</u>	<u>-</u>
<b>Balance at 30 June 2020</b>	<b>6</b>	<u><b>3,496,515</b></u>	<u><b>49,500</b></u>	<u><b>3,546,015</b></u>

The accompanying notes form part of these financial statements.



# CONSOLIDATED STATEMENT OF CASH FLOWS

For The Year Ended 30 June 2020

	Note	2020 \$	2019 \$
Cash Flow from Operating Activities			
Receipts from government and customers		16,437,153	14,947,387
Payments to employees		(7,188,680)	(7,196,248)
Payments to suppliers		(7,240,182)	(5,714,507)
Interest received		86,382	82,904
Net cash from operating activities	8	2,094,673	2,119,536
Cash Flow from Investing Activities			
Proceeds from sale of property & equipment		-	49,621
Payment for property & equipment	11	(212,313)	(234,412)
Net cash used in investing activities		(212,313)	(184,791)
Cash Flow from Financing Activities			
Repayment of lease liabilities	12	(167,485)	-
Net cash used in financing activities		(167,485)	-
Net (decrease)/increase in cash held		1,714,875	1,934,745
Cash and cash equivalents at the beginning of the financial year	7	7,399,912	5,465,167
Cash and cash equivalents at the end of the financial year	7	9,114,787	7,399,912

The accompanying notes form part of these financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 30 June 2020

## 1. THE PARENT COMPANY

Central Desert Native Title Services Ltd (the Company) is a public company limited by guarantee. It was incorporated under the Corporations Act 2001 on 16 April 2007 and is domiciled in Australia.

### (a) Registered Office

The Company's registered and principal place of business address is:

76 Wittenoom Street  
East Perth, WA, 6004

### (b) Not-for-profit

The Company is a not-for-profit organisation. It is registered as a Public Benevolent Institution (PBI) with the ACNC and the ATO. It is endorsed as a Deductible Gift Recipient.

## 2. BASIS OF PREPARATION OF THE FINANCIAL REPORT

### (a) Date of Issue

These consolidated financial statements of Central Desert Native Title Services Ltd and its controlled entities (the Group) were authorised for issue by the directors on 16 October 2020. Directors have the authority to amend the statements after that date.

### (b) Basis of Accounting

The Group applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.

These consolidated financial statements are General Purpose Financial Statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. All companies in the Group are not-for-profit entities for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in

financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The consolidated financial statements, except cash flow information, have been prepared on an accrual basis and are based on historic costs. They do not take into account changing money values or, except where specifically stated, the measurement at fair-value of selected non-current assets, financial assets and financial liabilities.

This financial report covers the Company and its subsidiaries as a Consolidated Group.

These accounts are presented in Australian dollars (\$AUD) and are rounded to the nearest dollar.

### (c) Going Concern

The accounts have been prepared on a going concern basis.

### (d) Economic Dependence

The ability of the Group to continue as a going concern is dependent upon continued support from various government funding bodies. At the date of this report the directors have a reasonable belief that governments will continue to fund the core operations of the Group.

## 3. SIGNIFICANT ACCOUNTING POLICIES

The following specific policies, which are consistent with the previous year unless otherwise stated, have been adopted by the Group in preparation of this financial report:

### (a) Principles of consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the Parent (Central Desert Native Title Services Ltd) and all of the subsidiaries (including any structured entities). Subsidiaries are entities the Parent controls. The Parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 13.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the

Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

## (b) Revenue

### Revenue recognition

The Group has applied AASB 15: *Revenue from Contracts with Customers* (AASB 15) and AASB 1058: *Income of Not-for-Profit Entities* (AASB 1058) using the cumulative effective method of initially applying AASB 15 and AASB 1058 as an adjustment to the opening balance of equity at 1 July 2019. Therefore, the comparative information has not been restated and continues to be presented under AASB 118: *Revenue* and AASB 1004: *Contributions*. The details of accounting policies under AASB 118 and AASB 1004 are disclosed separately since they are different from those under AASB 15 and AASB 1058, and the impact of changes is disclosed in Note 3(s).

### In the current year

#### Contributed Assets

The Group receives assets from the government and other parties for nil or nominal consideration in order to further its objectives. These assets are recognised in accordance with the recognition requirements of other applicable accounting standards (eg AASB 9, AASB 16, AASB 116 and AASB 138).

On initial recognition of an asset, the Group recognises related amounts being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer.

The Group recognises income immediately in profit or loss as the difference between initial carrying amount of the asset and the related amounts.

#### Operating Grants, Donations and Bequests

When the Group receives operating grant revenue, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance to AASB 15.

When both these conditions are satisfied, the Group:

- identifies each performance obligation relating to the grant
- recognises a contract liability for its obligations under the agreement
- recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Group:

- recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (eg AASB 9, AASB 16, AASB 116 and AASB 138).
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer).
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the Group recognises income in profit or loss when or as it satisfies its obligations under the contract.

#### Capital Grant

When the Group receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer) recognised under other Australian Accounting Standards. The Group recognises income in profit or loss when or as the Group satisfies its obligations under terms of the grant.

#### Interest Income

Interest income is recognised using the effective interest method.

#### Dividend Income

The Group recognises dividends in profit or loss only when the Group's right to receive payment of the dividend is established.

All revenue is stated net of the amount of goods and services tax.

### In the comparative period

#### *Grant revenue*

Non-reciprocal grant revenue is recognised in profit or loss when the Group obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the Group and the amount of the grant can be measured reliably. If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the Group incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

The Group receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in profit or loss.

#### *Provision of services*

Revenue from rendering of services is recognised upon the delivery of the service to customers.

#### *Sale of goods*

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

#### *Interest and dividend*

Interest revenue derives from interest on funds held on deposit and are recognised when they are received. Other interest received is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

#### *Donations and bequests*

Donations and bequests are recognised as revenue when received unless they are designated for a specific purpose where they are carried as prepaid income.

All revenue is stated net of the amount of goods and services tax (GST).

### (c) *Property, plant and equipment*

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

#### **Freehold land and buildings**

Freehold land and buildings is located in a remote area of Western Australia. There is not an active market for properties of the type owned. Director's have determined that such assets be measured on the cost basis less subsequent depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in profit or loss.

Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Freehold land and buildings that have been contributed at no cost, or for nominal cost, are initially recognised and measured at the fair value of the asset at the date it is acquired.

#### **Plant and equipment**

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 3(f) for details of impairment). Plant and equipment that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

#### **Depreciation**

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a diminishing-value basis over the asset's useful life to the commencing from the time the asset is held ready for use.

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are based on their useful life. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	10%
Leasehold improvements	20%
Motor vehicles	12.5%
Office equipment and furniture	20%
Plant and equipment	33.3%

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

#### (d) Leases

##### The Group as lessee

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Group where the Group is a lessee. However, all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease. Initially, the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;

- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

##### The Group as lessor

Upon entering into each contract as a lessor, the Group assesses if the lease is a finance or operating lease. The contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases not within this definition are classified as operating leases. Initial direct costs incurred in entering into an operating lease (eg legal cost, cost to setup) are included in the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term. Rental income due under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. When a contract is determined to include lease and non-lease components, the Group applies AASB 15 to allocate the consideration under the contract to each component.

#### (e) Financial Instruments

##### Initial Recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Group commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction

costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component or if the practical expedient was applied as specified in AASB 15.63.

### Classification and Subsequent Measurement

#### *Financial Liabilities*

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit and loss.

A financial liability is measured at fair value through profit and loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3: Business Combinations applies.
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if it is:

- incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit-taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in effective hedging relationships).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability. If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains

or losses are taken to profit or loss rather than other comprehensive income. A financial liability cannot be reclassified.

### Financial Assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit and loss on the basis of the two primary criteria, being:
  - the contractual cash flow characteristics of the financial asset; and
  - the business model for managing the financial assets.

A financial asset is subsequently measured at amortised cost when it meets the following conditions:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset is subsequently measured at fair value through other comprehensive income when it meets the following conditions:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the conditions of amortised cost and the fair value through other comprehensive income's measurement condition are subsequently measured at fair value through profit or loss.

The Group initially designates financial instruments as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy and information about the groupings was documented appropriately, so the performance of the financial liability that was part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and

- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit and loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

### Equity Instruments

At initial recognition, as long as the equity instrument is not held for trading or not a contingent consideration recognised by an acquirer in a business combination to which AASB 3 applies, the Group did not make an irrevocable election to measure any subsequent changes in fair value of the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investment will still be recognised in profit or loss. Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the Group's accounting policy.

### Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

### Derecognition of financial liabilities

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

### Derecognition of financial assets.

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and

- the Entity no longer controls the asset (ie it has no practical ability to make unilateral decisions to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of an investment in equity which the Group elected to classify under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

### Impairment

The Group recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (eg amount due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due, and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Group uses the simplified approach to impairment, as applicable under AASB 9.

### Simplified approach

The simplified approach does not require tracking of changes in credit risk in every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to:

- trade receivables; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables has been used, taking into consideration various data to get to an expected credit loss (ie diversity of its customer base, appropriate groupings of its historical loss experience, etc).

#### **Recognition of expected credit losses in financial statements**

At each reporting date, the Group recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. An amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (eg loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

#### **(f) Impairment of Assets**

At the end of each reporting period, the entity assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116: Property, Plant and Equipment). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

#### **(g) Employee benefits**

##### **Short-term employee benefits**

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits

are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages and salaries. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages and salaries are recognised as current provisions in the statement of financial position.

##### **Other long-term employee benefits**

The Group classifies employees' long service leave and annual leave entitlements as other long-term employee benefits, as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service.

Provision is made for the Group's obligation for other long-term employee benefits, which is measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on corporate bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as part of employee benefits expense.

The Group's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting date, in which case the obligations are presented as current provisions.

#### **(h) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

#### **(i) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in



the statement of financial position are shown inclusive of GST. Cash flows are presented in the cash flow statement on a net basis.

#### **(j) Income Tax**

##### **Public Benevolent Institution**

The Australian Charities and Not-for-Profits Commission has registered the Group as a Public Benevolent Institution ("PBI"). The Australian Taxation office has endorsed the Group as being eligible for the following concessions:

- (i) GST concession;
- (ii) Income taxation exemption.
- (iii) FBT exemption;

No change in its tax status as a result of activities undertaken during the year is likely.

#### **(k) Provisions**

Provisions are recognised when the Group has a legal or constructive obligation, as a result 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.

#### **(l) Investments**

##### **Investments in Subsidiaries**

Investments in subsidiaries are carried at cost and will be eliminated on consolidation. All three entities in the Group are not-for-profit entities.

#### **(m) Funds Held on Trust**

From time to time the Group holds funds on trust for indigenous organisations. Such funds are held as liabilities and retained in the group's bank accounts pending the establishment of bank accounts for the purpose. The receipt of those funds, and interest pertaining to the bank accounts, are not recognised as revenue to the Group.

#### **(n) Critical Accounting Estimates and Judgments**

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the entity's accounting policies. The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current

information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group. No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next accounting period.

##### **Key Estimates**

###### *Motor Vehicles – Useful Life assessment*

At 30 June 2016 Directors approved a revaluation of vehicles based on extensive assessment of the useful life of work vehicles. In previous periods, vehicles had been written down in the expectation of a useful life of 4 years with limited recoverable value. Ongoing assessment has shown this to have been overly aggressive and vehicles are now deemed to have a useful life of 8 years or 200,000km.

###### *Land Management Facilities in Wiluna*

At 30 June 2018 Directors approved an adjustment to the useful life of land management facilities in Wiluna. The adjustment is based on reductive assessment of the useful life of the facilities from 40 years to 20 years with a commensurate adjustment to depreciation.

###### *Rent reviews*

Rental commitments for the property at 76 Wittentoom Street East Perth are based on a 3% annual increase contained in the lease. No provision is made of the Market reviews other than the annual review allowance.

##### **Key judgements**

###### *Performance obligations under AASB 15*

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/ type, cost/ value, quantity and the period of transfer related to the goods or services promised.

###### *Lease term and Option to Extend under AASB 16*

The lease term is defined as the non-cancellable period of a lease together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and also periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The options that are reasonably going to be exercised

is a key management judgement that the Group will make. The Group determines the likeliness to exercise the options on a lease-by-lease basis looking at various factors such as which assets are strategic, and which are key to future strategy of the Group.

#### *Employee Benefits*

For the purpose of measurement, AASB 119: Employee Benefits defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service.

Annual leave is expected to be taken in the year in which it falls due or within the immediately following year as a result the directors believe that obligations for annual leave entitlements satisfy the definition of short-term employee benefits. Long Service Leave is calculated using a probability assessment of a person becoming eligible for Long Service Leave and that they will take it in a given year. The directors believe that obligations for long service leave entitlements satisfy the definition of both short and long-term employee benefits.

#### *Coronavirus (COVID-19) pandemic*

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Group based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Group operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Group unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

#### **(o) Fair Value of Assets and Liabilities**

##### **Valuation of freehold land and buildings**

“Fair value” is the price the group would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

The Group holds buildings in Wiluna, Western Australia that were originally held under Crown Leases. The land was purchased in December 2014. There is not an active market for properties in Kalgoorlie. The Directors have determined that land shall therefore be held at cost. Buildings are held at the cost of construction. The cost of regular valuation is a significant impost on the

Group due to the remote location of the assets and the unlikelihood of its disposal.

#### **(p) Trade and Other Receivables**

Trade and other receivables include amounts receivable from customers for goods sold and services provided in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 3(e) for further discussion on the determination of impairment losses.

#### **(q) Trade and Other Payables**

Trade and other payables represent the liabilities for goods and services received by the Group during the reporting period that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

#### **(r) Comparative Figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

When the Group applies an accounting policy retrospectively, makes a retrospective restatement or re-classifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

#### **(s) New and Amended Accounting Policies Adopted by the Group**

##### **Initial application of AASB 16**

The Group has adopted AASB 16: Leases retrospectively with the cumulative effect of initially applying AASB 16 recognised at 1 July 2019. In accordance with AASB 16 the comparatives for the 2019 reporting period have not been restated.

The Group has recognised a lease liability and right-of-use asset for all leases (with the exception of short-term and low value leases) recognised as operating leases under AASB 117 Leases where the Group is the lessee.

The lease liabilities are measured at the present value of the remaining lease payments. The Group's incremental borrowing rate as at 1 July 2019 was used to discount the lease payments. The right of use assets

for the building was measured and recognised in the statement of financial position as at 1 July 2019 by taking into consideration the lease liability, prepaid- and accrued lease payments previously recognised at 1 July 2019 (that are related to the lease).

The following practical expedients have been used by the Group in applying AASB 16 for the first time:

- for a portfolio of leases that have reasonably similar characteristics, a single discount rate has been applied.
- leases that have remaining lease term of less than 12 months as at 1 July 2019 have been accounted for in the same way as short-term leases.
- the use of hindsight to determine lease terms on contracts that have options to extend or terminate.
- applying AASB 16 to leases previously identified as leases under AASB 117: Leases and Interpretation 4: Determining whether an arrangement contains a lease without reassessing whether they are, or contain, a lease at the date of initial application.
- not applying AASB 16 to leases previously not identified as containing a lease under AASB 117 and Interpretation 4.

The Group's weighted average incremental borrowing rate on 1 July 2019 applied to the lease liabilities was 6.5%. The difference between the undiscounted

amount of operating lease commitments at 30 June 2019 of \$1,046,528 and the discounted operating lease commitments as at 1 July 2019 of \$1,326,924 was \$280,396 which is due to discounting the operating lease commitments at the Group's incremental borrowing rate and due to option to extend contracts being assessed differently under the new standard.

#### Initial application of AASB 15 and AASB 1058

The Group has applied AASB 15: Revenue from Contracts with Customers and AASB 1058: Income of Not-for-Profit Entities using the cumulative effective method of initially applying AASB 15 and AASB 1058 as an adjustment to the opening balance of equity at 1 July 2019. Therefore, the comparative information has not been restated and continues to be presented under AASB 118: Revenue and AASB 1004: Contributions.

The Group has elected to apply AASB 1058 retrospectively only to contracts that are not completed contracts at the date of initial application. There was no adjustment to opening retained surplus on 1 July 2019. A classification change occurred which resulted in the deferred income now being classified as contract liability in line with wording used in AASB 15.

The table below provides details of the significant changes and quantitative impact of these changes on initial date of application 1 July 2019.

	As Presented on 30 June 2019	Application impact of AASB15 and AASB 1058	As at 1 July 2019
	\$	\$	\$
<b>Statement of financial position</b>			
<b>Current Liabilities</b>			
Deferred income	3,366,406	(3,366,406)	-
Contract liability	-	3,366,406	3,366,406

The table below provides details of the significant changes and quantitative impact of the changes as discussed above for the year ended 30 June 2020.

	\$	\$	\$
<b>Statement of profit or loss and other comprehensive income</b>			
Revenue	16,031,236	-	16,031,236
<b>Statement of financial position</b>			
Contract liability (Deferred income)	4,222,622	-	4,222,622

#### 4. REVENUE FROM CONTINUING OPERATIONS

	2020	2019
	\$	\$
Revenue from continuing operations		
Net grant revenue	12,529,701	11,137,638
Revenue from the sale of services	2,618,365	3,666,383
Sales of goods	6,802	2,924
Reimbursements	540,780	189,948
Rent & utilities	6,300	6,833
Donations	16,837	9,825
Sundry	5,892	2,366
Interest	86,382	82,904
	<u>15,811,059</u>	<u>15,098,821</u>
Other Gains		
Profit on sale of non-current assets	87,010	49,622
Other Gains	128,191	28,881
Bad Debts - Recovered	4,976	-
	<u>220,177</u>	<u>78,503</u>
	<u>16,031,236</u>	<u>15,177,324</u>

#### 5. NET OPERATING RESULT

Net Operating Result before income tax is determined after the following significant other expenses:

PBC Program expenses	1,548,510	492,436
Repairs & maintenance	212,921	153,305
Charitable payments	8,316	224
Bad debts provision/written off	16,166	34,024
Other expenses	361,421	115,371
	<u>2,147,334</u>	<u>795,360</u>

#### 6. MOVEMENT IN RESERVES

	Retained Earnings	General Reserve	Vehicle Replacement Reserve	Total
	\$	\$	\$	\$
Reserves at beginning of year	3,185,522	20,491	49,500	3,255,513
Operating result for the year	290,502	-	-	290,502
Comprehensive income	-	-	-	-
Movement in reserves	20,491	(20,491)	-	-
Reserves at end of year	<u>3,496,515</u>	<u>-</u>	<u>49,500</u>	<u>3,546,015</u>

Note: Share capital reserves are eliminated on consolidation.

## 7. CASH AND CASH EQUIVALENTS

	2020	2019
	\$	\$
Cash at Bank		
Central Desert Native Title Services Ltd (CDNTS)	3,470,248	1,614,760
Desert Support Services Pty Ltd (DSS)	3,629,116	3,915,812
Rockhole Funds Management Pty Ltd (RFM)	16,383	12,717
	<u>7,115,747</u>	<u>5,543,289</u>
Trust Accounts		
Held by Rockhole Funds Management Pty Ltd (RFM)	1,998,740	1,856,323
	<u>1,998,740</u>	<u>1,856,323</u>
Cash on Hand		
Petty cash	300	300
	<u>9,114,787</u>	<u>7,399,912</u>

*Terms:* Cash at bank is held in at-call interest bearing deposits.

*Restrictions:* Cash at bank for CDNTS and DSS includes the following restricted amounts:

- \$4,222,622 representing the balance of unexpended grants – see note 17(a).

The restrictions arise as a result of the terms and conditions of various funding agreements which require unspent funds to be returned or used in future years for the purposes specified in the funding agreements.

Further restrictions are in place over funds held in respect of third party agreements.

- \$1,998,740 is held in trust for 3rd parties – see note 18.

## 8. CASH FLOW INFORMATION

Reconciliation of cash flows from operating activities

Operating result for the year after income tax	290,502	721,560
Non cash flows included in operating result		
Depreciation and amortisation	372,032	241,177
Interest expense on lease liabilities	82,116	-
Net (profit)/loss sale of assets	-	(39,273)
Changes in assets and liabilities		
Decrease in receivables	838,603	51,433
Increase in other current assets	(346,300)	(198,467)
Increase/(decrease) in payables	(537,077)	168,628
Increase in contract liability	856,216	350,074
Increase/(decrease) in provision for employee benefits	(43,836)	172,346
Increase/(decrease) in trust and other liabilities	582,417	652,058
Cash flows from operating activities	<u>2,094,673</u>	<u>2,119,536</u>

## 9. TRADE AND OTHER RECEIVABLES

	2020	2019
	\$	\$
Trade receivables	875,001	1,768,082
Other receivables	61,771	1,291
Less: Provision for impairment	<u>(39,926)</u>	<u>(33,924)</u>
	<u>896,846</u>	<u>1,735,449</u>

*Terms:* Trade and other debtors are non-interest bearing and are generally settled on terms of 30 days. Trade debtors are reported net of GST.

## 10. OTHER CURRENT ASSETS

Prepayments	93,044	169,397
Bonds	14,401	8,520
Accrued income	68,961	92,189
Shares held in trust by Rockhole Funds Management Pty Ltd (RFM)	<u>440,000</u>	-
	<u>616,406</u>	<u>270,106</u>

## 11. PROPERTY, PLANT & EQUIPMENT

Freehold land and buildings		
Freehold land at cost	23,500	23,500
Buildings at cost	1,116,691	997,403
Less: accumulated depreciation	<u>(311,566)</u>	<u>(248,222)</u>
	828,625	772,681
Leasehold improvements		
Leasehold improvements at cost	915,375	895,466
Less: accumulated depreciation	<u>(713,115)</u>	<u>(660,872)</u>
	202,260	234,594
Motor vehicles		
Motor vehicles at cost	1,165,897	1,133,856
Less: accumulated depreciation	<u>(891,999)</u>	<u>(783,604)</u>
	273,898	350,252
Office equipment & furniture		
Office equipment & furniture at cost	481,288	429,299
Less: accumulated depreciation	<u>(381,561)</u>	<u>(340,930)</u>
	99,727	88,369
Plant & equipment		
Plant & equipment at cost	69,620	80,535
Less: accumulated depreciation	<u>(48,586)</u>	<u>(73,860)</u>
	21,034	6,675
Artwork		
Artwork at cost	<u>3,076</u>	<u>3,076</u>
	<u>3,076</u>	<u>3,076</u>
	<u>1,428,620</u>	<u>1,455,647</u>

a) *Movements in carrying amounts*

	Freehold Land & Buildings	Leasehold	Motor Vehicles	Office Equipment & Furniture	Plant & Equipment	Artworks	Total
	\$	\$	\$	\$	\$	\$	\$
<b>2019</b>							
Opening balance	746,994	286,710	396,282	37,788	1,911	3,076	1,472,761
Additions	74,193	-	78,655	74,800	6,764	-	234,412
Depreciation expense	(48,506)	(52,116)	(114,336)	(24,219)	(2,000)	-	(241,177)
Disposals	-	-	(10,349)	-	-	-	(10,349)
	<b>772,681</b>	<b>234,594</b>	<b>350,252</b>	<b>88,369</b>	<b>6,675</b>	<b>3,076</b>	<b>1,455,647</b>
<b>2020</b>							
Additions	<b>119,288</b>	<b>19,909</b>	<b>1,446</b>	<b>51,989</b>	<b>19,681</b>	-	<b>212,313</b>
Depreciation expense	<b>(63,344)</b>	<b>(52,243)</b>	<b>(77,800)</b>	<b>(40,631)</b>	<b>(5,322)</b>	-	<b>(239,340)</b>
Disposals	-	-	-	-	-	-	-
	<b>828,625</b>	<b>202,260</b>	<b>273,898</b>	<b>99,727</b>	<b>21,034</b>	<b>3,076</b>	<b>1,428,620</b>

**12. RIGHT OF USE ASSETS**

The Group's lease portfolio includes buildings (office lease). This lease has a term of 7 years.

**Options to Extend or Terminate**

The option to extend or terminate are contained in the property lease of the Group. These clauses provide the Group opportunities to manage the lease in order to align with its strategies. All of the extension or termination options are only exercisable by the Group. The extension options or termination options which were probable to be exercised have been included in the calculation of the right-of-use asset.

	2020
	\$
<b>i) AASB 16 related amounts recognised in the balance sheet</b>	
<b>Right of use assets</b>	
Leased buildings	1,326,924
Accumulated depreciation	<u>(132,692)</u>
Total right of use assets	<u>1,194,232</u>
<b>Movement in carrying amounts</b>	
Leased buildings:	
Recognised on initial application of AASB 16 (previously classified as operating lease under AASB 117)	1,326,924
Depreciation expense	<u>(132,692)</u>
Net carrying amount	<u>1,194,232</u>
<b>ii) AASB 16 related amounts recognised in the statement of profit and loss</b>	
Depreciation charge related to right of use assets	132,692
Interest expense on lease liabilities	<u>82,116</u>
	<u>214,808</u>
<b>iii). Total cash outflow for leases</b>	<u>167,485</u>

### 13. INVESTMENTS

Details of the Group's subsidiaries at the end of the reporting period are as follows:

#### a) Ownership Interests

Name	ABN	Formation	Origin	% Ownership
Desert Support Services Pty Ltd	41 154 511 494	6/1/12	Australia	100
Rockhole Funds Management Pty Ltd	65 164 808 333	26/7/13	Australia	100

Both companies are not-for-profit private companies and therefore Central Desert Native Title Services Ltd is not entitled to dividends or other distributions from either subsidiary. Investments are carried at cost and will be eliminated upon consolidation.

#### b) Financial Results

Name	2020		2019	
	Surplus \$	Net Assets \$	Surplus \$	Net Assets \$
Desert Support Services Pty Ltd	190,165	987,200	481,092	797,035
Rockhole Funds Management Pty Ltd	1,507	14,017	5,953	12,510

Both companies are not-for-profit private companies and therefore Central Desert Native Title Services Ltd is not entitled to dividends or other distributions from either subsidiary. Investments are carried at cost and will be eliminated upon consolidation.

### 14. TRADE AND OTHER PAYABLES

	Note	2020 \$	2019 \$
GST & PAYG		76,547	173,721
Credit card			
Mastercard		28,857	52,186
American Express		9,305	38,732
Accrued wages		225,875	111,115
Accrued program expenses		41,705	134,111
Prepaid fees		131	-
		<u>734,024</u>	<u>1,271,101</u>

*Credit Card Facilities.* The group has a \$175,000 credit card facility with Westpac Banking Corporation of which \$146,143 remained unused at balance date. The group has a \$70,000 credit card facility with American Express of which \$60,695 remained unused at balance date. MasterCard and American Express purchasing card balances are cleared on or about the 27th of each month.

#### a) Financial liabilities at amortised cost classified as trade and other payables

Trade and other payables			
Total current liabilities		<u>734,024</u>	<u>1,271,101</u>
Less other payables (net amount of GST payable)		<u>(76,547)</u>	<u>(173,721)</u>
Financial liabilities as trade and other payables	26	<u>657,477</u>	<u>1,097,380</u>



**15. LEASE LIABILITIES**

	2020	2019
	\$	\$
Current		
Lease liabilities	172,509	-
	<u>172,509</u>	<u>-</u>
Non-current		
Lease liabilities	1,069,046	-
	<u>1,069,046</u>	<u>-</u>

**16. PROVISION FOR EMPLOYEE BENEFITS**

Current		
Annual leave	454,330	440,466
Long service leave	423,324	470,658
	<u>877,654</u>	<u>911,124</u>
Non-current		
Long service leave	190,281	200,647
	<u>190,281</u>	<u>200,647</u>

	Employee Benefits
	\$
<b>Analysis of total provisions</b>	
Opening balance at 1 July 2019	1,111,771
Additional provisions raised during year	202,752
Amounts used	(246,588)
<b>Ending balance at 30 June 2020</b>	<u>1,067,935</u>

**17. CONTRACT LIABILITY**

	2020	2019
	\$	\$
Unexpended grants	4,222,622	3,366,406
	<u>4,222,622</u>	<u>3,366,406</u>
<b>a) Unexpended grants</b>		
Native Title Grants	4,202,806	2,053,073
Land and Community Grants	18,695	1,312,212
Auspiced Grant	1,121	1,121
	<u>4,222,622</u>	<u>3,366,406</u>

*These grants are enforceable and have sufficiently specific performance obligations in accordance with AASB 15. Therefore, the amount received is initially recorded as a contract liability and recognised as revenue over time as performance obligations are satisfied.*

## 18. TRUST LIABILITIES

	2020	2019
	\$	\$
Funds held by Rockhole Funds Management Pty Ltd (RFM)	<u>1,998,740</u>	1,856,323
	<u>1,998,740</u>	<u>1,856,323</u>

## 19. OTHER LIABILITIES

Liabilities associated with shares held in trust by Rockhole Funds Management Pty Ltd (RFM)	<u>440,000</u>	-
	<u>440,000</u>	-

## 20. AUDITOR REMUNERATION

Audit of the financial report	<u>30,000</u>	28,000
Other non-audit services	<u>1,000</u>	6,000
	<u>31,000</u>	<u>34,000</u>

## 21. KEY MANAGEMENT PERSONNEL

The Group's key management comprise the directors identified in the director's report and senior management staff.

### *Remuneration of Key Management Personnel*

Name	Directors		Senior Management	
	2020	2019	2020	2019
	\$	\$	\$	\$
Short Term Benefits				
Salaries & allowances	-	-	<b>885,153</b>	854,081
Post Employment Benefits				
Superannuation	<u>-</u>	<u>-</u>	<u>73,234</u>	80,220
Total	<u>-</u>	<u>-</u>	<u>958,387</u>	<u>934,301</u>

Directors are unpaid volunteers who give their time and experience to help provide sound governance to the Group and assist to set its strategic direction. They do not have a beneficial interest in the Group or its subsidiaries.

## 22. CAPITAL AND LEASING COMMITMENTS

### *Operating Lease Commitments*

The Group does not have any lease commitments for non-capitalised leases as at 30 June 2020.

### *Capital Expenditure Commitments*

The Group does not have any capital commitments as at 30 June 2020.

### 23. CONTINGENT ASSETS AND LIABILITIES

The Group does not have any contingent assets and contingent liabilities as at 30 June 2020.

### 24. MEMBERS' GUARANTEE

Central Desert Native Title Services Ltd is incorporated as a Company limited by guarantee under the Corporations Act 2001.

If the Company is wound up the company's constitution requires each member to contribute a maximum of \$1 each towards the property of the Company for payment of the debts and liabilities of the Company. At 30 June 2020 the number of members was five (5).

### 25. EVENTS AFTER THE REPORTING PERIOD

The board approved the return of PBC support services back to Central Desert Native Title Services effective 2nd November 2020. The aim is to deliver more cost effective services to PBC clients. The new program will not impact the CDNTS budget as it is run on a cost recovery basis.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

### 26. FINANCIAL RISK MANAGEMENT

The Group's financial instruments consist mainly of deposits with banks, local money market instruments and accounts receivable and payable and lease liabilities.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 9: Financial Instruments as detailed in the accounting policies to these financial statements, are as follows:

	Note	2020 \$	2019 \$
Financial Assets at amortised cost			
Cash and cash equivalents	7	9,114,787	7,399,912
Trade and other receivables	9	896,846	1,735,449
Total Financial Assets		10,011,633	9,135,361
Financial Liabilities at amortised cost			
Trade and other payables	14	657,477	1,097,380
Lease liabilities	15	1,241,555	-
Contract liability	17	4,222,622	3,366,406
Total Financial Liabilities		6,121,654	4,463,786



# ACKNOWLEDGEMENTS

We gratefully acknowledge the people and communities with whom we work: for their support, encouragement, and patience with what is often a time consuming and difficult process.

We also acknowledge our funding provider the National Indigenous Australians Agency.

## *For More Information:*

### **Contact officer:**

Mrs Karine Flematti, Manager- HR & Organisation Support  
Central Desert Native Title Services Ltd  
76 Wittenoom Street, East Perth WA 6004

T: 08 9425 2000


F: 08 9425 2001

E: [reception@centraldesert.org.au](mailto:reception@centraldesert.org.au)

### **Web address for annual report:**

<http://www.centraldesert.org.au/about-us-item/annual-reports/>





Central Desert Native Title Services produces high quality outcomes in all facets of native title work including legal and anthropological research, managing future acts, mediation and litigation, cultural translation, governance and capacity building and natural resource management. The organisation facilitates and maintains strong co-operative relationships between Traditional Owners and government agencies, non-government organisations, exploration and mining companies, and other stakeholders.

### Central Desert Native Title Services Ltd

ABN: 53 124 921 811

Address: 76 Wittenoom Street  
East Perth WA 6004

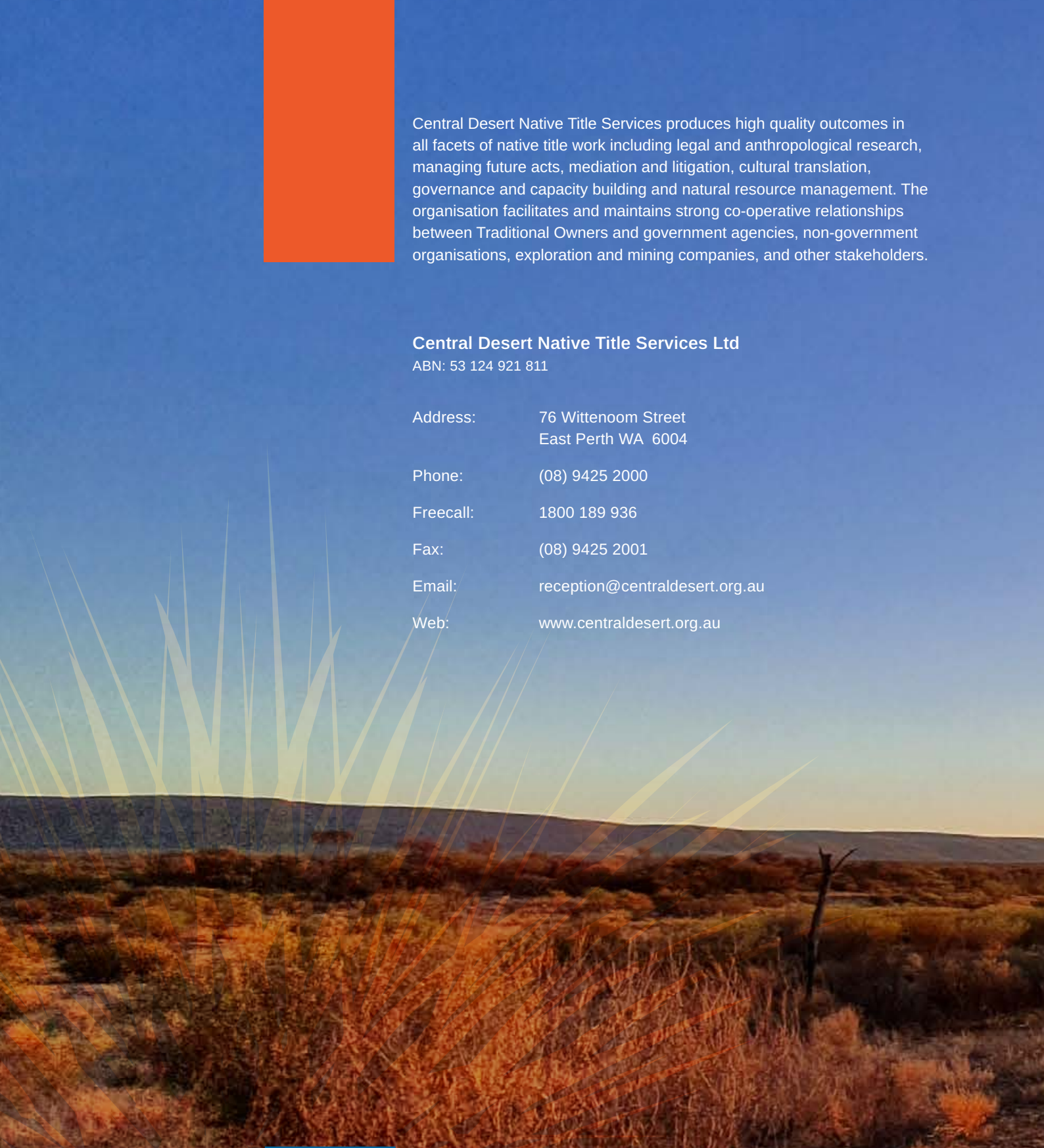
Phone: (08) 9425 2000

Freecall: 1800 189 936

Fax: (08) 9425 2001

Email: [reception@centraldesert.org.au](mailto:reception@centraldesert.org.au)

Web: [www.centraldesert.org.au](http://www.centraldesert.org.au)



**CENTRAL DESERT NATIVE TITLE SERVICES**