



Annual Report 2020-21

| Aboriginal Affairs Planning Authority

Financials and Performance Indicators



Photograph by staff member Ben Jarlett – Kalbarri Gorges



Auditor General

INDEPENDENT AUDITOR'S OPINION 2021

The Aboriginal Affairs Planning Authority

To the Parliament of Western Australia

Report on the audit of the financial statements

Opinion

I have audited the financial statements of The Aboriginal Affairs Planning Authority (Authority) which comprise:

- the Statement of Financial Position at 30 June 2021, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are:

- based on proper accounts and present fairly, in all material respects, the operating results and cash flows of The Aboriginal Affairs Planning Authority for the year ended 30 June 2021 and the financial position at the end of that period
- in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report.

I am independent of the Authority in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial statements. I have also fulfilled my other ethical responsibilities in accordance with the Code.

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

Responsibilities of the Director General for the financial statements

The Director General is responsible for:

- keeping proper accounts
- preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions
- such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Director General is responsible for:

- assessing the entity's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Authority.

Auditor's responsibilities for the audit of the financial statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial statements is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

Report on the audit of controls

Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by The Aboriginal Affairs Planning Authority. The controls exercised by the Authority are those policies and procedures established by the Director General to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions (the overall control objectives).

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

In my opinion, in all material respects, the controls exercised by The Aboriginal Affairs Planning Authority are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2021.

The Director General's responsibilities

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

Auditor General's responsibilities

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

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

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

Limitations of controls

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

Report on the audit of the key performance indicators

Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of The Aboriginal Affairs Planning Authority for the year ended 30 June 2021. The key performance indicators are the Under Treasurer-approved key effectiveness indicators and key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of The Aboriginal Affairs Planning Authority are relevant and appropriate to assist users to assess the Authority's performance and fairly represent indicated performance for the year ended 30 June 2021.

Matter of significance

The Authority received an exemption from the Under Treasurer from reporting the following key performance indicator for the year ended 30 June 2021:

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

The exemption was approved due to low interaction with key stakeholders for the majority of the year due to COVID-19 pandemic restrictions. Consequently, this indicator has not been reported. My opinion is not modified in respect of this matter.

The Director General's responsibilities for the key performance indicators

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

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

Auditor General's responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the entity's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

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

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

My independence and quality control relating to the reports on controls and key performance indicators

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

Other information

The Director General is responsible for the other information. The other information is the information in the entity's annual report for the year ended 30 June 2021, but not the financial statements, key performance indicators and my auditor's report.

My opinions do not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon.

Matters relating to the electronic publication of the audited financial statements and key performance indicators

This auditor's report relates to the financial statements, controls and key performance indicators of The Aboriginal Affairs Planning Authority for the year ended 30 June 2021 included on the Authority's website. The Authority's management is responsible for the integrity of the Authority's website. This audit does not provide assurance on the integrity of the Authority's website. The auditor's report refers only to the financial statements, controls and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements, controls or key performance indicators. If users of the financial statements, controls and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to contact the entity to confirm the information contained in the website version of the financial statements, controls and key performance indicators.



Grant Robinson
Acting Deputy Auditor General
Delegate of the Auditor General for Western Australia
Perth, Western Australia
1 October 2021

Certification of financial statements


For the reporting period ended 30 June 2021

The accompanying financial statements of the Aboriginal Affairs Planning Authority have been prepared in compliance with the provisions of the Financial Management Act 2006 from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2021 and the financial position as at 30 June 2021.

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



Jodi Cant
Director General
Department of Planning, Lands and Heritage
29 September 2021



Jeremy Kwong
A/Chief Finance Officer
Department of Planning, Lands and Heritage
29 September 2021

Statement of comprehensive income

For the year ended 30 June 2021

	Notes	2021 \$000	2020 \$000
COST OF SERVICES			
Expenses			
Supplies and services	2.2	5,416	5,043
Depreciation expense	4.1	1,045	1,083
Grants and subsidies	2.1	45	408
Other expenses	2.2	7,322	667
Total cost of services		13,828	7,201
Income			
Grants and contributions	3.3	3,390	2,997
Other revenue	3.2	659	1,239
Total income		4,049	4,236
NET COST OF SERVICES		9,779	2,965
Income from State Government			
Services received free of charge	3.1	3,852	4,268
Total income from State Government		3,852	4,268
(DEFICIT)/SURPLUS FOR THE PERIOD		(5,927)	1,303
OTHER COMPREHENSIVE INCOME			
Items not reclassified subsequently to profit or loss			
Changes in asset revaluation surplus	8.7	931	1,675
Total other comprehensive income		931	1,675
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD		(4,996)	2,978

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

Statement of financial position

As at 30 June 2021

	Notes	2021 \$000	2020 \$000
ASSETS			
Current Assets			
Cash and cash equivalents	6.1	3,166	2,260
Restricted cash	6.1	136	164
Receivables	5.1	614	97
Total Current Assets		3,916	2,521
Non-Current Assets			
Property (Land and Buildings)	4.1	103,181	103,037
Total Non-Current Assets		103,181	103,037
TOTAL ASSETS		107,097	105,558
LIABILITIES			
Current Liabilities			
Payables	5.2	154	139
Provisions	5.3	5,612	600
Total Current Liabilities		5,766	739
Non-Current Liabilities			
Provisions	5.3	1,509	-
Total Non-Current Liabilities		1,509	-
TOTAL LIABILITIES		7,275	739
NET ASSETS		99,823	104,819
EQUITY			
Contributed equity	8.7	727	727
Reserves (land and Buildings)		122,784	121,853
Accumulated deficit		(23,688)	(17,761)
TOTAL EQUITY		99,823	104,819

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

Statement of changes in equity

For the year ended 30 June 2021

	Notes	Contributed Equity \$000	Reserves \$000	Accumulated deficit \$000	Total equity \$000
Balance at 1 July 2019	8.7	840	120,178	(19,064)	101,954
Surplus		-	-	1,303	1,303
Other comprehensive losses		-	1,675	-	1,675
Total comprehensive loss for the period		-	1,675	1,303	2,978
Transactions with owners in their capacity as owners:					
Capital appropriations		-	-	-	-
Contributions by owners		-	-	-	-
Distributions to owners		(113)	-	-	(113)
Total		(113)	-	-	(113)
Balance at 30 June 2020		727	121,853	(17,761)	104,819
Balance at 1 July 2020	8.7	727	121,853	(17,761)	104,819
Deficit		-	-	(5,927)	(5,927)
Other comprehensive income		-	931	-	931
Total comprehensive losses for the period		-	931	(5,927)	(4,996)
Transactions with owners in their capacity as owners:					
Capital appropriations		-	-	-	-
Contributions by owners		-	-	-	-
Distribution to owners		-	-	-	-
Total		-	-	-	-
Balance at 30 June 2021		727	122,784	(23,688)	99,823

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

Statement of cash flows

For the year ended 30 June 2021

	2021	2020
Notes	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments		
Supplies and services	(978)	(744)
Grants and subsidies	(45)	(408)
GST payments on purchases	(263)	(179)
GST payment to taxation authority	(6)	0
Other payments	(1,510)	(1,148)
Receipts		
Grants and contributions	3,390	2,997
GST receipts on sales	34	5
GST receipts from taxation authority	189	215
Other receipts	67	667
Net cash provided by operating activities	878	1,405
Net increase in cash and cash equivalents	878	1,405
Cash and cash equivalents at the beginning of the period	2,424	1,019
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	3,302	2,424
	6.1	

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

Notes to the financial statements

1. Basis of preparation

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

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

These annual financial statements were authorised for issue by the Director General of the Department of Planning, Lands and Heritage on 29 September 2021.

Statement of compliance

These general purpose financial statements are prepared in accordance with:

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

The *Financial Management Act 2006* and the Treasurer's Instructions take precedence over AASs. Several AASs are modified by the Instructions to vary application, disclosure format and wording. Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

Basis of preparation

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

Judgements and estimates

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

Contributed equity

AASB Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities* requires transfers in the nature of equity contributions, other than as a result of a restructure of administrative arrangements, to be designated by the Government (the owner) as contributions by owners (at the time of, or prior to, transfer) before such transfers can be recognised as equity contributions. Capital appropriations have been designated as contributions by owners by TI 955 *Contributions by Owners made to Wholly Owned Public Sector Entities* and have been credited directly to Contributed Equity.

2 Use of our funding

Expenses incurred in the delivery of services

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

	Notes	2021 \$000	2020 \$000
Grants and subsidies	2.1	45	408
Other Expenditure	2.2	12,738	5,710

2.1 Grants and subsidies

Reserve management grants	45	332
Land and cultural management grant	-	76
	45	408

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

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

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

2.2 Other expenditure

Supplies and services

Services received free of charge from the Department of Planning, Lands and Heritage	3,852	4,268
Consultants and contractors	1,049	466
Utilities Expenses	164	154
Other	351	155
Total supplies and services	5,416	5,043

Other expenses

Property repairs and maintenance	1,032	563
Indigenous Land Use Agreement - land transfers ^(a)	5,612	-
Demolition of buildings	650	87
Other (includes audit fees)	28	17
Total other expenses	7,322	667
Total other expenditure	12,738	5,710

Supplies and services:

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

The Aboriginal Affairs Planning Authority has no direct staff or systems, all administrative and operational activities are undertaken by the Department of Planning, Lands and Heritage (DPLH) on the Authority's behalf. The expenses shown as services received free of charge from Department of Planning, Lands and Heritage reflect a notional non-cash apportionment of salaries and overheads of DPLH resources applied to activities and business of the Authority.

Other expenses:

All other expenses are recognised as incurred.

^(a) As part of the South West Native Title settlement's indigenous land use agreement, a number of land parcels held by the Authority are committed for transfer to the Noongar Land Estate.

3 Our funding sources

How we obtain our funding

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

	Notes	2021 \$000	2020 \$000
Income from State Government	3.1	3,852	4,268
Other revenue	3.2	659	1,239
Grants and contributions	3.3	3,390	2,997

3.1 Income from State Government

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

Department of Planning, Lands and Heritage	3,852	4,268
Total services received	3,852	4,268

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

3.2 Other revenue

Interest revenue	14	28
Royalties received	353	353
Reduction in restoration provision ^(a)	-	732
Other	292	126
	659	1,239

From 1 July 2019, other revenue is recognised at the transaction price when the Authority transfers control of the services to customers.

Revenue is recognised at a point-in-time for Royalties received.

The performance obligations for these revenues are satisfied when services have been provided.

^(a) The contaminated sites provision for future remediation costs are reviewed annually and any changes in the estimate are reflected in the present value of the remediation provision at each reporting date. A number of sites previously estimated in the provisions are now in the contingent liability category as a cost cannot be reasonably estimated based on current information.

3.3 Grants and contributions

Recurrent grants - other government agencies ^(a)	3,390	2,997
	3,390	2,997

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

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

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

4 Key assets

Assets the Authority utilises for economic benefit or service potential.

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

	Notes	2021 \$000	2020 \$000
Property (Land and Buildings)	4.1	103,181	103,037
Total key assets		103,181	103,037

4.1 Property (Land and Buildings)

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

For the year ended 30 June 2021	Freehold land \$000	Reserves \$000	Pastoral leases \$000	Other leases \$000	Buildings \$000	Total \$000
1 July 2020						
Gross carrying amount	14,870	41,946	3,819	247	42,174	103,055
Accumulated depreciation	-	-	-	-	(18)	(18)
Carrying amount at start of period	14,870	41,946	3,819	247	42,155	103,037
Additions	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Disposals	-	-	-	-	(650)	(650)
Revaluation increments / (decrements)	(1,117)	790	1,605	-	562	1,839
Depreciation	-	-	-	-	(1,045)	(1,045)
Carrying amount at end of period	13,753	42,736	5,424	247	41,023	103,181
Gross carrying amount	13,753	42,736	5,424	247	42,085	104,243
Accumulated depreciation ^(a)	-	-	-	-	(1,062)	(1,062)

^(a) Buildings are revalued each year and the accumulated depreciation is written back against the asset value. As a consequence the accumulated depreciation appears lower than may otherwise be expected.

Initial recognition

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

Subsequent measurement

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

- Freehold land, reserves and leases
- buildings

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

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

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

Freehold land, reserves, leases and buildings were revalued as at 1 July 2020 by the Western Australian Land Information Authority (Valuations and Property Analytics). The valuations were performed during the year ended 30 June 2021 and recognised at 30 June 2021. In undertaking the revaluation, fair value was determined by reference to market values for freehold land, reserves and leases: \$29,278k (2020: \$29,299k) and buildings: \$10,049k (2020: \$9,687k). For the remaining balance, fair value of buildings was determined on the basis of current replacement cost and fair value of land was determined on the basis of comparison with market evidence for land with low level utility (high restricted use land).

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

4.1.1 Depreciation and impairment

Charge for the period

Depreciation

Buildings

Total depreciation for the period

	2021	2020
	\$000	\$000
	1,045	1,083
	1,045	1,083

As at 30 June 2021, there were no indications of impairment to property.

All surplus assets at 30 June 2021 have either been classified as assets held for sale or have been written-off.

Finite useful lives

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

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

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

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

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

Impairment

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

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

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

As the Authority is a not-for-profit entity, the recoverable amount of regularly revalued specialised assets is anticipated to be materially the same as fair value.

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

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

5 Other assets and liabilities

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

	Notes	2021 \$000	2020 \$000
Receivables	5.1	614	97
Payables	5.2	154	139
Provisions	5.3	7,121	600

5.1 Receivables

Current

Trade receivables		202	76
Allowance for impairment of receivables		(12)	(4)
GST receivable		71	25
Accrued Income		353	-
Total current		614	97

Reconciliation of changes in the allowance for impairment of trade receivables:

Opening balance		(4) -	5
Expected credit losses expense		(8)	-
Reversal of credit losses expense		-	1
Balance at end of period		(12)	(4)

The maximum exposure to credit risk at the end of the reporting period for trade receivables is the carrying amount of the asset inclusive of any allowance for impairment as shown in the table at Note 7.1 'Financial instruments disclosures

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

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

5.2 Payables

Current

Trade payables		30	-
Accrued expenses		124	139
Total current		154	139

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

5.3 Provisions

	2021	2020
	\$000	\$000
Current		
Remediation costs	-	600
Indigenous Land Use Agreement - land transfers ^(a)	5,612	-
Balance at end of period	5,612	600
Non-Current		
Remediation costs	1,509	-
Balance at end of period	1,509	-

5.3.1 Provision for remediation

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

A provision for remediation is recognised when:

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

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

^(a) As part of the South West Native Title settlement's indigenous land use agreement, a number of land parcels held by the Authority are committed for transfer to the Noongar Land Estate.

5.3.2 Movements in provisions

Movements in each class of provisions during the period is set out below.

	2021	2020
	\$000	\$000
Remediation costs		
Carrying amount at start of period	600	1,330
Additional/(reversals of) provisions recognised	909	(730)
Carrying amount at end of period	1,509	600
Indigenous Land Use Agreement - land transfers		
Carrying amount at start of period	-	-
Additional/(reversals of) provisions recognised	5,612	-
Carrying amount at end of period	5,612	-

6 Financing

This section sets out the material balances and disclosures associated with the financing and cashflows of the Authority.

	Notes	2021	2020
		\$000	\$000
Cash and cash equivalents	6.1		

6.1 Cash and cash equivalents

6.1.1 Reconciliation of cash

Cash and cash equivalents	3,166	2,260
Restricted Cash	136	164
Balance at end of period	3,302	2,424

7 Financial instruments and contingencies

This note sets out the key risk management policies and measurement techniques of the Agency.

	Notes	2021 \$000	2020 \$000
Financial instruments	7.1		
Contingent assets	7.2.1		
Contingent liabilities	7.2.2		

7.1 Financial instruments

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

Financial assets

Cash and cash equivalents	3,302	2,424
Financial assets at amortised cost ^(a)	190	72
Total financial assets	3,492	2,496

Financial liabilities

Financial liabilities at amortised cost ^(b)	154	139
Total financial liabilities	154	139

(a) The amount of Receivables/Financial assets at amortised cost excludes GST recoverable from the ATO (statutory receivable)

(b) The amount of Financial liabilities at amortised cost excludes GST payable to the ATO (statutory payable)

7.2 Contingencies assets and liabilities

Contingent assets and contingent liabilities are not recognised in the statement of financial position but are disclosed and, if quantifiable, are measured at the best estimate.

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

7.2.1 Contingent assets

The Authority is not aware of any contingent assets.

7.2.2 Contingent liabilities

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

Native title claims

Up to 318,887 hectares of land are committed to be transferred under the South West Native Title Settlement arrangements. Due to insufficient information on land selection, land transfer timeframe, as well as the market value of the land (AASB 137 paras 10), it is not feasible to be quantified as a provision. The South West Native Title Settlement may be settled in land held currently by either DPLH administered and Aboriginal Affairs Planning Authority.

Contaminated sites

Under the Contaminated Sites Act 2003 (CS Act), the Authority is required to report known and suspected contaminated sites to the Department of Water and Environmental Regulation (DWER). In accordance with the CS Act, DWER classifies these sites on the basis of the risk to human health, the environment and environmental values.

The Authority is required to recognise a contingent liability in respect of a site where:

- The site has been classified possibly contaminated – investigation required (PC-IR) under the Act, and investigation costs cannot be reliably estimated.

The Authority is required to recognise provisional liabilities in respect of a site where:

- The site has been classified as possibly contaminated - investigation required or contaminated - remediation required under the Act;
- The Authority is responsible for the site under the Act; and
- A reliable estimate can be made of the costs of investigation/remediation of the site.

During the 2020-2021 financial year, two (2) sites have been classified by DWER as 'contaminated – remediation required' and a provision has been raised for the remediation and management of these sites. In addition 41 sites require formal investigation and have been classified by DWER as 'possibly contaminated – investigation required'. A provision has been raised for the initial investigation and potential remediation of these sites.

Refer to Note 5.3 for these provisions.

Insurance

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

Water

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

Currently invoices of approximately \$1,867,000 (2020: \$1,967,000) issued by the Water Corporation to the Authority remains outstanding as at period end. No provision was raised at 30 June 2021 as there was no present legal or constructive obligation and management considers an outflow of resources embodying economic benefits is highly improbable.

8 Other disclosures

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

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

8.1 Events occurring after the end of the reporting period

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

8.2 Key management personnel

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

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

Compensation Band (\$)	2021	2020
0 - 10,000	7	7
	<u>2021</u>	<u>2020</u>
	<u>\$000</u>	<u>\$000</u>
Total compensation of key management personnel	<u>11</u>	<u>23</u>

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

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

8.3 Related party transactions

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

Related parties of the Authority include:

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

Material transactions with other related parties

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

8.4 Related bodies

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

8.5 Affiliated bodies

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

8.6 Remuneration of auditors

	2021	2020
	<u>\$000</u>	<u>\$000</u>
Remuneration paid or payable to the Auditor General in respect of the audit for the current financial year is as follows:		
Auditing the accounts, financial statements, controls and key performance indicators	<u>24</u>	<u>17</u>

8.7 Equity

	2021	2020
	\$000	\$000
Contributed equity		
Balance at start of period	727	840
<i>Contribution by owners</i>		
<i>Transfer of net assets from other agencies</i>		
Land and buildings	-	-
Total contribution by owners	-	-
<i>Distribution to owners</i>		
<i>Transfer of net assets to other agencies</i>		
Land and buildings	-	(113)
Total distributions to owners	-	(113)
Balance at end of period	727	727
Asset revaluation surplus		
Balance at start of period	121,853	120,178
<i>Net revaluation increments/(decrements)</i>		
Freehold land, reserves and leases	369	1,932
Buildings	562	(257)
Balance at end of period	122,784	121,853
Accumulated deficit		
Balance at start of period	(17,761)	(19,064)
Result for the period	(5,927)	1,303
Balance at end of period	(23,688)	(17,761)
Balance at end of period	99,823	104,819

8.8 Supplementary financial information

(a) Write-offs

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

(b) Losses through theft, defaults and other causes

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

(c) Gifts of public property

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

8.9 Initial application of accounting standards

AASB 1059 Service Concession Arrangements: Grantors

AASB 1059 Service Concession Arrangements: Grantors came into effect for annual reporting periods beginning on or after 1 January 2020.

This Standard addresses the accounting for a service concession arrangement (a type of public private partnership) by a grantor that is a public-sector agency by prescribing the accounting for the arrangement from the grantor's perspective. Timing and measurement for the recognition of a specific asset class occurs on commencement of the arrangement and the accounting for associated liabilities is determined by whether the grantee is paid by the grantor or users of the public service provided.

The Department has not identified any public private partnerships within scope of the Standard and there is no impact on the financial statements.

8.10 Explanatory statement

All variances between annual estimates (original budget) and actual results for 2021, and between the actual results for 2021 and 2020 are shown below. Narratives are provided for key major variances which are greater than 10% and 1% prior year of Total Cost of Services for the Statements of Comprehensive Income and Statement of Cash Flows, and are greater than 10% and 1% prior year of Total Assets for the Statement of Financial Position

8.10.1 Statement of Comprehensive Income Variances

	Variance	Estimate	Actual	Actual	Variance between estimate and actual	Variance between actual results for 2021 and 2020
	Note	2021	2021	2020	actual	and 2020
		\$000	\$000	\$000	\$000	\$000
Expenses						
Supplies and services	1	8,068	5,416	5,043	(2,652)	373
Depreciation expense		1,155	1,045	1,083	(110)	(38)
Grants and subsidies	2, A	175	45	408	(130)	(363)
Other expenses	3, B	202	7,322	667	7,120	6,655
Total cost of services		9,600	13,828	7,201	4,228	6,627
Income						
<i>Revenue</i>						
Grants and contributions	4, C	1,446	3,390	2,997	1,944	393
Other revenue	5, D	317	659	1,239	342	(580)
Total Revenue		1,763	4,049	4,236	2,286	(187)
Total income other than income from State Government		1,763	4,049	4,236	2,286	(187)
NET COST OF SERVICES		7,837	9,779	2,965	1,942	6,814
Income from State Government						
Services received free of charge	6	6,500	3,852	4,268	(2,648)	(416)
Total income from State Government		6,500	3,852	4,268	(2,648)	(416)
SURPLUS/(DEFICIT) FOR THE PERIOD		(1,337)	(5,927)	1,303	(4,590)	(7,230)
OTHER COMPREHENSIVE INCOME/(LOSSES)						
Items not reclassified subsequently to profit or loss						
Changes in asset revaluation surplus		-	931	1,675	931	(744)
Total other comprehensive income/(LOSSES)		-	931	1,675	931	(744)
TOTAL COMPREHENSIVE INCOME/(LOSSES) FOR THE PERIOD		(1,337)	(4,996)	2,978	(3,659)	(7,974)

Major Estimate and Actual (2021) Variance Narratives

1 Supplies and services are lower than budget estimate by \$2.7 million (33%) mainly due to reduced support costs from the Department of Planning, Lands and Heritage and various Aboriginal Lands Trust (ALT) estate divestment activities being on hold following access restrictions due to COVID-19.

2 Grants and Subsidies are lower than budget estimate by \$0.1 million (74%) mainly due to the deferral of grant payments.

3 Other expenses are higher than budget estimate by \$7.1 million (3,525%) mainly due to provisioning for land transfers as part of the South West Native Title Indigenous Land Use Agreement (ILUA) of \$5.6 million, repairs and maintenance of \$1 million, provisioning for remediation costs relating to sites classified as contaminated and requiring remediation under the *Contaminated Sites Act 2003*, \$0.9 million and demolition of buildings of \$0.6 million.

4 Grants and Contributions are higher than budget estimate by \$1.9 million (134%) mainly due to increased funding provided to the Authority for the Divestment of the ALT estate.

5 Other revenue is higher than the budget estimate by \$0.3 million (108%) mainly due to an increase in mining royalties received for ALT estates.

6 Services received free of charge income is lower than the budget estimate by \$2.6 million (41%) mainly due to reduced support costs from the Department of Planning, Lands and Heritage.

Major Actual (2021) and Comparative (2020) Variance Narratives

A Grants and subsidies expenses have decreased by \$0.4 million (89%) mainly due to the deferral of grant payments.

B Other expenses have increased by \$6.7 million (998%) mainly due to provisioning for land transfers as part of the South West Native Title ILUA of \$5.6 million and remediation costs relating to sites classified as contaminated and requiring remediation under the *Contaminated Sites Act 2003* \$0.9 million.

C Grants and contributions has increased by \$0.4 million (13%) mainly due to increased funding provided to the Authority for the Divestment of the ALT estate.

D Other revenue have decreased by \$0.6 million (47%) mainly due to a revaluation of the contaminated sites provision in 2019-20.

8.10.2 Statement of Financial Position Variances

	Variance	Estimate	Actual	Actual	Variance between estimate and actual	Variance between actual and 2020
Note	2021	2021	2020	2020	actual	and 2020
	\$000	\$000	\$000	\$000	\$000	\$000
ASSETS						
Current Assets						
Cash and cash equivalents	-	3,166	2,260	3,166	906	
Restricted cash and cash equivalents		136	164	136	(28)	
Receivables	225	614	97	389	517	
Other current assets	4	-	-	(4)	-	
Total Current Assets	229	3,916	2,521	3,687	1,395	
Non-Current Assets						
Property (land and buildings)		106,597	103,181	103,037	(3,416)	144
Total Non-Current Assets		106,597	103,181	103,037	(3,416)	144
TOTAL ASSETS		106,826	107,097	105,558	271	1,539
LIABILITIES						
Current Liabilities						
Payables		89	154	139	65	15
Provisions	7, E	1,254	5,612	600	4,358	5,012
Total Current Liabilities		1,343	5,766	739	4,423	5,027
Non-Current Liabilities						
Provisions	8, F	-	1,509	-	1,509	1,509
Total Non-Current Liabilities		-	1,509	-	1,509	1,509
TOTAL LIABILITIES		1,343	7,275	739	5,932	6,536
NET ASSETS		105,483	99,823	104,819	(5,660)	(4,996)
EQUITY						
Contributed equity		106	727	727	621	-
Reserves		127,187	122,784	121,853	(4,403)	931
Accumulated deficit		(21,810)	(23,688)	(17,761)	(1,878)	(5,927)
TOTAL EQUITY		105,483	99,823	104,819	(5,660)	(4,996)

Major Estimate and Actual (2021) Variance Narratives

7 Provisions are higher than budget estimate by \$4.4 million (348%) mainly due to provisioning for land transfers as part of the South West Native Title ILUA of \$5.6 million.

8 Provisions are higher than budget estimate by \$1.5 million (100%) due to the recognition of some remediation costs as non-current liabilities.

Major Actual (2021) and Comparative (2020) Variance Narratives

E Provisions have increased by \$5 million (835%) mainly due to provisioning for land transfers as part of the South West Native Title ILUA of \$5.6 million.

F Provisions have increased by \$1.5 million (100%) due to the recognition of some remediation costs as non-current liabilities in 2020-21.

8.10.3 Statement of Cash Flows Variances

	Variance	Estimate	Actual	Actual	Variance between estimate and actual	Variance between actual results for 2021 and 2020
	Note	2021 \$000	2021 \$000	2020 \$000	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES						
<u>Payments</u>						
Supplies and services	9, G	(1,568)	(978)	(744)	590	(233)
Grants and subsidies	10, H	(175)	(45)	(408)	130	363
GST payments on purchases	11, I	(119)	(263)	(179)	(144)	(84)
GST payment to taxation authority		-	(6)	-	(6)	(6)
Other payments	12, J	(225)	(1,510)	(1,148)	(1,285)	(362)
<u>Receipts</u>						
Grants and contributions	13, K	1,446	3,390	2,997	1,944	393
GST receipts on sales		-	34	5	34	29
GST receipts from taxation authority		119	189	215	70	(26)
Other receipts	14, L	396	67	667	(329)	(600)
Net cash provided/(used in) operating activities		(126)	878	1,405	1,004	(526)
Net increase/(decrease) in cash and cash equivalents		(126)	878	1,405	1,004	(526)
Cash and cash equivalents at the beginning of the period		126	2,424	1,019	2,298	1,405
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		-	3,302	2,424	3,302	878

Major Estimate and Actual (2021) Variance Narratives

9 Supplies and services are lower than budget estimate by \$0.6 million (38%) mainly due to the Aboriginal Lands Trust (ALT) estate divestment activities being on hold following access restrictions due to COVID-19.

10 Grants and subsidies are lower than budget estimate by \$0.1 million (74%) mainly due to the deferral of grant payments.

11 GST payments on purchases are higher than budget estimate by \$0.1 million (121%) mainly due to higher payments of taxable supplies.

12 Other payments are higher than budget estimate by \$1.3 million (571%) mainly due to repairs and maintenance payments of \$1 million.

13 Grants and contributions are higher than budget estimate by \$1.9 million (134%) mainly due to increased funding provided to the Authority for the divestment of the ALT estate.

14 Other receipts are lower than budget estimate by \$0.3 million (83%) mainly due to mining royalties that were not received in 2020-21.

Major Actual (2021) and Comparative (2020) Variance Narratives

G Supplies and services have increased by \$0.2 million (31%) mainly due to a larger program of works in 2020-21.

H Grants and subsidies have decreased by \$0.4 million (89%) mainly due to the deferral of grant payments.

I GST on payments have increased by \$0.1 million (47%) mainly due to higher payments of taxable supplies.

J Other payments have increased by \$0.4 million (32%) mainly due to a larger program of works in 2020-21.

K Grants and contributions have increased by \$0.4 million (13%) mainly due to increased funding provided to the Authority for the divestment of the ALT estate.

L Other receipts have decreased by \$0.6 million (90%) mainly due to a delay in receiving mining royalty receipts until 2021-22.

Key performance indicators

Certification of key performance indicators

I hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Aboriginal Affairs Planning Authority's performance, and fairly represent the performance of the Aboriginal Affairs Planning Authority for the financial year ended 30 June 2021.



Jodi Cant
Director General
Department of Planning, Lands and Heritage
29 September 2021

The AAPA's desired outcome and key performance indicators

For the year ended 30 June 2021

Relationship to Government Goals

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

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

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

The Authority's effectiveness in achieving its outcome is measured in the context of the use and management of the land held by the Aboriginal Lands Trust (ALT).

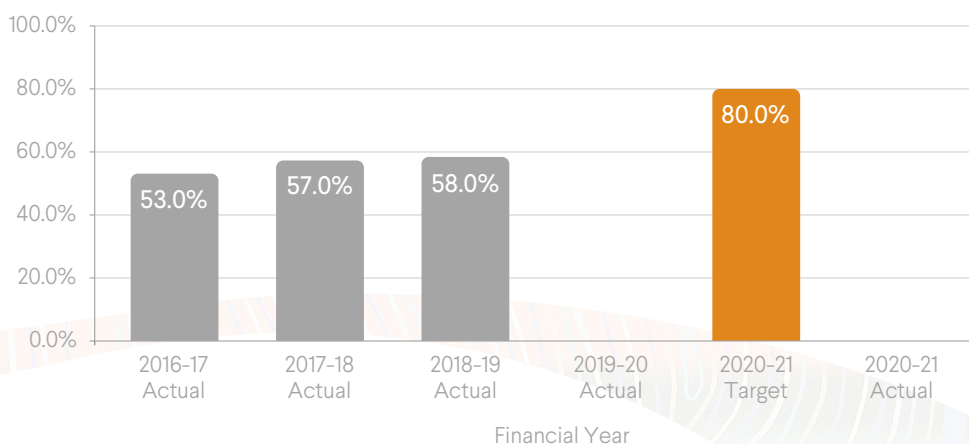
To measure this effectiveness the Department of Planning Lands and Heritage (the Department) normally commissions an independent research consultancy to conduct a survey of key stakeholders. Survey responses are sought from direct stakeholders, including other government agencies, key stakeholder committees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

For 2020-21, the Department did not conduct a stakeholder satisfaction survey, and the reason for this is explained below.

Explanation for not reporting this KPI in 2019-20 and 2020-21

Due to the COVID-19 pandemic, many key stakeholders were focussed on the emergency response and returned to their remote communities, resulting in lower than usual interactions with the Authority and its services during the reporting period. Our ability to undertake community engagements was also limited due to intrastate travel restrictions and a moratorium on engagement across the ALT estate requested by the Kimberley Land Council, which impacted the Department for a significant portion of 2020-21. Therefore, the Department considered that it would not be appropriate to conduct surveys of key stakeholders, which was likely to produce an insufficient response rate and a result that is not reflective of satisfaction levels comparative to previous years. The Department sought an exemption from reporting this KPI for the 2019-20 and 2020-21 financial years, and the Under Treasurer granted this exemption on 12 May 2020 and 28 May 2021 respectively.

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



Efficiency Indicators: Average cost per hectare

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

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

Explanation for significant variance

The significant change in the average cost per hectare since 2016-17 is due predominantly to an increase in resources received free of charge from the Department. The Department provides full administrative and operational support to the Authority since 1 July 2017. The resources received free of charge reflects the full cost of providing this support which is borne by the Department.

For 2020-21, the approved budget for the AAPA was \$13.2 million while the area of the ALT estate was estimated to remain at 21 million hectares. The 2020-21 result is 4.8 per cent above target due mainly to the:

- Deferral of \$5.1 million in unspent ALT Divestment and Management budget due to impact of COVID-19 on work plans, and savings in administering corporate services functions on behalf of the AAPA
- Offset by an extra \$6.2 million for the initial take-up of provision for Native Title, and unbudgeted expenditure for write-offs.

