



Native Title Services Victoria Ltd

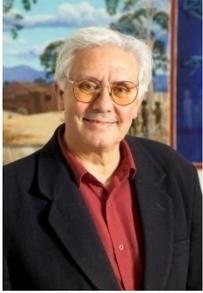
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ANNUAL REPORT 2009

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Report by Chairman



The year 2008-09 has been one of significant progress for native title in Victoria and I am proud to present this year's Annual Report of NTSV's achievements in that regard.

The highlight of the year was by far the landmark decision by the State Government to adopt the Victorian Native Title Settlement Framework as the preferred method for negotiating native title in Victoria. As Chairman of NTSV, I welcome the Government's willingness to work with us to find new and innovative ways to resolve Victoria's long standing land justice grievances through creative native title solutions.

The NTSV Board's vision is to turn the tide of the history for Victoria's traditional owners. As a result, we ensured that the negotiation of new native title policy through the Framework Report Steering Committee was a key strategic focus this year. The Report (available at <http://www.ntsiv.com.au>) is the result of true collaboration and a commitment by NTSV, the State of Victoria and the Victorian Traditional Owner Land Justice Group to work together to secure better outcomes for traditional owners. The Framework provides traditional owners with new, improved options for agreement making and land settlements in Victoria.

In addition to investing in new policy initiatives, NTSV co-convened the AIATSIS National Native Title Conference, (see my key note address at <http://www.ntsiv.com.au>), and has continued to progress native title claim negotiations with substantial progress in a number of claims and future act agreements.

The Board is proud that NTSV has been able to provide considerable support to the Victorian Traditional Owner Land Justice Group to ensure active participation in policy development and in wider political engagement.

I am pleased to report that NTSV has carefully managed its limited resources to pursue and substantially achieve its objectives in 2008-09.

In this regard I again commend the outstanding work done throughout the year by the CEO, Chris Marshall, and his team.

I thank my fellow Directors on the NTSV Board for their commitment and support and join with them in looking forward to achieving further outcomes for Victoria's traditional owners in the coming year.

A handwritten signature in black ink, which appears to read 'Graham Atkinson'.

Graham Atkinson
Chairman

Report by Chief Executive Officer (CEO)



I am pleased to present the 2008-2009 Annual Report. The financial year 2008-09 was a year of several highlights for NTSV, but the year's two most significant were:

1. The announcement by Victorian Attorney-General Rob Hulls on 4 June 2009 at the annual National Native Title Conference of Cabinet adoption of the Victorian Native Title Settlement Framework – a policy framework that had been developed throughout 2008 by a Steering Committee chaired by Professor Mick Dodson and in which NTSV was integrally involved; and
2. The Conference itself, which was held at the MCG in Melbourne on 3-5 June, co-convened by NTSV and which was generally regarded as a highly successful conference.

In the 2008-09 year NTSV not only succeeded in achieving its operational objectives – particularly with respect to priority claim matters set out in the 2008-09 Operational Plan, but we were also centrally involved in achieving new State Government policy settings that will provide a vastly improved range of options for claimant groups to negotiate in native title settlement agreement making.

By devoting considerable resources to the negotiation of the Victorian Native Title Settlement Framework NTSV contributed substantially to the improvements in State Victorian government native title policy. Government's adoption of a wider range of land justice options for traditional owners in native title matters will allow NTSV to achieve better outcomes more expeditiously and thus to contribute far more effectively to the process of turning the tide for Indigenous land justice in Victoria, consistent with our Strategic Plan (2008-11).

All NTSV's operational activities are determined by that single overarching vision – to turn the tide of history for traditional owners in Victoria. This vision is important for staff, clients and other stakeholders as a reference point that forms the basis of expectations, decisions and actions.

This past year NTSV has kept this vision, commitment and focus alive through the various activities involved in the comprehensive support NTSV staff provided to the Steering Committee for the Victorian Native Title Settlement Framework. This took the form of intensive participation in the five working groups that supported the Steering Committee's policy considerations, regular briefings and meetings with the Land Justice Group negotiators on the Steering Committee, and my own participation as the NTSV representative on the Steering Committee.

The policy papers developed by the working groups formed the basis of the core principles set out in the Steering Committee's Report to the Government. This was a considerable undertaking for those NTSV staff involved – all of whom continued to progress their work on NTSV operational matters concurrently. Those staff are to be highly commended for their commitment and enthusiasm throughout the process, and I want to make particular mention of Mark Brett, Libby Bunyan, Paul Simmons, Belinda Guest and Mark Egan.

Mention should also be made of the superb work undertaken by consultants David Yarrow, who participated in every working group, and Jane Holden – both of whom, along with Mark Brett, advised the Land Justice Group and facilitated the effective involvement of the Group's negotiators in the Steering Committee process. Together, we achieved something very significant, although it is yet to be given legislative effect.

The exciting changes in Victorian native title policy are the culmination of four years of political advocacy by the Victorian Traditional Owners Land Justice Group, the formation of which in August 2005 was facilitated by NTSV and which has been advised and supported by NTSV throughout this negotiation process. NTSV continues to provide Secretariat services to the Land Justice Group and NTSV's Chairman, Graham Atkinson, is one of the Group's three co-chairs. All three co-chairs were members of the Steering Committee established by the State Government.

This new Framework will provide an alternative way to resolve native title claims in Victoria that will deliver better outcomes for traditional owner use, management and ownership of Crown land in Victoria. A significant amount of further policy work, legislative drafting and political finesse will be required to implement the Framework. NTSV is continuing to work closely with government to ensure implementation is consistent with the principles set out in the Framework report and in the best interests of traditional owners.

Progress in this regard in 2009-10 will determine ongoing NTSV resourcing requirements, with an obvious need to ensure that our staffing complement is equipped to meet the demands of an expedited approach to native title settlement. In the process so far we have greatly appreciated the support of Greg Roche and his people in the relevant Branch of FaHCSIA, our key funding body, and we look forward to that Department's continuing support as we move into the Framework operational phase.

The success of the 2009 National Native Title Conference in Melbourne can be directly attributed to the excellent preparatory and organisational work undertaken by NTSV staff and by consultant Jane Holden. The Conference was co-convened by NTSV and AIATSIS and hosted by the Wurundjeri people and, while there were many NTSV staff involved, I record here my particular gratitude to Jane, to Nola Pollard and to key members of the NTSV Board for their superb efforts.

During 2008-09 there were significant changes at the senior staffing level within NTSV. I was delighted to welcome our new Principal Legal Officer, Austin Sweeney, to the team. Austin is a lawyer and mediator who has practised in the area of land rights and native title for over 15 years and he has brought invaluable experience and professional capacity to this key position. We also welcomed Romany Tauber to the position of Manager of Land Justice and Policy. Romany came to us with highly relevant policy experience at the Northern Land Council and her role at NTSV focuses on the implementation of the Victorian Native Title Settlement Framework, as well as secretariat support for the Land Justice Group.

Specific measures taken during 2008-09 to re-invigorate the organisation include regular monthly whole-of-staff meetings and periodic inter-disciplinary activity planning meetings. I actively encourage an operational team-focused approach to ensure adequate communication and co-ordination between all relevant staff and a shared commitment to strategic objectives.

The high level of intra-Indigenous disputation characteristic of native title – particularly where the effects of historic dispossession are great – continues to present a challenging operational environment for NTSV. Nonetheless, NTSV staff have continued to do great work in the area of dispute resolution and agreement-making, and in the difficult process of NTSV's core business – progressing native title claims towards resolution. In this regard I must make mention of Katie O'Bryan, a claims lawyer whose resilience and commitment deserve lasting recognition and who continues to facilitate and project manage the enormously complex Gunai-Kurnai claim matters towards a 2010 settlement.

It became evident during the 2008-09 year that the north-west cluster of claims – NTSV's other operational priority – are not likely to proceed through the settlement process together. Rather, while a regional approach is still to some extent applicable, the varying rate of progress of the different claims that make up the NW cluster has meant that the Dja Dja Wurrung claim has now emerged as being likely to settle ahead of the other NW claims.

NTSV's Board has once again provided invaluable stability and continuity of vision. Their leadership is crucial in the ongoing struggle to turn the tide of history for Victoria's traditional owners.



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.

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 2008-09 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 2008-09

Gunai/Kurnai Claim

The Gunai/Kurnai have been extremely busy in the 2008-09 financial year.

They finalized their aspirations in July 2008, which were presented to Minister Hulls in November 2008.

Negotiations with the State of Victoria towards a resolution of the claim commenced in December 2008 and have been ongoing throughout the financial year.

Connection Reports were provided to the State in July 2008 to which the State responded in December 2008 with a position paper. A response to the position paper was provided to the State in February 2009, and further connection research has been undertaken.

Assessment of the State’s tenure analysis of approximately 8,000 parcels of land under claim commenced in April 2009 and is ongoing.

A second Gunai/Kurnai claim was lodged in June 2009 to pick up additional parcels of crown land within the Gunai/Kurnai’s traditional country that had not been included in the original claim.

The Gunaikurnai Land & Waters Aboriginal Corporation held its first AGM in August 2008. It also held a Special General Meeting in June 2009 to amend its constitution to comply with the Corporations (Aboriginal and Torres Strait Islander) Act 2006.

The Gunai/Kurnai have also become a respondent to an overlapping claim which the Federal Court has set down for hearing later in the year.

Victorian Traditional Owner Land Justice Group

The Land Justice Group (LJG) is primarily an advocacy body for all Victorian traditional owners.

Membership is open to one representative, and a deputy, from each traditional owner group. It meets about every three months – generally in Melbourne. Its aim is to lobby government for improvements to policy, legislation and practice, to provide a forum for the discussion of relevant issues, and to engage with various agencies and bodies in relation to the interests of Victorian first nations.

The LJG has three co-chairs - Bobby Nicholls, Graham Atkinson and Len Clarke. Native Title Services Victoria (NTSV) provides secretariat support, logistics assistance and policy advice.

In 2008/09 the Land Justice Group achieved significant progress through their intensive participation in the negotiation of the Victorian Native Title Settlement Framework. The Steering Committee that developed the Framework included five members nominated by the LJG. These five LJG reps constituted the LJG negotiating team and they met regularly to consider policy positions, as well as regularly reporting back to the broader group to ensure cohesive strategic direction was maintained.

The 2009 Australian of the Year, Mick Dodson, was appointed by the Victorian Government to chair the Steering Committee. Mick's standing, experience and knowledge ensured the negotiations remained on track, and increased traditional owners' confidence in the process.

The announcement in June 2009 by the Attorney-General and Deputy Premier, Rob Hulls, of the Government's endorsement of the Committee's proposed Native Title Settlement Framework in its entirety was a key milestone for the LJG and represented a major advance for Indigenous land justice in Victoria.

Throughout the year, independent legal advice was provided to the Land Justice Group by barrister David Yarrow, and its activities were comprehensively supported by NTSV staff.

The Land Justice Group (LJG) was formed in 2005 as an unincorporated body mandated by traditional owner groups across Victoria.

North West Regional Agreement

Seven claims in Victoria's North West are progressing in negotiations with the State as a cluster, comprising the four Dja DjaWurrung claims, the Robinvale Aboriginal Community claim, the Wamba Wamba Barapa Barapa Wadi Wadi claim and the Yupagalk claim. The settlement aspirations of the North West groups were provided to the State of Victoria in May 2006 and have formed the basis for negotiations between the State and the North West Native Title Groups to date.

At the start of the 2008-09 financial year, the North West Native Title Groups had substantially advanced their negotiations with the State in the mediation conferences convened by the National Native Title Tribunal (**NNTT**). By the end of the 2008-09 financial year, the North West Native Title Groups had explored all of the substantive areas and aspirations for settlement that were provided to the State of Victoria in 2006. This has been a significant achievement for the representatives of the North West Groups, in the dialogue that has taken place between them and the State of Victoria towards settlement of these matters.

In 2008-09, the NNTT convened two substantive negotiations as mediation conferences, between the North West Negotiations Group Representatives (**NWNG**) and the State of Victoria. Over two days, in July 2008 the NWNG articulated their preliminary land and waters settlement aspirations with the State and identified priority areas for settlement. Significant progress has taken place in the audit of the land tenure information provided as part of that process. Over three days in November 2008, the NWNG representatives explored joint management of the Conservation estate with the State of Victoria, which is a key element of the new Victorian Native Title Settlement Framework (VNTSF).

There were seven formal mediation conferences between the legal representatives to advance settlement discussions throughout this time, in addition to regular meetings between NTSV and the State about the North West Negotiations. There was also ongoing work towards incorporation for some North West groups.

In early 2009 the Bushfire emergency occasioned delay to the Victorian Government's decision about the Victorian Native Title Settlement Framework (VNTSF).

In a mediation conference convened by the NNTT in March 2009, the NWNG group met with the State to consider the way forward in the negotiations for the North West Groups. The State reiterated its commitment to effect settlements in the North West as a matter of priority. It was agreed to advance individual settlement timetables in each North West matter under the umbrella of the North West Negotiations.

The Victorian Environmental Assessment Council (VEAC) also provided its response to the River Red Gum Report in March 2009. As part of the Government's response, the Wadi Wadi group is negotiating a majority traditional owner board of management over the Nyah Vinifera Forest. This is a significant and positive policy development for traditional owners in Victoria.

The NNTT also convened mediation conferences between representatives of the Dja Dja Wurrung Native Title group and the State in March and May 2009 to explore joint management of the conservation estate.

In June 2009 the Victorian Government endorsed the Victorian Native Title Settlement Framework (VNTSF). It is anticipated that the first Framework Agreements will be negotiated between the North West Groups and the State.

There has also been significant progress in the National Native Title Tribunal convened mediation between the Robinvale Aboriginal Community native title group and the Latji Latji native title group.

Dja Dja Wurrung

In the 2008-2009 financial year, the Dja Dja Wurrung native title claims have been progressed under the umbrella of the North West Regional Negotiating Group and also through direct mediation meetings between the Dja Dja Wurrung claim group and the State Government. In the future, the Dja Dja Wurrung will continue to negotiate directly with the State Government towards settlement of their claims. In the 2008-2009 financial year the Dja Dja Wurrung participated in 6 mediation meetings (some for a 2 day period) with the State Government regarding settlement options for a future native title settlement agreement. Some of these meetings discussed options that are now incorporated in the Victorian Native Title Settlement Framework. Additionally, information has been exchanged between the Dja Dja Wurrung and the State Government throughout the year in order to progress the claims towards settlement. In 2008-2009 the Dja Dja Wurrung Clans Aboriginal Corporation amended its Constitution to comply with the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* (Cth) and was appointed Registered Aboriginal Party status under the *Aboriginal Heritage Act 2006* (Vic).

Yupagalk

There were ongoing meetings and teleconferences throughout the period with the working group appointed by the claim group to progress resolution of the claim. The NNTT also convened a mediation conference and undertook single party mediation during the period.

Gunditjmara – Part B

Regular meetings were held with the Gunditjmara claim group to progress Part B, including specially convened meetings for research presentations.

The connection research was ongoing throughout the period, and was finalised in April. The State was kept informed of progress through regular correspondence and meetings, and the Federal Court through case management conferences and directions hearings.

There was also re-engagement during the period with South Australia regarding the ILUA and an amended draft ILUA was received and considered by the Gunditjmara claim group.

Future Acts

During the 2008/09 financial year, 23 agreements concerning future act activities were executed.

There were 5 Deeds of Assumption signed under the Wadi Wadi, Wamba Wamba and Barapa Barapa Regional Indigenous Land Use Agreement for Exploration, as follows:

1. Cascade Coal Pty Ltd for Exploration Licences 5178 and 5179, on 23 January 2009
2. BTB Mining Pty Ltd for Exploration licence 5074, on 13 February 2009
3. Cascade Coal Pty Ltd for Exploration Licence 5201, on 13 May 2009
4. St Barbara Ltd for Exploration Licence 5154, on 14 November 2008
5. St Barbara Ltd for Exploration Licence 5155, on 19 December 2008

There were 11 Deeds of Assumption signed under the Dja Dja Wurrung Regional Indigenous Land Use Agreement for Exploration, as follows:

1. GBM Resources Pty Ltd for Exploration Licence 5120, on 14 July 2008
2. Ausgold Exploration Pty Ltd for Exploration Licences 5128 and 5129, on 18 September 2008
3. St Barbara Ltd for Exploration Licence 5154, on 14 November 2008
4. Fiddlers Creek Gold Mining Co Pty Ltd for Exploration Licences 5146 and 5147, on 28 November 2008
5. St Barbara Ltd for Exploration Licences 5153 and 5155, on 19 December 2008
6. Castlemaine Goldfields Ltd for Exploration Licence 5166, on 6 February 2009
7. BTB Mining Pty Ltd for Exploration Licence 5074, on 13 February 2009

8. Ballarat Investment Project Management Pty Ltd for Exploration Licence 5193, on 5 March 2009
9. Maldon Resources Pty Ltd for Exploration Licence 5177, on 10 March 2009
10. Fiddlers Creek Gold Mining Co Pty Ltd for Exploration Licence 5140, on 15 April 2009
11. Fiddlers Creek Gold Mining Co Pty Ltd for Exploration Licence 5174, on 15 April 2009

There were 7 other agreements executed in the 08/09 period which were individually negotiated, as follows:

1. Gipps Ausx Pty Ltd and the Gunai/Kurnai Native Title Group for Exploration Licences 4221 and 4455, on 19 July 2008
2. Goldsearch Ltd and the Gunai/Kurnai Native Title Group for Exploration Licence 4835, on 2 September 2008
3. Bronzewing Gold Ltd and the Gunai/Kurnai Native Title Group for Exploration Licence 4942, on 3 September 2008
4. Mt Wills Gold Mines NL and the Gunai/Kurnai Native Title Group for Exploration Licence 4717, on 17 September 2008
5. Australian Gold Mines NL and the Gunai/Kurnai Native Title Group for Exploration Licence 4818, on 17 September 2008
6. Goldstar Resources NL and the Gunai/Kurnai Native Title Group for Mining Licence 5501, on 19 December 2008
7. Basin Mineral Holdings and the Robinvale Aboriginal Community Native Title Group for Mining Licence 5497, on 30 May 2009

Kirrae Whurrung/South West

Connection research was ongoing throughout the period and finalised in April, and research presentations were provided at a number of meetings of the native title group. Expert legal advice was also sought on options to progress matters in light of the research findings.

Taungurong

Expert legal advice was obtained in relation to the final draft anthropological reports and regarding prospects and options to progress the matter. A community meeting was held at which presentations were made on the anthropological reports, the expert legal advice, and other matters.

Operational Statistics

Future Act Notifications Information for the 2008/09 Financial Year

Native Title Group	Section 24	Section 29	ILUA	Total
Bidawal	4	-	-	4
Boonerwung	14	-	-	14
Dhuudhoroa	14	5	-	19
Dja Dja Wurrung	28	7	1	36
Gunai/Kurnai	58	9	-	67
Gunditjmara	10	4	-	14
Latji Latji	1	-	-	1
Latji Wergaia	2	-	-	2
Ngurigu	3	-	-	3
Robinvale	13	1	-	14
Southwest Victoria	15	2	-	17
Taungurung	19	4	-	23
Wadi Wadi	-	-	-	-
Wadi Wadi Wamba Wamba Barapa Barapa	13	1	-	14
Wathaurong	17	6	-	23
WJJWJ	4	3	-	7
Wurundjeri	12	2	-	14
Yapagulk	-	-	-	-
Total	227	44	1	272

Financial Overview

A summary of the operating result reported to FaHCSIA is given below:

Note that this table is prepared in accordance with the FaHCSIA funding agreement and is not in accordance with accounting standards.

NTRB Functions (Funds utilized under Native Title Program Funding Agreement)	(1) Actual 2007- 08 \$'000	(2) Budget 2008- 09 \$'000	(3) Actual 2008- 09 \$'000	(4) Variation (column 3 minus column 2)
Expenditure				0
- Capital	141	204	132	(72)
- Activities	2,771	2,914	2,669	(245)
- Corporate	1,289	1,230	1,153	(77)
Total	4,202	4,348	3,953	(395)
Income				
FaCHSIA Funding	4,048	3,998	3,998	0
Activity Generated Income	267	320	366	46
Other Income	44	30	41	11
Total	4,359	4,348	4,405	57
Surplus/(Deficit)	157	(0)	452	452

Total underspending for the year was \$395K. This arose mainly through delayed consultancies while the State was considering the submission of the Statewide Framework Agreement. These funds were committed expenditure at the end of the financial year and will be expended as work is completed in 2009/10.

Corporate Governance

The NSTV governance framework comprises the following elements: -

- Legislative framework (NTA provisions);
- NTSV'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 NTSV's work are:

Native Title Act 1993 (Cth)
Corporations Act 2001

Native Title Act 1993 (Cth)

NTSV 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: -

Name	Position	Appointed
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	(Resigned 7 October 2009)

All directors have a term appointment that expires in 2010.

(For further details of the Directors refer to the Directors' Report on page 20 accompanying the audited Financial Statements for 2009.)

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 Indigenous Programs 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 2008-09 and is included in this Annual Report (refer Page 42).

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.

Indigenous Programs 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 2008-09.

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 2008-09 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 2008-09.

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 Austin Sweeney and supported as at end June 2009 by five legal officers (two part-time), four 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 three senior anthropologists (one part-time) and five research officers. They conduct genealogical, anthropological, historical and archaeological research, analysis and interpretation. They provide integral support to the Legal Section.

The **Corporate Section** is headed by Kim Robinson. His team includes an 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 since 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.

Principal Legal Officer – Austin Sweeney

Austin Sweeney commenced with NTSV at the end of April 2009. He has over 20 years experience as a lawyer, and in that time has worked in commercial legal practice, and as a consultant. He has particular expertise and experience working in the area of native title and land rights law, having worked in Central Australia for many years as a lawyer and senior legal officer with the Central Land Council.

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 – Kim Robinson

Kim Robinson commenced with the Company on 28 June 2008. He has extensive experience in Administration, Finance, Human Resource Management and as a Company Secretary in commercial, government and not-for-profit organisations. Kim is a qualified accountant and FCPA.

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 \$ 20,000 on training and professional development.

The 10th Annual National Native Title Conference was held at the Melbourne Cricket Ground from 3-5 June 2009. Over 700 conference registrations were recorded. Sessions addressed several themes including: strengthening communities; respectful engagement; rivers lakes and sea country; economies, ecologies and ideologies; and connecting throughout diversity. Attorney-General Rob Hulls announced the governments' intention to implement the new Victorian Native Title Settlement Framework (VNTSF).

Legal and Research staff participated in various training delivered by the Aurora Project who are providers of specialized Native Title training packages.

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

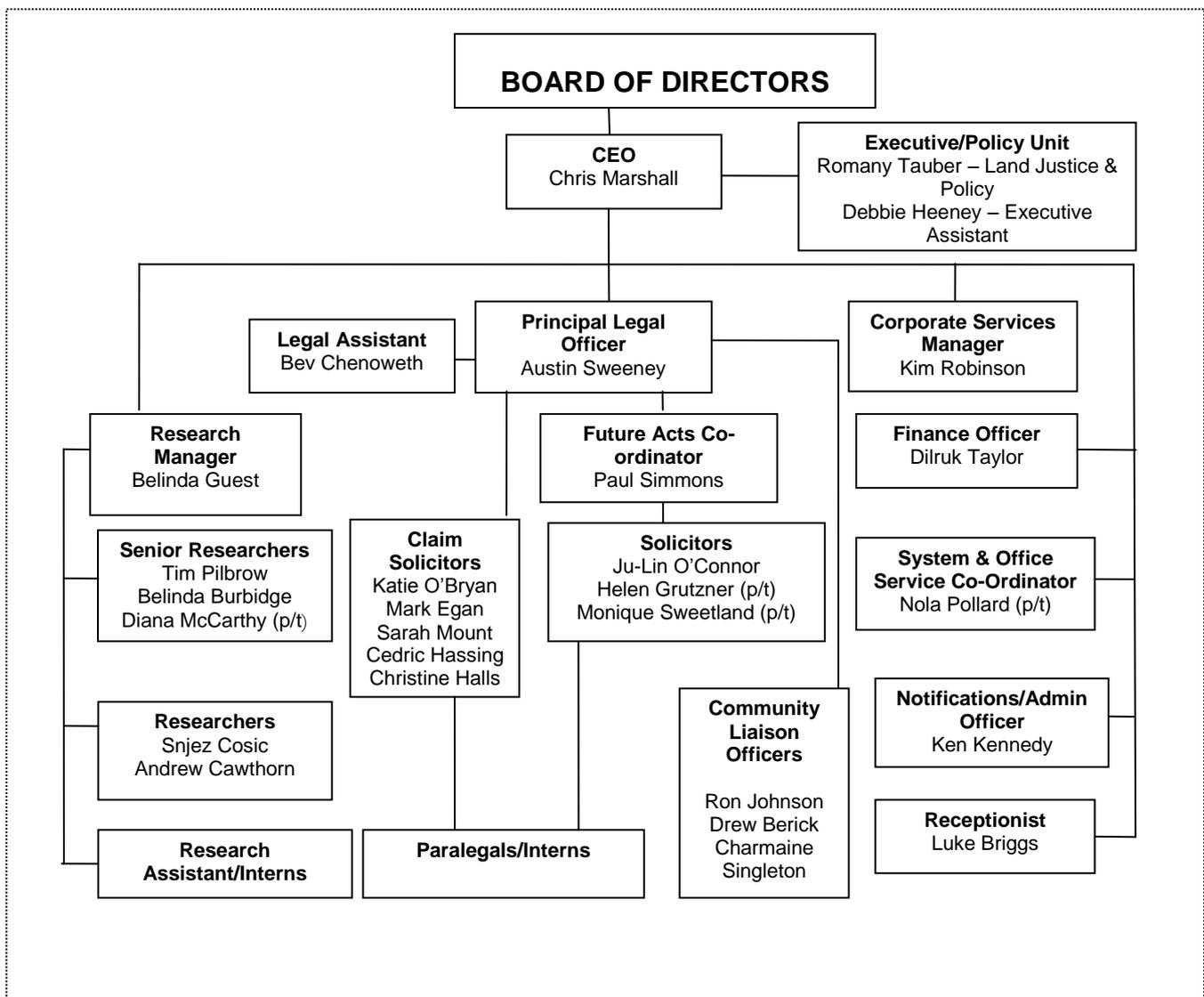
NSTV complies with the legislation requirements of the *Occupational Health and Safety Act 2004*. Our policies and procedures promote a safe and healthy work environment. In 2008-09 there were no recorded injuries and/or claims for compensation.

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 8 legal interns and 7 research interns each of who worked for periods of 2-6 weeks. Our thanks go to those individuals who participated in the program.

Organisation Chart as at 30 June 2009



Staff Statistics

Staff Profile

The following is NTSV's staff profile as at 30 June 2009: -

Equivalent Full-Time	Indigenous		Non-indigenous		Total	
	30/06/09	30/06/08	30/06/09	30/06/08	30/06/09	30/06/08
Female	1.00	1.0	13.73	12.3	14.73	13.3
Male	4.80	5.0	6.0	5.5	10.80	10.5
Total	5.80	6.0	19.73	17.8	25.53	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 2009 NTSV employed 27 (which translated to 25.53 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 2008-09 year we had 8 commencements and 6 departures, along with changes to individual time fractions; the net effect on the equivalent full-time staff total was 1.73.

Consultants

In 2008-09 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	17	\$ 374,896
Research	3	\$ 51,313
Others	4	\$ 134,568

Total		\$ 560,777
		=====

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.

FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2009

DIRECTORS' REPORT

Your Directors present their report on the company for the financial year ended 30 June 2009.

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 – resigned 07/10/2008

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 Director (appointed 18 November 2003)
M. Ed Studies; B.A. (Professional Writing); Dip Arts
(Journalism); Adjunct Professor at Ballarat University.
Experience 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 Gundijtmara 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

Director (resigned 07/10/2008)

Company Secretary

Kim Robinson FCPA 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 surplus of \$ 241,531 (2008: deficit \$76,582).

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 Officers

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

Graham Atkinson	6
Daphne Milward	6
Eleanor Bourke	5
Trevor Edwards	2
Michael Harding	6
Damein Bell	4
Joy Wandin-Murphy	0

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 23.

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



Director _____
Graham Atkinson



Director _____
Daphne Milward

Dated in Melbourne on 31 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 2009, 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 Hawthorn on 31 August 2009

MDHC AUDIT ASSURANCE PTY LTD

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

Graeme A Marriott
Director

NATIVE TITLE SERVICES VICTORIA LTD
ABN 27 105 885 149

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009	2008
		\$	\$
INCOME			
Revenue from government		3,430,765	3,842,1110
Interest		41,132	51,091
Other income		313,792	269,852
		3,785,689	4,163,053
EXPENSES			
Employee benefits expense		2,061,560	1,997,353
Consultants		560,776	805,483
Leasehold property		148,479	141,578
Other occupancy expenses		46,889	45,704
Office expenses		284,966	334,402
Depreciation expense		167,372	179,097
Claimant meeting expenses		432,780	415,677
Motor vehicle expenses		95,775	118,537
Other expenses		190,465	201,804
		3,989,062	4,239,635
Surplus/(deficit) before income tax		(203,373)	(76,582)
Income tax expense	1a	-	-
Surplus/(deficit) after income tax		(203,373)	(76,582)

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 2009

	Note	2009 \$	2008 \$
CURRENT ASSETS			
Cash and cash equivalents	4	2,282,893	1,310,949
Trade and other receivables	5	103,505	428,176
Other assets	6	27,511	41,444
TOTAL CURRENT ASSETS		<u>2,413,909</u>	<u>1,780,569</u>
NON-CURRENT ASSETS			
Plant and equipment	7	272,433	312,388
TOTAL NON-CURRENT ASSETS		<u>272,433</u>	<u>312,388</u>
TOTAL ASSETS		<u>2,686,342</u>	<u>2,092,957</u>
CURRENT LIABILITIES			
Trade and other payables	8	1,614,352	1,229,408
Deferred income – unexpended grants	9	616,834	227,151
Provisions	10	179,220	167,273
TOTAL CURRENT LIABILITIES		<u>2,410,406</u>	<u>1,623,832</u>
NON-CURRENT LIABILITIES			
Provisions	10	57,448	47,264
TOTAL NON-CURRENT LIABILITIES		<u>57,448</u>	<u>47,264</u>
TOTAL LIABILITIES		<u>2,467,854</u>	<u>1,671,096</u>
NET ASSETS		<u>218,490</u>	<u>421,861</u>
EQUITY			
Retained surplus		218,490	399,970
Asset realisation reserve	12		21,891
TOTAL EQUITY		<u>218,490</u>	<u>421,861</u>

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 2009

	Retained Surplus \$	Asset Realisation Reserve \$	Total \$
Balance at 1 July 2007	401,140	97,303	498,443
Operating surplus	(76,582)	-	(76,582)
Transfer from asset realisation reserve	75,412	(75,412)	-
Balance at 30 June 2008	399,970	21,891	421,861
Operating surplus	(203,373)		(203,373)
Transfer from asset realisation reserve	21,891	(21,891)	-
Balance at 30 June 2009	218,488	-	218,488

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 2009

	Note	2009 \$	2008 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from course of operations		4,083,161	3,740,606
Payments in course of operations		(3,259,042)	(3,865,980)
Receipts from trust funds		234,110	454,891
Interest received		41,132	51,091
Net cash provided by operating activities	15	1,099,361	380,608
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for plant and equipment		(127,417)	(141,361)
Net cash used in investing activities		(127,417)	(141,361)
Net increase in cash held		971,944	239,247
Cash at beginning of financial year		1,310,949	1,071,702
Cash at end of financial year	4	2,282,893	1,310,949

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 2009

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*.

(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.

(b) Plant and Equipment (Cont'd)

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.

NATIVE TITLE SERVICES VICTORIA LTD
ABN 27 105 885 149

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

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

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

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

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.

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 2009

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

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

(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 and the grant will 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).

(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 31 August 2009 by the Board of Directors.

NATIVE TITLE SERVICES VICTORIA LTD
ABN 27 105 885 149

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

NOTE 2: KEY MANAGEMENT PERSONNEL COMPENSATION

Key Management Personnel

Chris Marshall
 Kim Robinson
 Elisabeth Bunyan
 Austin Sweeney
 Belinda Guest

	Salary & Fees \$	<u>Short-term Benefits</u>		Non- Cash Benefits \$	<u>Post Employment Benefit</u> Superannuation Contribution \$	Total \$
	\$	Superannua tion Contribution \$	Bonus \$	\$	\$	\$
2009 Total Compensation	420,729	45,670		12,993		479,392
2008 Total Compensation	427,751	45,624		60,267		533,642
					2009 \$	2008 \$

NOTE 3: AUDITOR'S REMUNERATION

Remuneration of the auditor of the company for:

- auditing the financial report	<u><u>13,750</u></u>	<u><u>15,000</u></u>
---------------------------------	----------------------	----------------------

NOTE 4: CASH AND CASH EQUIVALENTS

	2009 \$	2008 \$
Cash on hand	500	500
Deposits held at call with bank:		
- Cash at bank	1,126,208	494,205
- Cash held for third parties in separate account	1,069,413	800,154
- Cash held for third parties in NTSV account	<u>86,772</u>	<u>16,090</u>
	<u>2,282,893</u>	<u>1,310,949</u>

NATIVE TITLE SERVICES VICTORIA LTD
ABN 27 105 885 149

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

NOTE 5: TRADE AND OTHER RECEIVABLES	2009	2008
	\$	\$
CURRENT		
Trade receivables	47,650	255,906
Other receivables	55,855	172,270
	<u>103,505</u>	<u>428,176</u>
 NOTE 6: OTHER ASSETS		
CURRENT		
Prepayments	<u>27,511</u>	<u>41,444</u>
 NOTE 7: PLANT AND EQUIPMENT		
Office fit out		
At cost	453,398	453,398
Less accumulated depreciation	<u>(345,726)</u>	<u>(255,287)</u>
	<u>107,672</u>	<u>198,111</u>
Plant and equipment		
At cost	111,255	98,195
Less accumulated depreciation	<u>(93,085)</u>	<u>(82,460)</u>
	<u>18,168</u>	<u>15,735</u>
Computers		
At cost	195,918	172,278
Less accumulated depreciation	<u>(144,098)</u>	<u>(88,536)</u>
	<u>51,820</u>	<u>83,742</u>
Motor vehicles		
At cost	94,825	53,462
Less accumulated depreciation	<u>(52)</u>	<u>(38,662)</u>
	<u>94,773</u>	<u>14,800</u>
Total plant and equipment	<u><u>272,433</u></u>	<u><u>312,388</u></u>

NATIVE TITLE SERVICES VICTORIA LTD
ABN 27 105 885 149

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

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 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
Additions/Disposals		23,640	11,860	90,718	127,417
Depreciation expense	(90,439)	(10,626)	(55,562)	(10,745)	(167,372)
Balance at 30 June 2009	107,672	18,168	51,820	94,773	272,433

2009	2008
\$	\$

**NOTE 8: TRADE AND OTHER
PAYABLES**

CURRENT

Trade creditors	260,263	136,736
Cash held for 3 rd parties (Note 14)	1,206,963	972,853
Sundry creditors and accruals	147,125	119,819
	1,614,352	1,229,408

NOTE 9: DEFERRED INCOME

CURRENT

Unexpended grants - Federal	451,789	-
Unexpended grants – State	165,045	227,151
	616,834	227,151

NATIVE TITLE SERVICES VICTORIA LTD
ABN 27 105 885 149

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

NOTE 10: PROVISIONS	2009	2008
	\$	\$
CURRENT		
Employee benefits	<u>179,220</u>	<u>167,273</u>
Amounts expected to be utilised within 12 months (nominal value)	114,685	116,964
Amounts expected to be utilised after 12 months (present value)	<u>64,535</u>	<u>50,309</u>
	<u>179,220</u>	<u>167,273</u>
NON-CURRENT		
Employee benefits	<u>57,448</u>	<u>47,264</u>

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 2009 there were 7 members.

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. This reserve was amortised over a 4 year period and the balance as at 30th June 2009 was nil.

NATIVE TITLE SERVICES VICTORIA LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
	\$	\$
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	157,538	96,486
- later than one year but not later than five years	<u>618,579</u>	-
	<u>776,117</u>	<u>96,486</u>

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 \$ 43,585 (2008:\$28,270).

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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
	\$	\$
NOTE 15: CASH FLOW INFORMATION		
Reconciliation of cash flow from operations with surplus/(deficit) after income tax		
Surplus/(deficit) after income tax	(203,373)	(76,582)
Non-cash flows in surplus/(deficit)		
Depreciation	167,372	179,097
Changes in assets and liabilities		
(Increase)/decrease in receivables and prepayments	338,604	(371,356)
Increase/(decrease) in payables	384,944	432,436
Increase/(decrease) in provisions	22,131	178,443
Increase/(decrease) in deferred income	389,683	38,570
Cash flows from operations	1,099,361	380,608

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.

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 2009.

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.

**NATIVE TITLE SERVICES VICTORIA LTD
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

NOTE 18: FINANCIAL INSTRUMENTS (CONT'D)

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.

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.

NATIVE TITLE SERVICES VICTORIA LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

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	
	2009	2008	2009	2008	2009	2008	2009	2008
	%	%	\$	\$	\$	\$	\$	\$
Financial Assets:								
Cash and cash equivalents	4.0	6.0	2,282,893	1,310,449	500	500	2,283,393	1,310,949
Trade and other receivables				-	103,503	428,176	103,503	428,176
Total Financial Assets:			2,282,893	1,310,449	104,005	428,676	2,386,898	1,739,125
Financial Liabilities:								
Trade creditors and other payables	4.0	6.0	-	-	1,779,397	1,456,559	1,779,397	1,456,559
Total Financial Liabilities:			-	-	1,779,397	1,456,559	1,779,397	1,456,559

NATIVE TITLE SERVICES VICTORIA LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

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:

	2009		2008	
	Carrying Amount \$	Net Fair Value \$	Carrying Amount \$	Net Fair Value \$
Financial assets				
Trade and other receivables	<u>103,505</u>	<u>103,505</u>	428,176	428,176
Financial liabilities				
Trade and other payables	<u>1,614,352</u>	<u>1,614,352</u>	1,229,408	1,229,408

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 2009.

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 in pages 20 to 40 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 31 August 2009

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 2009 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.

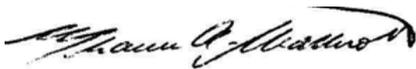
Auditor's Opinion

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 2009 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 Hawthorn on 31 August 2009

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
DoJ	Department of Justice
DSE	Department of Sustainability and Environment
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
SFI	Statewide Framework Implementation
State	State Government of Victoria
VNTSF	Victorian Native Title Settlement Framework