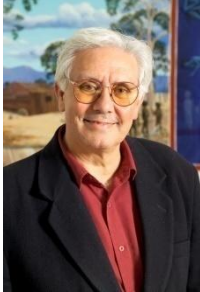


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## Report by Chairman



As Chairman of Native Title Services Victoria, I am pleased to present, on behalf of the Board, our Annual Report for the 2007/08 financial year.

The Board is satisfied with NTSV's ongoing delivery of services to Victorian native title groups, and with the progress made in the negotiation of sustainable native title outcomes, in 2007/08. The Board acknowledges the hard work and dedication of NTSV's staff throughout the year.

NTSV continued to progress native title negotiations in 2007/08. Although no claims were settled during this period, substantial progress was made in a number of claims. Most notably, considerable and hard-fought advances were made in the Gunai/Kurnai claim and the North West group of claims. The past financial year was a very busy year for research work with groups that do not yet have native title claims, and for the negotiation of future act agreements.

NTSV also provided crucial support to the Victorian Traditional Owner Land Justice Group in the establishment and commencement of the Native Title Settlement Framework negotiation process. The Framework process was established by the State Government in response to the aspirations of the Land Justice Group and at the suggestion of NTSV to produce improved process and outcomes in native title claims in Victoria.

We are hopeful that the Framework process *will* produce substantially improved outcomes for Victorian Traditional Owners. Much depends on the State Government demonstrating its stated commitment to Traditional Owners by concluding and implementing a first-rate Framework Agreement.

The Board is pleased to report that NTSV has ably managed its limited resources to pursue and substantially achieve its objectives in 2007/08. We look forward to building on the work of the past financial year to negotiate further positive results for Victorian native title groups in the future. We are committed to turning the tide of history.

A handwritten signature in black ink, appearing to read 'Graham Atkinson', with a long horizontal flourish extending to the right.

**Graham Atkinson**  
Chairman

## Report by Chief Executive Officer (CEO)



The financial year 2007/08 has been a year when significant progress has been made towards outcomes on a number of fronts. The objectives set out in the Operational Plan for 2007/08 have been substantially achieved and there is no doubt that we are much closer toward resolution of priority claim matters and, indeed, on the cusp of exciting new possibilities for the settlement of native title in the State of Victoria.

There can be no denying the difficulty of achieving outcomes under the *Native Title Act*, with progress being both hard-won and resource-intensive. At the conclusion of the financial year there are, however, in prospect new State policy settings that could pave the way for ground breaking new outcomes in Victoria whereby native title will be resolved both more expeditiously and with elements of the genuine land justice to which traditional owners in this State have long aspired.

I reported in our 2006/07 Annual Report that “it is expected that an intensive negotiation process will be established in 2007/08 and overseen by a Steering Committee comprised of senior officers and Land Justice Group representatives”. It is very gratifying to be able to report now that the Steering Committee was in fact established by State Cabinet and announced by the Government in a press release issued in March 2008.

Since that announcement policy discussions that had been occurring over a period of months moved into a new phase and the Steering Committee chaired by Professor Mick Dodson has overseen a period of intensive policy development work. The task of the Steering Committee is to provide a report to Cabinet by December 2008, making recommendations for a Native Title Settlement Framework that will streamline future native title negotiations.

The Steering Committee consists of four senior officers of relevant State Government departments, five representatives of the Victorian Traditional Owner Land Justice Group and myself as the NTSV representative.

We are negotiating a Framework that considers a broad range of traditional owner land justice aspirations: ownership of land, access to and management of natural resources, economic development opportunities, the right to participate in decisions about activities on Crown land (future acts), and changes in processes that will lead to better and more sustainable agreements.

It is intended that the Framework provide a more streamlined approach to settling native title claims by setting out what could be included in a settlement package, how negotiations could be conducted and what conditions the State would require to be met by groups to enter into negotiations for a Framework agreement.

This represents an historic opportunity for Victorian traditional owners to achieve a measure of land justice through the native title resolution mechanism. Financial year 2008/09 will hopefully see the endorsement by Cabinet of the new policy Framework and the passage of the legislation required to give effect to the Framework, and these will be matters with which NTSV is closely engaged. If things proceed as we would hope then, as the Victorian Attorney General, Rob Hulls, recently declared in a July 2008 press release, Victoria will be "leading the way".

The effect of the establishment of the Steering Committee has been to delay settlement of the North West cluster of claims. Whilst this has created some frustration for NTSV and the North West claimants, there can be no doubt that the adoption of the Framework by the Victorian Government will allow for a far better set of outcomes in the North West than are currently possible within Government policy settings. Moreover, there is still a good deal of work to be done in the North West in order to be in a position to settle an agreement at the earliest opportunity.

The other priority claim for NTSV is the Gunai/Kurnai claim, and there has been substantial progress during financial year 2007/08 in this matter. At the end of the reporting period the Gunai/Kurnai claim group has been incorporated as the Gunai Kurnai Land and Waters Aboriginal Corporation and the State Government has stated that following the early/preservation evidence hearing conducted by the Federal Court between December 2007 and March 2008 there is now no impediment to negotiations commencing towards a resolution of this claim – a very large claim covering a considerable part of the Gippsland area of South East Victoria.

The efforts of a Kurnai sub-group to assert a more exclusive competing interest and to use every available legal mechanism to do so have been, as I reported in last year's Annual Report, a significant obstacle to progress. Nevertheless, it is expected that these sub-group legal avenues are close to being exhausted and there is every reason to hope that negotiations with the State Government will proceed toward an in-principle agreement as soon as possible.

Progress was also made on other matters set out in the 2007/08 Operational Plan – and mention might be made in this context of Taungurung, Kirrae Wurrung (South West) and assessment research for the Melbourne and Geelong metropolitan areas and surrounds. While I will not seek here to detail progress made, I believe that NTSV has not only achieved its primary funded objectives, but has done so within budget and in a context of sound financial management, as acknowledged in the unqualified audit report provided in this Annual Report.

In this past year of hard-won native title progress, the continued support of our funding body FaHCSIA and its officers within the Land Branch in Canberra has been much appreciated.

Mention must of course be made of the exceptional efforts of the committed and capable staff team at NTSV, with the legal, research and corporate/executive support units all working with a level of skill and resilience without which little or no progress could have been made.

I would also like to acknowledge the hard work of traditional owners, especially the members of negotiating teams and instructing committees who continue to persevere in difficult circumstances to achieve land justice through native title negotiations.

I again record my deep appreciation of the wisdom and support provided throughout the financial year by our Board – an outstanding group of indigenous people of wide experience and capacity, whose leadership has provided the stability and strategic guidance that has ensured a constant focus on core business in our service delivery activities.

In this regard mention must be made of the Strategic Plan developed by the Board in consultation with the staff in a dynamic and constructive process facilitated by the Sydney-based consultants Bendelta Pty Ltd. This Strategic Plan highlights NTSV's "Turning the Tide" strategy and will inform NTSV's activities for the period 2008-2011. It represents a sustained effort by the Board and staff of NTSV to develop a plan for the next few years that is both visionary and realistic.

As we proceed through 2008-09 I have every expectation that NTSV will continue to build on the possibilities and progress established in financial year 2007/08 in a way that will indeed turn the tide of history for land justice in Victoria by providing sustainable native title and land justice solutions for traditional owners in this State.

A handwritten signature in black ink, appearing to read "Chris Marshall". The signature is fluid and cursive, with a large initial "C" and "M".

**Chris Marshall**  
CEO

# Overview

Native Title Services Limited's (NTSV) purpose is to represent native title claimants in Victoria and to ensure that native title rights and interests are recognised and protected. We perform the functions of a native title representative body, as set out in the *Native Title Act 1993* (Cth).

NTSV was registered as a public company limited by guarantee under the *Corporations Act 2001* on 12th August 2003.

The Australian Government Department of Families, Community Services and Indigenous Affairs provides the majority of our funding. We also secure funding from the State Government for specific purposes from time to time.

NTSV is governed by a Board of Directors comprised of seven indigenous persons who are all traditional owners of Victoria. The Chief Executive Officer (CEO) manages the day-to-day operations of the organisation, which employs lawyers, researchers and administrative personnel.

## Vision, Mission and Values

### Our Vision

Our Vision is: We will turn the tide of history for land justice in Victoria.

### Our Mission

Our Mission is: We provide sustainable native title and land justice solutions for traditional owners in Victoria.

### Our Values

Our Values are:

- Respect and support for the autonomy of native title groups;
- Respect, honesty and integrity in all our dealings;
- Transparency, accountability and fairness in our decision making;
- Professionalism, reliable and timely service delivery;
- Valuing our staff and provision of a diverse and supporting workplace;
- Displaying cultural sensitivity and awareness.



## **Strategies**

Our strategic themes are focused on the organisation:

- Performing strongly in terms of successful determinations, settlements and agreements;
- Influencing policy and legislative framework reform (primarily at State level);
- Facilitating and supporting sustainable traditional owner organizations;
- Ensuring NTSV strength, security and capability.

NTSV has detailed its objectives and strategies in its Strategic Plan for the period 2008-2011. The Operational Plan for 2007-08 set out in priority order our activities for the financial year.

## **Client Services**

### **Setting of Priorities**

In order to reflect the requirements of the *Native Title Act* and the funding agreement to which NTSV is a party, the NTSV Board is required to set priorities for the provision of professional services to client groups. These priorities are set out in our Operational Plan for 2007-08 and reflect the fact that NTSV has more requests for assistance from native title groups than it is able to meet at any given time. During the year the Operational Plan guides the direction of resources and assists the Board and the Senior Management Team to monitor our progress.

### **Facilitation and Assistance**

NTSV continues to implement the “Guidelines for Assistance” Policy in assessing requests for assistance from native title groups.

In accordance with these guidelines assessment research is conducted as the first step in providing assistance with new claims, to enable preliminary legal advice to be provided to native title groups before any new native title application is filed. Legal and research assistance are only provided in accordance with the priorities set by the NTSV Board each year and reflected in the Operational Plan approved by FaHCSIA.

## **Summary of Native Title Progress in 2007-08**

### **Gunai/Kurnai Claim**

With the determination of Part A of the Gunditjmara Claim in March 2007, the Gunai/Kurnai Claim has become NTSV's highest priority claim.

The biggest event on the Gunai/Kurnai calendar in the 2007-08 financial year was the Early/Preservation Evidence hearing, which commenced on 3 December 2007. After 15 days of evidence (including from witnesses from the overlapping claim) the hearing concluded on 11 March 2008.

Following the conclusion of the hearing, further mediation between Gunai/Kurnai and the overlapping claim was attempted with the assistance of the Federal Court.

In August 2007 an elders camp was held at Cape Conran, and in September and October of 2007 and during February and March 2008, a number of workshops were held in Melbourne and on country, to further progress aspirations. A final Aspirations Statement is now ready to be presented to the State.

Further work was done on the Gunai/Kurnai connection reports, which were finalised in May 2008.

Also in May 2008, the Gunaikurnai Land & Waters Aboriginal Corporation was appointed as the Registered Aboriginal Party with cultural heritage responsibilities for a substantial part of the area within the external boundary of the Gunai/Kurnai claim area.

### **North West Claims**

At the start of the 2007-08 financial year, the scene was set for the commencement of substantive negotiations with the State Government towards settlement of the claims being negotiated in the cluster known as the "North West": connection materials and aspiration statements had been provided to the State for each native title group, negotiators had been chosen to represent each native title group, training had been provided to the negotiators and a protocol that would govern the negotiation had been agreed with the State Government.

Six negotiations were subsequently held in which information was exchanged and positions discussed as between the State and the North West negotiators. Then the State decided to consider innovative options for settlement in a Statewide forum rather than in the North West negotiations. This has affected progress of negotiations.

As usual, the claim groups have been kept abreast of developments and provided instructions on matters via regular claim group meetings.

Developments included:

- the State's preliminary response to connection material in December 2007, a response on behalf of claimants in December 2008 and the State's update on its assessment of connection in April 2008;
- the withdrawal of one of the Dja Dja Wurrung native title determination applications: VID 6043/98;
- the participation by the Robinvale Aboriginal Community native title group in the National Native Title Tribunal convened mediation with the Latji Latji native title group. In particular, the Robinvale Aboriginal Community native title group contributed to, and considered, a draft and final version of a report commissioned from an independent expert Dr Ben Smith into the identity and extent of country of traditional owners at the time of sovereignty;
- the successful application to amend the named applicants in the Robinvale Aboriginal Community native title determination application; and
- ongoing work on incorporation issues for some of the native title groups.

### **Future Acts**

In 2007-08, the following Agreements concerning future act activities were made or registered:

1. An agreement between the Dja Dja Wurrung Native Title Group and Highlake Resources Pty Ltd in relation to Exploration Licences ELs 4904, 4905, 4953, 4954 and 4831 on 29 May 2008;

2. An agreement between the Dja Dja Wurrung Native Title Group and Douglass Cahill and Rob Palmer in relation to Mining Licences 5370 and 5371 on 17 June 2008;
3. Indigenous Land Use Agreement (ILUA) between the Dja Dja Wurrung Native Title Group and Surgant Pty Ltd for the Chum Street Car Park was registered by the NNTT on 14 May 2008;
4. An agreement between the Gunai/Kurnai Native Title Group and Neudos Pty Ltd in relation to Exploration Licence 4800 on 2 June 2008;
5. An amending agreement between the Gunai/Kurnai Native Title Group and TruEnergy for the Yallourn Energy Agreement on 21 November 2008;
6. An agreement between the Gunai/Kurnai Native Title Group and Morning Star Gold NL in relation to a regional exploration and mining ILUA which was registered by the NNTT on 7 June 2008 (see further below);
7. An agreement between the Robinvale Native Title Group and Iluka Midwest Ltd in relation to Exploration Licence 4294 on 11 March 2008.

Deeds of Assumption signed under the Dja Dja Wurrung/Minerals Council of Australia Regional Exploration ILUA:

8. by Kimba Resources Pty Ltd for Exploration Licence 5055 on 31 August 2007;
9. by Kimba Resources Pty Ltd for Exploration Licence 5056 on 31 August 2007;
10. by BTB Mining Pty Ltd for Exploration Licence 5075 on 9 May 2008;
11. by Swancove Pty Ltd for Exploration Licence 5069 on 10 January 2008;
12. by Blue Gum International Pty Ltd for Exploration Licence 5114 on 7 February 2008;
13. by Oroya Mining Ltd for Exploration Licence 4943 on 28 November 2007;

Deeds of Assumption signed under the Wadi, Wamba, Barapa/Minerals Council of Australia Regional Exploration ILUA:

14. by BTB Mining Pty Ltd for Exploration Licence 5075 on 9 May 2007;
- by Iluka Resources Ltd for Exploration Licence 5115 on 19 May 2007

## **Gunai/Kurnai Finalise Regional Exploration and Mining ILUA**

The Gunai/Kurnai have been successful in finalising a regional exploration and mining Indigenous Land Use Agreement with Morning Star Mining Pty Ltd. The ILUA was registered with the National Native Title Tribunal on 27 June 2008 and will allow the company to be granted any exploration or mining licences within a defined area near Woods Point. The ILUA will streamline the native title approval process for the company and the Gunai/Kurnai will receive benefits for each exploration or mining licence granted under the ILUA.

The ILUA represents the completion of a significant milestone for Gunai/Kurnai and all parties should be congratulated for their efforts.

## **State of Victoria's implementation of Future Act provisions**

As a result of representations made by NTSV including at the regular meetings with the Department of Sustainability and Environment, during the financial year 2007-08, the State agreed to discontinue its practice of issuing mining licences under section s24JA of the Native Title Act.

Dialogue is ongoing in relation to its principles governing extinguishment assessment.

## **Victorian Traditional Owner Land Justice Group**

The Land Justice Group (LJG) was formed in 2005 as an unincorporated body mandated by traditional owner groups across Victoria. It is resourced both by the State and by NTSV with a view to resolving native title matters more expeditiously.

In September 2006, a Framework Agreement Discussion Paper was provided to the State, and the Victorian Attorney General wrote to the Group in the following month indicating that a whole of government response to the Discussion Paper was being developed by senior officers.

Progress on the Framework discussion was slowed in the coming months, mainly due to the introduction of the Victorian *Aboriginal Heritage Act* (2006), but in August 2007, a meeting with Victorian Ministers resolved that Cabinet would consider proposals for the establishment of a Steering Committee comprised of senior State officers and members of the LJG to develop a Victorian Native Title Settlement Framework.

The Steering Committee, chaired by Prof. Mick Dodson, held its first meeting in March of 2008. The Committee is charged with task of preparing a report to the Victorian Cabinet by the end of 2008. In setting out the terms of reference for the Steering Committee, Cabinet authorized its own Framework Discussion Paper, in response to the LJG's Framework Agreement Discussion Paper of September 2006.

The negotiations within the Steering Committee are confidential, but a communication strategy has been developed by the Committee for consultation with the wider traditional owner community and with representatives of third parties. Observers from Commonwealth Government agencies have also attended the Steering Committee meetings, which take place every six weeks.

The LJG meets regularly, under conditions of confidentiality, to review the progress of the Framework negotiations and to consider a range of other concerns raised by the representatives of traditional owner groups across Victoria.

NTSV facilitates the activities of the LJG and provides legal advice to the Group as required. NTSV's Policy Officer, Dr Mark Brett, provides policy and strategic advice, along with barrister David Yarrow and communications consultant Jane Holden.

### **Cultural Heritage and State Policy**

NTSV represents the interests of native title holders / traditional owners in dialogue with the State, particularly in relation to the various Indigenous Partnership Strategies developed by Parks Victoria, the Department of Sustainability and Environment (DSE), Aboriginal Affairs Victoria and the Department of Primary Industries.

Of particular concern has been the implementation of the new regime for managing Aboriginal cultural heritage, and its consequences for native title resolution and the involvement of traditional owners in natural resource management (NRM). A major activity of DSE in recent months has been its Indigenous consultation process following a Green Paper 'Land and Biodiversity at a Time of Climate Change'.

The LJG has developed a number of proposals for integrating traditional owners' activities and aspirations under the various regimes of cultural heritage, NRM and native title, and a number of meetings have been held with the relevant State agencies to progress those proposals.

## **Research projects**

NTSV and its consultants conducted extensive fieldwork in South Central Victoria and finalised a number of major reports including for the Taungurung people.

A major historical and anthropological research project was substantially progressed in relation to the South West area of Victoria, involving a large team made up of consultants and staff.

Fieldwork is ongoing in far Eastern Victoria.

## Key Dates (other than dates relating to Future Act Agreements)

DATE & GROUP	EVENT
<b>GUNAI/KURNAI CLAIM</b>	
3 December 2007	Gunai/Kurnai Early/Preservation Evidence Hearing commenced.
11 March 2008	Final day of closing submissions in the Early/Preservation Evidence Hearing (the hearing lasted 15 days in total, including evidence from the overlapping claim).
23 May 2008	The Gunaikurnai Land & Waters Aboriginal Corporation was appointed as the Registered Aboriginal Party for a substantial part of the area within the external boundary of the Gunai/Kurnai claim area.
<b>NORTH WEST CLAIMS</b>	
27 July 2007	Second NNTT-convened negotiation with the State Government
31 August 2007	Third NNTT-convened negotiation with the State Government
20 September 2007	Fourth NNTT-convened negotiation with the State Government
27 September 2007	Received State preliminary response to connection material
26 October 2007	Fifth NNTT-convened negotiation with the State Government
30 November 2007	Sixth NNTT-convened negotiation with the State Government
6 December 2007	Responded to State's preliminary views in relation to connection
14 March 2008	Discontinuance of Dja Dja Wurrung native title determination application VID 6043/98 by consent
27 March 2008	Replacement of Applicants in Robinvale Aboriginal Community native title determination application VID 6003/98
8 April 2008	Federal Court-convened case management conference
23 April 2008	Received State update on progress on connection assessment
1 May 2008	Seventh NNTT-convened negotiation with the State Government
8 May 2008	Dr Ben Smith finalized his report.



<b>BOARD MEETINGS</b>	
20 August 2007	
22 October 2007	
18 February 2008	
5 May 2008	
<b>GENERAL MEETINGS</b>	
22 October 2007	Annual General Meeting
<b>LAND JUSTICE GROUP</b>	
20 August 2007	Representatives meet with Ministers to discuss Framework options
17 September 2007	LJG meeting to authorize Steering Committee engagement
8 December 2007	LJG consultations on 'Land and Biodiversity' and NRM proposals
10-11 April 2008	LJG meeting re Steering Committee process and NRM proposals
13-14 June 2008	LJG host statewide 'Caring for Country' forum

## Operational Statistics

### Future Act Notifications Information for the 2007/08 Financial Year

Native Title Group	Section 24	Section 29	ILUA	Total
Bidawal	3	2	-	5
Boonerwurrung	21	-	-	21
Dhuudhoroa	12	2	-	14
Dja Dja Wurrung	21	3	3	27
Gunai/Kurnai	36	9	-	45
Gunditjmara	13	-	-	13
Kirrae Whurrong	-	-	-	-
Latji Latji	1	1	-	2
Latji Wergaia	8	1	-	9
Ngurigu	1	-	-	1
Robinvale	4	1	-	5
South West Victoria	11	-	2	13
Taungurung	23	14	2	39
Wadi Wadi	1	-	-	1
Wadi Wadi Wamba Wamba Barapa Barapa	9	1	-	10

Wathaurong	20	1	1	22
WJJWJ	1	-	-	1
Wurundjeri	25	4	3	32
Yupagulk	3	-	-	3
<b>TOTAL</b>	<b>213</b>	<b>39</b>	<b>11</b>	<b>263</b>

NTSV processed 263 Future Act notifications for the 2007/08 financial year. This represents 213 section 24 (Right to Comment) notifications, 39 section 29 (Right to Negotiate) notifications, and 11 Indigenous Land Use Agreement notifications (Mining/Exploration/Pipeline Negotiations). The table below

illustrates the number of notifications each Native Title Group received.

### Financial Overview

A summary of the operating result is given below:

Item	2007-08	2006-07
Income	<b>\$4,163,053</b>	\$3,806,465
Employee Benefits	<b>\$1,997,353</b>	\$1,775,760
Other expenses	<b>\$2,242,282</b>	\$1,964,632
Total Expenses	<b>\$4,239,635</b>	\$3,740,392
<b>Operating Surplus/(Deficit)</b>	<b>(\$76,582)</b>	\$66,073
<b>Net assets</b>	<b>\$421,861</b>	\$498,443

Income for the year was \$4.16M, expenditure \$4.24M, resulting in an operating deficit of \$0.08M.

Government funding of operational activities does not provide for depreciation but instead from time to time there are injections of funds for capital expenditure. In addition, due to the continuation of some projects from one financial year into the next, with due process, the unspent funds are also carried over. This form of 'cashbook' funding is not unusual, however it runs contrary to our accrual accounting reporting framework. An unfortunate consequence of combining cashbook funding and accrual accounting is that we experience a shifting from surpluses to deficits from one year to the next, regardless of our funding needs and/or good financial management.

In regards to our funding provider, we did report a surplus which was the result of certain activities being carried over to next year. These funds are committed and have been approved to be utilised in the 08/09 financial year.

## **Corporate Governance**

The NSTV governance framework comprises the following elements: -

- Legislative framework (NTA provisions);
- NSTV's Constitution
- Board of Directors;
- CEO and Senior Management Team;
- External monitoring and reporting;
- Risk Management;
- Insurance; and
- Ethical Standards, Policies and Procedures.

## **Legislative framework**

The two principal statutes that relate to NSTV's work to are:

*Native Title Act 1993 (Cth)*  
*Corporations Act 2001*

### **Native Title Act 1993 (Cth)**

NSTV is funded by the Commonwealth to perform the functions of a native title body as set out in the *Native Title Act 1993 (Cth)* (NTA). Part 11, Division 3 Section 203B (1) of the NTA define the general functions and powers of representative bodies as follows: -

- (a) the **facilitation and assistance** functions referred to in section 203BB;
- (b) the **certification** functions referred to in section 203BE;
- (c) the **dispute resolution** functions referred to in section 203BF;
- (d) the **notification** functions referred to in section 203BG;
- (e) the **agreement making** functions referred to in section 203BH;
- (f) the **internal review** functions referred to in section 203BI;
- (g) the functions referred to in section 203BJ and such other functions as are conferred on representative bodies by this Act.

## **Corporations Act 2001**

NTSV was registered on 12th August 2003 as a public company limited by guarantee under the *Corporations Act 2001*. Accordingly our corporate governance and financial reporting practices align to and comply with this Act.

Many of NTSV's constitutional elements and operational practices are determined by this Act.

### **NTSV's Constitution**

NTSV's objectives, functions, powers and governance structure are set out in its Constitution.

### **Board of Directors**

The governance of NTSV is by a Board of Directors consisting of seven indigenous persons.

The Directors at this date of reporting are: -

<b>Name</b>	<b>Position</b>	<b>Appointed</b>
Mr Graham Atkinson	Chair	18 November 2003
Ms Daphne Milward	Deputy	18 November 2003
Ms Eleanor Bourke	Director	18 November 2003
Mr Trevor Edwards	Director	12 August 2003
Mr Michael Harding	Director	18 November 2003
Mr Damein Bell	Director	18 November 2003
Ms Joy Wandin-Murphy	Director	19 February 2007

All directors have a term appointment that expires in 2010.

(For further details of the Directors refer to the Directors' Report accompanying the audited Financial Statements for 2008.)

## **The Chief Executive Officer and Senior Management Team**

Mr Chris Marshall, as the Chief Executive Officer (CEO), has the delegated authority to manage NTSV. He is assisted by a management team consisting of the Principal Legal Officer, Research Manager and Corporate Services Manager. This Team has met at regular intervals throughout the year to discuss operational matters, monitor performance and to co-ordinate activities.

Details of the Management Team members are documented further in this report.

### ***External Monitoring and Reporting***

The key mechanisms of external monitoring and reporting of our activities for the year are as follows: -

- the audit function (External Auditor and Audit Committee) and
- the Land Branch, Department of Families, Community Services and Indigenous Affairs; and

### **External Auditor and Audit Committee**

The external audit function is provided by McLean, Delmo Hall Chadwick (MDHC Audit Assurance Pty Ltd). The duties and obligations of the external auditor are set out in Section 307 of the *Corporations Act 2001* and further obligations are detailed in the Letter of Engagement. The Auditor's report accompanies the Financial Statements for 2007-08 and is included in this Annual Report (refer page 61-62).

The functions of the Audit Committee are performed by the Board of Directors. These functions included reviewing internal operating controls, ensuring our resources are well managed and secured, and assessing the quality and adequacy of financial systems and reports.

The Board has met with the auditor and are pleased to report that there were no significant audit concerns.

### **Land Branch, Department of Families, Community Services and Indigenous Affairs (FaHCSIA).**

To perform the functions of native title service delivery in Victoria NTSV annually enters into a Program Funding Agreement (PFA) with the Land

Branch of the Department of Families, Housing, Community Services and Indigenous Affairs. The terms and conditions of the PFA are detailed in a booklet titled 'General Terms and Conditions Relating to Native Title Program Funding Agreements'. The PFA and accompanying General Terms and Conditions are comprehensive and hold to account NTSV's Board and its Management. The reporting and acquittals framework ensure FaHCSIA are regularly apprised of our activities.

To the best of our knowledge we have met all of our obligations under the PFA. We acknowledge and value our good working relationship with FaHCSIA.

### **Risk Management**

Risk management is also an integral part of effective corporate governance. It identifies and assesses risks and adopts appropriate practices to mitigate those risks. There were no matters of risk that presented a concern to NTSV in 2007-08.

### **Insurance**

NTSV has insurance cover for its assets and activities. These include work cover, business (fire, burglary, money, public and products liability and general property), motor vehicle, professional indemnity and directors & officers insurance. There were no outstanding claims in 2007-08 and we are not aware of any legal proceedings or material claims against us.

### **Ethical Standards, Policies and Procedures**

Our Board, Management and staff are guided in their actions and duties by NTSV's Constitution and its policies and procedures, including Codes of Conduct. To ensure a fair and balanced prioritisation of our activities we have a well-documented internal review process. There were no serious breaches of our ethical standards, policies and procedures in 2007-08.

### **Management of Human Resources**

NTSV's operations consist of three sections: -

- Legal;
- Research; and
- Corporate.

These sections are managed by well experienced and qualified persons who together with the Chief Executive Officer form the senior management team. The Chief Executive Officer is also supported by a Policy Officer and Executive Assistant.

The **Legal Section** is headed by Libby Bunyan and supported as at end June 2008 by five legal officers (two part-time), three future acts legal officers (2 part-time), one para-legal officer, three community liaison officers (one part-time) and two legal secretaries (one part-time). This team provides legal and strategic advice to NTSV and native title holders including the preparation of claims for mediation and hearing; managing the process of native title claims through the Federal Court and representing claimants in mediation, negotiations and legal proceedings.

The **Research Section** is headed by Belinda Guest. Her team consists of two senior anthropologist (one part-time), five research officers, three of whom are anthropologists (two part-time) and two are historians. They conduct genealogical, anthropological, historical and archaeological research, analysis and interpretation. They provide integral support to the Legal Section.

The **Corporate Section** was headed by Lorenz Senn until his resignation in June 2008. His team includes a qualified Accountant, two Administrative Officers (one part-time) and a Receptionist. This section is responsible for providing finance, human resources, information technology and administrative services across NTSV.

## **Chief Executive Officer and Senior Management Team**

### **Chief Executive Officer -- Chris Marshall**

Chris Marshall has been the Chief Executive Officer sine July 2004. Prior to this appointment, as a consultant he managed the transfer of operations from the former NTRB for Victoria, Mirimbiak Nations Aboriginal Corporation, to NTSV.

Chris has extensive experience as a community development practitioner, and in government program administration and policy development. Prior to his appointment with NTSV he was involved in organisational restructuring in a change management capacity with several native title representative bodies around the country.

He has tertiary qualifications in Management, Aboriginal Studies (Anthropology), and Community Work.

### **Special Legal Advisor -- Alison Murphy**

Alison Murphy worked as a lawyer in the native title area for ten years and moved to NTSV from the Principal Legal Officer position at the Torres Strait Regional Authority. She has previously worked as a native title representative body lawyer in Western Australia and as a Deputy Registrar (Native Title) of the Federal Court of Australia. In February 2004, Alison commenced as the Principal Legal Officer at NTSV on a job-share basis and in 2006/07 she moved on a part-time basis to a new position of Special Legal Advisor. She resigned in April 2008.

### **Principal Legal Officer -- Libby Bunyan**

Libby Bunyan joined NTSV in February 2007 as Principal Legal Officer. She has over 15 years experience as a lawyer in Government, non-Government and private practice incorporating significant work in native title and management. Previous positions held include Principal Legal Officer with the Native Title Division of the Commonwealth Attorney General's Department and with Cape York Land Council. She has a Masters in Law from London University.

### **Research Manager – Belinda Guest**

Belinda Guest has been with NTSV since its inception in 2003 and moved into the role of Research Manager in February 2008. She is an experienced historian who has worked on native title cases across Victoria since mid 2000. Belinda's research has enabled her to work with several Indigenous communities on oral and family history projects. She brings to this role Victorian historical expertise, a solid understanding of research 'best practice' and knowledge of ethical and theoretical issues in the native title context.

### **Corporate Services Manager / Company Secretary -- Lorensz Senn**

Lorensz Senn commenced as Corporate Services Manager in March 2005. He is responsible for NTSV's finances, human resources, information technology and general administration. Mr. Senn also holds the statutory position of Company Secretary. He has extensive experience in both government and commercial enterprises and holds academic qualifications in accounting, computing and administration. Lorensz left the organization in June 2008 after three years of dedicated and professional leadership.

### **Training and development**



The organization places a high value on continuing professional development and training and all staff are encouraged to undergo training on a regular basis. This year, NTSV spent in excess of \$111K on training and professional development.

The Annual Native Title Conference in Perth was the major activity in our training program this year, as in the past. The conference provides our attendees the opportunity to present nationally and discuss current issues relating to research, legal and policy direction. This key event involved Board members, staff and claimants.

Board members and senior staff were involved in Strategic Planning Workshop to enable them to develop the strategic plan for the 2008-2011 period. Professional memberships and mandatory training programs, as in past years, were once again a sizeable component of our expenditure this year.

### **Occupational Health and Safety**

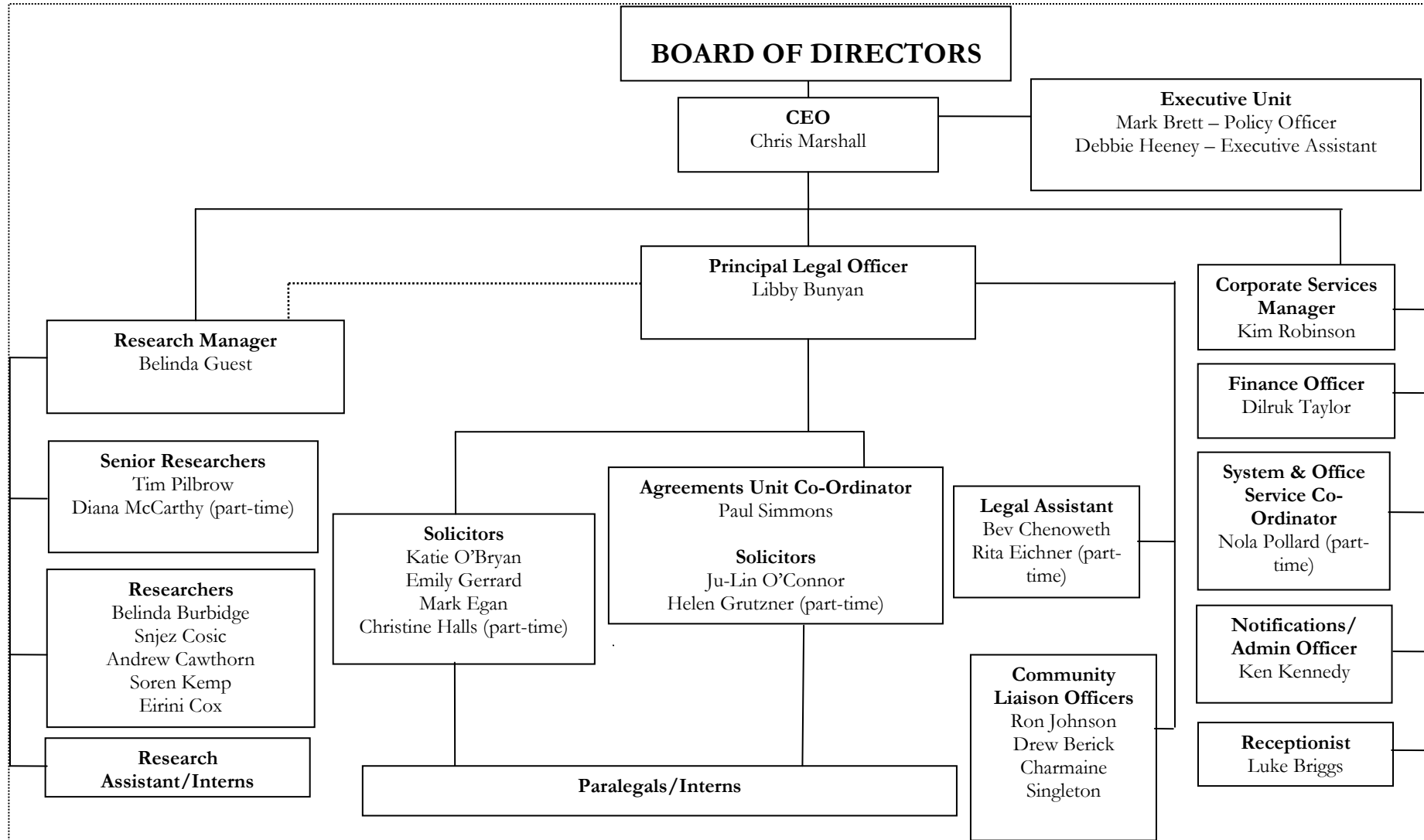
NSTV complies with the legislation requirements of the *Occupational Health and Safety Act 2004*. Our policies and procedures promote a safe and healthy work environment. In 2007-08 there were no recorded injuries and/or claims for compensation.

### **Terms & Conditions of Employment**

Staff are employed under a standard set of terms and conditions which are revised to comply with industrial relations legislation. We annually benchmark our pay rates to federal and state government departments and agencies delivering similar services and to the labour market in general. Given our limited funding, we are not always able to match what is on offer elsewhere, particularly in the general market. Every effort is made to compensate staff by offering them flexible working arrangements and a tax advantage that is available to us as a public benevolent institution. It is essential that we retain this tax privilege in order to attract and retain quality staff.

This organization has an enviable record in attracting legal and research interns to support its projects. Through the year there were 5 legal interns and 4 research interns each of who worked for a period of 2-3 weeks. Our thanks go to those individuals who participated in the program.

# ORGANISATION STRUCTURE



## Staff Statistics

### Staff Profile

The following is NTSV's staff profile as at 30 June 2008: -

Equivalent Full-Time	Indigenous		Non-indigenous		Total	
	30/06/08	30/06/07	30/06/08	30/06/07	30/06/08	30/06/07
Female	1.0	0.0	12.3	14.5	13.3	14.5
Male	5.0	4.2	5.5	5.1	10.5	9.3
<b>Total</b>	<b>6.0</b>	4.2	<b>17.8</b>	19.6	<b>23.8</b>	23.8

The above statistics are staff numbers based on equivalent full-time hour per week (37.5 hours). The actual number of staff is greater, for instance as at 30 June 2008 NTSV employed 25 (which translated to 23.8 total equivalent full-time staff as noted above).

NTSV is proud of its quality and dedicated staff. As part of affirmative action, our policy when recruiting is to favour indigenous persons.

### Commencements & Departures

During the 2007-08 year we had 6 commencements and 9 departures, along with changes to individual time fractions; the net effect on the equivalent full-time staff total was zero.

### Consultants

In 2007-08 NTSV engaged a number of consultants to undertake work primarily in its legal and research areas. The following is a summary of the number and expenditure on consultancies: -

Type	Number	Expenditure
Legal	10	\$ 495,477
Research	8	\$ 243,684
Others	6	\$ 66,323
		-----
Total	24	\$ 805,484
		=====

## **Employment in the Native Title Environment**

As an employer, NTSV faces a number of challenges: the uncertainty of native title, the specialized nature of the work, employment insecurity, and stressful working conditions that commonly result in short-term tenures. Management seeks to support staff by adopting flexible work arrangements, providing relevant training programs and relying on our tax privileges. Nevertheless, we are thankful to people who have worked and continue to work for NTSV and acknowledge their commitment to issues of social justice and indigenous rights.











**NATIVE TITLE SERVICES VICTORIA LTD**  
**ABN 27 105 885 149**

**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2008**

**NATIVE TITLE SERVICES VICTORIA LTD**  
**ABN 27 105 885 149**

**DIRECTORS' REPORT**

Your directors present their report on the company for the financial year ended 30 June 2008.

**Directors**

The names of the directors in office at any time during or since the end of the financial year are:

Graham Atkinson  
Daphne Milward  
Eleanor Bourke  
Trevor Edwards  
Michael Harding  
Damein Bell  
Joy Wandin-Murphy

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

**Information on Directors**

**Graham Atkinson**

Qualifications

Chairperson (appointed 18 November 2003)  
Masters of Business Administration (RMIT University),  
Bachelor of Arts  
& Bachelor of Social Work

Experience

A director of a consultancy firm, with many years experience in senior management roles. Mr Atkinson is a Dja Dja Wurrung and Yorta Yorta man.

**Daphne Milward**

Experience

Deputy Chairperson (appointed 18 November 2003)  
Former owner and operator of a consultancy firm with extensive experience in management. Ms Milward has considerable community involvement. She is a Yorta Yorta woman.

**Eleanor Bourke**

Qualifications

Experience

Director (appointed 18 November 2003)  
M. Ed Studies; B.A. (Professional Writing); Dip Arts (Journalism); Adjunct Professor at Ballarat University.  
Held numerous positions with Government departments and community organisations over the course of a long and distinguished career. Professor Bourke is a Wergaia and Wamba Wamba woman.

**Trevor Edwards**

Experience

Director (appointed 12 August 2003)  
A founding member, Chairperson for a number of years and now CEO of Wathaurong Aboriginal Co-operative and an Executive member of the Victorian Aboriginal Housing Board with many years of experience in corporate governance. Mr Edwards is of Wathaurong and Gunditjmara descent.

**Michael Harding**

Experience

Director (appointed 18 November 2003)  
An indigenous artist with a background of extensive community involvement.  
Mr Harding is of Taungurung descent, from the Yeerun Illam Baluk and Yowung Illam Baluk clans.

**Damein Bell**

Qualifications

Experience

Director (appointed 18 November 2003)  
Graduate Diploma in Natural Resources Management.  
Project manager for Lake Condah Sustainable Development Project and Chair of the Winda Mara Co-operative with extensive experience in organisational management.  
Mr Bell is a Gunditjmara man.

**Joy Wandin-Murphy**

OA

Qualifications

Experience

Director (appointed 19 February 2007)  
Adjunct Professor of Swinburne University of Technology  
Involved in Aboriginal issues for over thirty years holding executive positions across all sectors of government.  
Ms Wandin-Murphy is a senior elder of the Wurundjeri people.

**Company Secretary**

Lorensz Senn CPA MBA (to 27 June 2008) has held senior positions in both industry and government funded enterprises in a career spanning over 30 years.

Kim Robinson FCPA (appointed 30 June 2008) is an accountant with 30 plus years experience in commercial, government and not-for-profit organisations.

## **Principal Activities**

The principal activities of the company during the financial year were the provision of professional services to indigenous people in Victoria and to pursue the recognition and protection of native title under the *Native Title Act 1993* (Cth) in Victoria. No significant change in the nature of these activities occurred during the year.

## **Operating Results**

The company recorded a deficit of \$76,582 (2007: surplus \$66,073).

## **Significant Changes in State of Affairs**

There were no significant changes in the state of affairs of the company.

## **After Balance Date Events**

No significant events occurred after the balance date.

## **Likely Developments**

The company expects to maintain the present status and level of operations and hence there are no likely developments in the company's operations.

## **Environmental Issues**

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

## **Dividends Paid or Recommended**

The company does not distribute its surplus to its members.

## **Indemnification of Directors and Officer**

The company has paid premiums for directors and officers liability insurance in respect of directors and executive officers of the company as permitted by the Corporations Law.

## **Meeting of Directors**

During the financial year, 4 meetings of directors were held. Attendances by each director during the year were as follows:

Graham Atkinson	4
Daphne Milward	2
Eleanor Bourke	2
Trevor Edwards	4
Michael Harding	4

Damein Bell	4
Joy Wandin-Murphy	1

### **Proceedings on Behalf of the Company**

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

### **Auditor's Independence Declaration**

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 4.

Signed in accordance with a resolution of the Board of Directors:



Director \_\_\_\_\_  
Graham Atkinson



Director \_\_\_\_\_  
Daphne Milward

Dated in Melbourne on 25 August 2008

**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE *CORPORATIONS ACT 2001*  
TO THE DIRECTORS OF NATIVE TITLE SERVICES VICTORIA LTD**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2008, there have been:

- a) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

Dated in Melbourne on 25 August 2008

MDHC AUDIT ASSURANCE PTY LTD

.....  
Graeme A Marriott  
Director

**NATIVE TITLE SERVICES VICTORIA LTD**  
**ABN 27 105 885 149**

**INCOME STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2008**

No

	2008	2007
	\$	\$
<b>INCOME</b>		
Revenue from government	3,842,110	3,563,124
Interest	51,091	47,809
Other income	269,852	195,532
	4,163,053	3,806,465
<b>EXPENSES</b>		
Employee benefits expense	1,997,353	1,775,760
Consultants	805,483	514,910
Leasehold property	141,578	142,955
Other occupancy expenses	45,704	45,701
Office expenses	334,402	257,242
Depreciation expense	179,097	130,632
Claimant meeting expenses	415,677	559,629
Motor vehicle expenses	118,537	128,355
Other expenses	201,804	185,208
	4,239,635	3,740,392
<b>Surplus/(deficit) before income tax</b>	<b>(76,582)</b>	<b>66,073</b>
Income tax expense	1a -	-
<b>Surplus/(deficit) after income tax</b>	<b>(76,582)</b>	<b>66,073</b>

The accompanying notes form part of these financial statements

**NATIVE TITLE SERVICES VICTORIA LTD**  
**ABN 27 105 885 149**

**BALANCE SHEET**  
**AS AT 30 JUNE 2008**

	Note	2008 \$	2007 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	1,310,949	1,071,702
Trade and other receivables	5	428,176	37,948
Other assets	6	41,444	60,316
<b>TOTAL CURRENT ASSETS</b>		<b>1,780,569</b>	<b>1,169,966</b>
<b>NON-CURRENT ASSETS</b>			
Plant and equipment	7	312,388	350,124
<b>TOTAL NON-CURRENT ASSETS</b>		<b>312,388</b>	<b>350,124</b>
<b>TOTAL ASSETS</b>		<b>2,092,957</b>	<b>1,520,090</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	1,229,408	796,972
Deferred income – unexpended grants	9	227,151	48,708
Provisions	10	167,273	120,181
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,623,832</b>	<b>965,861</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	10	47,264	55,786
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>47,264</b>	<b>55,786</b>
<b>TOTAL LIABILITIES</b>		<b>1,671,096</b>	<b>1,021,647</b>
<b>NET ASSETS</b>		<b>421,861</b>	<b>498,443</b>
<b>EQUITY</b>			
Retained surplus		399,970	401,140
Asset realisation reserve	12	21,891	97,303
<b>TOTAL EQUITY</b>		<b>421,861</b>	<b>498,443</b>

The accompanying notes form part of these financial statements



**NATIVE TITLE SERVICES VICTORIA LTD**  
**ABN 27 105 885 149**

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

	<b>Retained Surplus</b>	<b>Asset Realisation Reserve</b>	<b>Total</b>
	\$	\$	\$
<b>Balance at 1 July 2006</b>	259,655	172,715	<b>432,370</b>
Operating surplus	66,073	-	<b>66,073</b>
Transfer from asset realisation reserve	75,412	(75,412)	-
<b>Balance at 30 June 2007</b>	401,140	97,303	<b>498,443</b>
Operating surplus	(76,582)	-	<b>(76,582)</b>
Transfer from asset realisation reserve	75,412	(75,412)	-
<b>Balance at 30 June 2008</b>	<b>399,970</b>	<b>21,891</b>	<b>421,861</b>

The accompanying notes form part of these financial statements

**NATIVE TITLE SERVICES VICTORIA LTD**  
**ABN 27 105 885 149**

**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2008**

	Note	2008 \$	2007 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from course of operations		<b>3,740,606</b>	3,819,769
Payments in course of operations		<b>(3,865,980)</b>	(3,446,686)
Receipts from trust funds		<b>454,891</b>	199,506
Interest received		<b>51,091</b>	47,809
Net cash provided by operating activities	15	<u><b>380,608</b></u>	<u>620,398</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Payment for plant and equipment		<u><b>(141,361)</b></u>	<u>(230,733)</u>
Net cash used in investing activities		<u><b>(141,361)</b></u>	<u>(230,733)</u>
Net increase in cash held		<b>239,247</b>	389,665
Cash at beginning of financial year		<u><b>1,071,702</b></u>	<u>682,037</u>
Cash at end of financial year	4	<u><b>1,310,949</b></u>	<u>1,071,702</u>

The accompanying notes form part of these financial statements

**NATIVE TITLE SERVICES VICTORIA LTD**  
**ABN 27 105 885 149**

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

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial report covers Native Title Services Victoria Ltd as an individual entity. Native Title Services Victoria Ltd is a company limited by guarantee, incorporated and domiciled in Australia.

**Basis of Preparation**

*Reporting Basis and Conventions*

The financial report has been prepared on an accruals basis and is based on historical costs modified by any revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The following is a summary of the material accounting policies adopted by the entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

**(a) Income Tax**

No provision for income tax has been raised as the company is exempt from income tax, under subdivision 50-B of the *Income Tax Assessment Act 1997*.

**NATIVE TITLE SERVICES VICTORIA LTD**  
**ABN 27 105 885 149**

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

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(b)Plant and Equipment**

Each class of plant and equipment is measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

*Depreciation*

The depreciable amount of all fixed assets including recognised lease assets, is depreciated on a straight line basis over their useful lives to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over 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:

<b>Class of fixed asset</b>	<b>Depreciation rates</b>	<b>Depreciation basis</b>
Office Fit Out	20 %	Straight Line
Computer Equipment	40 %	Straight Line
Plant and Equipment	25 %	Straight Line
Motor Vehicles	20 %	Straight Line

**(b)Plant and Equipment (Cont'd)**

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

**NATIVE TITLE SERVICES VICTORIA LTD  
ABN 27 105 885 149**

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

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement.

**(c) Financial Instruments**

*Recognition*

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

*Financial assets at fair value through profit and loss*

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Realised and recognised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

*Receivables*

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

*Financial liabilities*

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

*Fair value*

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

**NATIVE TITLE SERVICES VICTORIA LTD  
ABN 27 105 885 149**

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

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

*Impairment*

At each reporting date, the company assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the income statement.

**(d) Impairment of Assets**

At each reporting date, the company reviews the carrying values of its assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

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

**(e) Leases**

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred. Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

**(f) Employee Benefits**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

**NATIVE TITLE SERVICES VICTORIA LTD  
ABN 27 105 885 149**

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

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(g) Provisions**

Provisions are recognised when the company 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.

**(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.

**(i) Interest Revenue**

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

**(j) Government Grants**

Government grants are recognised as revenue when the entity obtains control over the assets comprising the contributions. Control over granted assets is normally obtained upon their receipt and the timing of commencement of control depends upon the arrangements that exist between the grantor and the entity. Where the company considers the grant to be reciprocal in nature, the grant will be treated as deferred income. The grant would be progressively brought to account as revenue in the income statement over the period. All grants are stated net of the amount of goods and services tax (GST).

**NATIVE TITLE SERVICES VICTORIA LTD  
ABN 27 105 885 149**

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

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(k) 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 balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**(l) Comparative Figures**

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

*Critical accounting estimates and judgments*

The directors' evaluations, estimates and judgments incorporated into the financial report were 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 company.

*Key estimates — impairment*

The company assesses impairment at each reporting date by evaluating conditions specific to the company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. No impairment has been recognised in respect of plant and equipment for the year ended 30 June 2008.

The financial report was authorised for issue on 25 August 2008 by the Board of Directors.



**NOTE 2: KEY MANAGEMENT PERSONNEL COMPENSATION**

**Key Management Personnel**

Chris Marshall  
 Lorensz Senn  
 Elisabeth Bunyan  
 Belinda Guest

	Salary & Fees	<u>Short-term Benefits</u>		Non-Cash Benefits	<u>Post Employment Benefit</u>	Total
	\$	Superannuation Contribution	Bonus	\$	Superannuation Contribution	\$
<b>2008 Total Compensation</b>	<b>427,751</b>	<b>45,624</b>		<b>60,267</b>		<b>533,642</b>
<b>2007 Total Compensation</b>	421,699	37,617	-	11,596	-	470,912

**2008**  
\$                      **2007**  
\$

**NOTE 3: AUDITOR'S REMUNERATION**

Remuneration of the auditor of the company for:

- auditing the financial report	<b>15,000</b>	12,900
---------------------------------	---------------	--------

**NOTE 4: CASH AND CASH EQUIVALENTS**

Cash on hand	<b>500</b>	450
Deposits held at call with bank:		
- Cash at bank	<b>494,205</b>	1,071,252
- Cash held for third parties in separate account	<b>800,154</b>	-
- Cash held for third parties in NTSV account	<b>16,090</b>	-
	<b>1,310,949</b>	1,071,702

**NATIVE TITLE SERVICES VICTORIA LTD**  
**ABN 27 105 885 149**

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

<b>NOTE 5: TRADE AND OTHER RECEIVABLES</b>	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
CURRENT		
Trade receivables	<b>255,906</b>	37,126
Other receivables	<b>172,270</b>	822
	<b><u>428,176</u></b>	<u>37,948</u>
<b>NOTE 6: OTHER ASSETS</b>		
CURRENT		
Prepayments	<b>41,444</b>	60,316
	<b><u>41,444</u></b>	<u>60,316</u>
<b>NOTE 7: PLANT AND EQUIPMENT</b>		
Office fit out		
At cost	<b>453,398</b>	426,875
Less accumulated depreciation	<b>(255,287)</b>	(168,021)
	<b><u>198,111</u></b>	<u>258,854</u>
Plant and equipment		
At cost	<b>98,195</b>	97,615
Less accumulated depreciation	<b>(82,460)</b>	(57,935)
	<b><u>15,735</u></b>	<u>39,680</u>
Computers		
At cost	<b>172,278</b>	85,826
Less accumulated depreciation	<b>(88,536)</b>	(59,729)
	<b><u>83,742</u></b>	<u>26,097</u>
Motor vehicles		
At cost	<b>53,462</b>	53,462
Less accumulated depreciation	<b>(38,662)</b>	(27,969)
	<b><u>14,800</u></b>	<u>25,493</u>
Total plant and equipment	<b><u>312,388</u></b>	<u>350,124</u>

**NATIVE TITLE SERVICES VICTORIA LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2008**

**NOTE 7: PLANT AND EQUIPMENT (CONT'D)**

**Movements in Carrying Amounts**

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the year.

	Office fit out	Plant and equipment	Computers	Motor vehicles	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2006	153,531	44,897	15,409	36,185	250,022
Additions	180,908	17,624	32,201	-	230,733
Depreciation expense	(75,585)	(22,841)	(21,513)	(10,692)	(130,631)
Balance at 30 June 2007	258,854	39,680	26,097	25,493	350,124
Additions	26,523	580	114,258	-	141,361
Depreciation expense	(87,266)	(24,525)	(56,613)	(10,693)	(179,097)
Balance at 30 June 2008	198,111	15,735	83,742	14,800	312,388

	2008 \$	2007 \$
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**NOTE 8: TRADE AND OTHER  
PAYABLES**

**CURRENT**

Trade creditors	<b>136,736</b>	193,037
Amount held in trust (Note 14)	<b>972,853</b>	517,962
Sundry creditors and accruals	<b>119,819</b>	85,973
	<b><u>1,229,408</u></b>	<u>796,972</u>

**NOTE 9: DEFERRED INCOME**

**CURRENT**

Unexpended grants	<b><u>227,151</u></b>	<u>48,708</u>
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**NOTES TO THE FINANCIAL STATEMENTS**  
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	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 10: PROVISIONS</b>		
<b>CURRENT</b>		
Employee benefits	<u><b>167,273</b></u>	<u>120,181</u>
Amounts expected to be utilised within 12 months (nominal value)	<b>116,964</b>	102,939
Amounts expected to be utilised after 12 months (present value)	<u><b>50,309</b></u>	<u>17,242</u>
	<u><b>167,273</b></u>	<u>120,181</u>
<b>NON-CURRENT</b>		
Employee benefits	<u><b>47,264</b></u>	<u>55,786</u>

**NOTE 10: PROVISIONS (CONT'D)**

**Provision for Employee Entitlements**

A provision has been recognised for employee entitlements relating to annual and long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon estimates. The measurement and recognition criteria for employee benefits has been included in Note 1(f).

**NOTE 11: MEMBERS GUARANTEE**

The company is limited by guarantee. If the company is wound up the Constitution states that each member is required to contribute a maximum of \$1 towards meeting any outstanding obligations of the entity. As at 30 June 2008 there were 7 members.

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

**NOTE 12: ASSET REALISATION RESERVE**

The company received certain assets at no cost from CMCS and Mirimbiak Nation Aboriginal Corporation as it took over the role of native title services in Victoria. The assets were brought in at the time of entry and annually revised to their fair value.

2008	2007
\$	\$

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**NOTE 13: CAPITAL AND LEASING COMMITMENTS**

Operating lease commitments

Non-cancellable operating leases  
contracted for but not capitalised  
in the financial statements:

Payable

- not later than one year	<b>96,486</b>	141,919
- later than one year but not later than five years	-	96,486
	<b>96,486</b>	<b>238,405</b>

The property leases are non-cancellable leases with terms of 1 to 4 years, with rent payable in advance. Contingent rental provisions within the lease agreement include CPI increases. Options exist to renew the lease at the end of the current terms.

**NOTE 14: RELATED PARTY TRANSACTIONS**

During the year the directors that held office were Graham Atkinson, Daphne Milward, Eleanor Bourke, Trevor Edwards, Michael Harding, Damein Bell and Joy Wandin-Murphy.

During the year out of pocket expenses and compensations were paid to directors totaling \$ 28,270 (2007:\$40,692).

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**NOTES TO THE FINANCIAL STATEMENTS**  
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The company also held in trust balances for Dja Dja Wurrung Trust, Taungurung Trust, Wauthurong Trust, Gunditjmara Trust, Kirrae Whurrung Trust, Gunai Kurnai and Wadi Wamba Barapa Trust.

	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
<hr/>		
<b>NOTE 15: CASH FLOW INFORMATION</b>		
Reconciliation of cash flow from operations with surplus/(deficit) after income tax		
Surplus/(deficit) after income tax	<b>(76,582)</b>	66,073
Non-cash flows in surplus/(deficit)		
Depreciation	<b>179,097</b>	130,631
Changes in assets and liabilities		
(Increase)/decrease in receivables and prepayments	<b>(371,356)</b>	104,185
Increase/(decrease) in payables	<b>432,436</b>	345,426
Increase/(decrease) in deferred income	<b>178,443</b>	(79,857)
Increase/(decrease) in provisions	<b>38,570</b>	53,940
Cash flows from operations	<b><u>380,608</u></b>	<b><u>620,398</u></b>

**NOTE 16: ECONOMIC DEPENDENCE**

To the extent that the company performs functions prescribed by the *Native Title Act 1993* (Cth) it is dependent on the continued funding of its operations by the federal authority.

**NOTE 17: SEGMENT REPORTING**

The company operates predominately in one business and geographical segment, that being the provision of services to indigenous people of Victoria.

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

**NOTE 18: FINANCIAL INSTRUMENTS**

**(a) Financial Risk Management**

The company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments and accounts receivable and payable. The main purpose of non-derivative financial instruments is to finance the company's operations.

The company does not have any derivative instruments at 30 June 2008.

*i. Treasury Risk Management*

The company regularly analyses its currency and interest rate exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

*ii. Financial Risks*

The main risks the company is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

*Interest rate risk*

Interest rate risk is managed with a mixture of fixed and floating rate debt. For further details on interest rate risk refer to Note 18(b).

*Foreign currency risk*

The company does not have any foreign currency risk exposure.

*Liquidity risk*

The company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate working capital is maintained.

*Credit risk*

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

**NATIVE TITLE SERVICES VICTORIA LTD  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2008**

**NOTE 18: FINANCIAL INSTRUMENTS (CONT'D)**

The company does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the company.

*Price risk*

The company is not exposed to any commodity price risk.



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

**NOTE 18: FINANCIAL INSTRUMENTS (CONT'D)**

**(b) Interest Rate Risk**

The company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	Weighted Average Effective Interest Rate		Floating Interest Rate		Non-Interest Bearing		Total	
	2008 %	2007 %	2008 \$	2007 \$	2008 \$	2007 \$	2008 \$	2007 \$
Financial Assets:								
Cash and cash equivalents	<b>6.0</b>	5.2	<b>1,310,449</b>	1,071,252	<b>500</b>	450	<b>1,310,949</b>	1,071,702
Trade and other receivables			-	-	<b>428,176</b>	37,948	<b>428,176</b>	37,948
Total Financial Assets:			<b>1,310,449</b>	1,071,252	<b>428,676</b>	38,398	<b>1,739,125</b>	1,109,650
Financial Liabilities:								
Trade creditors and other payables	<b>6.0</b>	5.2	-	-	<b>1,456,559</b>	845,680	<b>1,456,559</b>	845,680
Total Financial Liabilities:			-	-	<b>1,456,559</b>	845,680	<b>1,456,559</b>	845,680

**NATIVE TITLE SERVICES VICTORIA LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2008**

**NOTE 18: FINANCIAL INSTRUMENTS (CONT'D)**

The only financial assets and/or financial liabilities that are affected by the interest movement are cash and cash equivalents. The impact of a reasonably possible 1% increase or decrease in interest rate is not expected to have a material effect on the net result and equity.

**(c) Net Fair Value**

The net fair value of assets and liabilities approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

Details of aggregate net fair value and carrying amounts of financial assets and financial liabilities at balance date:

	2008		2007	
	Carrying Amount \$	Net Fair Value \$	Carrying Amount \$	Net Fair Value \$
<b>Financial assets</b>				
Trade and other receivables	<b>428,176</b>	<b>428,176</b>	37,948	37,948
<b>Financial liabilities</b>				
Trade and other payables	<b>1,229,408</b>	<b>1,229,408</b>	796,972	796,972

**NATIVE TITLE SERVICES VICTORIA LTD  
ABN 27 105 885 149**

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

**NOTE 19: EVENTS AFTER BALANCE SHEET DATE**

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

**NOTE 20: CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

There were no contingent liabilities and assets that would affect the financial statements as at 30 June 2008.

**NOTE 21: COMPANY DETAILS**

The registered office and principal place of business of the company is:  
642 Queensberry Street, North Melbourne VIC 3051

**NATIVE TITLE SERVICES VICTORIA LTD**  
**ABN 27 105 885 149**

**DIRECTORS' DECLARATION**

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 5 to 18 are in accordance with the *Corporations Act 2001*:
  - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
  - (b) give a true and fair view of the financial position as at 30 June 2008 and of the performance for the financial year ended on that date of the company.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Director \_\_\_\_\_

Graham Atkinson



Director \_\_\_\_\_

Daphne Milward

Dated in Melbourne on this 25th day of August 2008

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NATIVE TITLE SERVICES VICTORIA LTD**

## **Report on the Financial Report**

We have audited the accompanying financial report of Native Title Services Victoria Ltd, which comprises the balance sheet as at 30 June 2008 and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

### *Directors' Responsibility for the Financial Report*

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

### *Independence*

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

### *Auditor's Opinion*

In our opinion the financial report of Native Title Services Victoria Ltd is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the company's financial position as at 30 June 2008 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

Dated in Melbourne on this 25th day of August 2008

MDHC AUDIT ASSURANCE PTY LTD

.....  
Graeme A Marriott  
Director

## Glossary of Terms

AIATSIS	Australian Institute of Aboriginal and Torres Strait Islander Studies
Board	The governing Board of Native Title Services Victoria Ltd
Cabinet	The Cabinet of Victoria's State Government
CEO	Chief Executive Officer
Consultants	An entity (an individual, a partnership or a corporation) engaged to provide professional, independent and expert advice or services
FaHCSIA	Land Branch, Australian Government Department of Housing, Families, Community Services and Indigenous Affairs
ILUAs	Indigenous Land Use Agreements – voluntary legally binding agreement about the use and management of land or water, made between one or more native title groups and others, such as miners, pastoralists, and governments
Mediation	The process of bringing together all people with an interest in an area covered by an application to help them reach agreement
NTSV	Native Title Services Victoria Ltd
NNTT	National Native Title Tribunal
PBC	Prescribed Body Corporation
State	State Government of Victoria