



ABORIGINAL AFFAIRS
PLANNING AUTHORITY



Annual Report 2022-23

Acknowledgement of Country

The Aboriginal Affairs Planning Authority acknowledges the Traditional Owners and custodians of land and waterways across Western Australia. The Authority is committed to reconciliation to improve outcomes for Aboriginal and Torres Strait Islander peoples and to work together to provide a culturally-safe and inclusive environment.

About this report

This report covers the operations of the Aboriginal Affairs Planning Authority and presents the Authority's audited financial statements and performance indicators for the year ended 30 June 2023.

Pursuant to *Treasurer's Instruction 104C – Annual Reporting 2022-23 Exemption*, the Authority has opted to submit a reduced annual report for the 2022-23 financial year.

Statement of compliance

**Hon Dr Tony Buti BPE, DipEd, MIR, LLB DPhil MLA
Minister for Aboriginal Affairs**

In accordance with section 63 of the *Financial Management Act 2006*, I hereby submit for your information and presentation to Parliament, the annual report of the Aboriginal Affairs Planning Authority for the financial year ended 30 June 2023.

This report has been prepared in accordance with the provisions of the *Financial Management Act 2006*.



**Anthony Kannis PSM
Director General**
Department of Planning, Lands and Heritage

8 September 2023

Disclaimer

This document has been produced by the Department of Planning, Lands and Heritage on behalf of the Aboriginal Affairs Planning Authority. Any representation, statement, opinion or advice expressed or implied in this publication is made in good faith and on the basis that the Government, its employees and agents are not liable for any damage or loss whatsoever which may occur as a result of action taken or not taken, as the case may be, in respect of any representation, statement, opinion or advice referred to herein. Professional advice should be obtained before applying the information contained in this document to particular circumstances.

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6 ABOUT THE ABORIGINAL
AFFAIRS PLANNING AUTHORITY

- 7 – Responsible minister
- 7 – Legislation

8 ABORIGINAL AFFAIRS
COORDINATING COMMITTEE

9 ABORIGINAL LANDS TRUST

9 ABORIGINAL ADVISORY
COUNCIL OF WESTERN AUSTRALIA

10 2022-23 HIGHLIGHTS

12 PERFORMANCE

14 DISCLOSURES

16 FINANCIAL STATEMENTS

- 47 The AAPA's desired outcome
and key performance indicators



About the Aboriginal Affairs Planning Authority

The *Aboriginal Affairs Planning Authority Act 1972* (AAPA Act) makes provision for the establishment of an Aboriginal Affairs Planning Authority and an Aboriginal Affairs Advisory Council for the purposes of providing consultative and other services for the economic, social, and cultural advancement of Aboriginal people in Western Australia.

Under this Act, four statutory bodies were created to facilitate these objectives:

- Aboriginal Affairs Planning Authority (AAPA)
- Aboriginal Affairs Coordinating Committee (AACC)
- Aboriginal Lands Trust (ALT)
- Aboriginal Advisory Council of Western Australia (AACWA).

From 1 July 2017, the functions relating to the AAPA, AACC and AACWA were transferred to the Department of the Premier and Cabinet, and the ALT and financial provisions — including annual reporting — of the AAPA were transferred to the Department of Planning, Lands and Heritage (Department).

The AAPA does not have any staff. The AAPA funds the operational management of the ALT estate.

Responsible minister



Hon Dr Tony Buti
BPE, DipEd, MIR, LLB DPhil MLA
Minister for Aboriginal Affairs

[Hon Dr Tony Buti](#)



Legislation

Enabling legislation

Aboriginal Affairs Planning Authority Act 1972

Administered legislation

The AAPA assists the Minister for Aboriginal Affairs in administration of the *Aboriginal Affairs Planning Authority Act 1972*.

Other key compliance legislation

- *Aboriginal Cultural Heritage Act 2021*
- *Aboriginal Communities Act 1979*
- *Aboriginal Heritage Act 1972*
- *Environmental Protection Act 1986*
- *Environment Protection and Biodiversity Conservation Act 1999*
- *Land Administration Act 1997*
- *Land Administration (South West Native Title Settlement) Act 2016*

Operational legislation

- *Auditor General Act 2006*
- *Disability Services Act 1993*
- *Equal Opportunity Act 1984*
- *Financial Management Act 2006*
- *Financial Management (Transitional Provisions) Act 2006*
- *Freedom of Information Act 1992*
- *Industrial Relations Act 1979*
- *Interpretation Act 1984*
- *Long Service Leave Act 1958*
- *Procurement Act 2020* (formerly the *State Supply Commission Act 1991*)
- *Public Sector Management Act 1994*
- *State Records Act 2000*
- *Superannuation and Family Benefits Act 1938*
- *Work Health and Safety Act 2020* (formerly the *Occupational Safety and Health Act 1984* repealed on 31 March 2022)
- *Workers' Compensation and Injury Management Act 1981*

Aboriginal Affairs Coordinating Committee

The AACC is established under section 19 of the AAPA Act and is the coordinating body for Aboriginal affairs, policies, services and programs.

In accordance with section 19(1) of the AAPA, the core members of the AACC are:

- Director General of the Department of the Premier and Cabinet (Chair)
- Co-Chairs of the AACWA
- Director General of the Department of Communities
- Director General of the Department of Education
- Director General of the Department of Health
- Under Treasurer of the Department of Treasury.

The AAPA Act also enables the AACC to invite additional participation of others with special knowledge, experience or responsibility that will assist the AACC in the performance of its functions. In 2022-23 invited participants included:

- AACWA member
- Commissioner of Police
- Director General of the Department of Biodiversity, Conservation and Attractions
- Director General of the Department of Finance
- Director General of the Department of Jobs, Tourism, Science and Innovation
- Director General of the Department of Justice
- Director General of the Department of Local Government, Sport and Cultural Industries
- Mental Health Commissioner
- Director General of the Department of Mines, Industry Regulation and Safety
- Director General of the Department of Planning, Lands and Heritage
- Director General of the Department of Primary Industries and Regional Development
- Public Sector Commissioner

- Director General of the Department of Training and Workforce Development
- Director General of the Department of Transport
- Director General of the Department of Water and Environmental Regulation.

Secretariat support is provided by the Department of the Premier and Cabinet.

The AACC held four meetings in 2022-23, providing whole-of-government strategic advice and coordination of the State Government's Aboriginal Affairs agenda, including implementation of the National Agreement on Closing the Gap, Native Title negotiations and the Aboriginal Empowerment Strategy.

Aboriginal Lands Trust

The ALT is established under section 20 of the AAPA Act and is responsible for holding and managing approximately 21 million hectares of land (the ALT estate) for the benefit of Aboriginal people. The ALT also provides advice to the Minister for Aboriginal Affairs in relation to the administration of the AAPA Act.

The ALT estate comprises 288 parcels of land across Western Australia including 142 regional and remote Aboriginal communities with a population of up to 12,000 people. Seventeen of the 20 largest Aboriginal communities in Western Australia are located on the ALT estate. The five largest are Bidyadanga, Balgo, Warburton, Kalumburu and Jigalong.

Management of the ALT estate includes divestment of land, granting of interests such as leases and the approval of development on the land. The ALT has a statutory obligation to ensure that decisions about the use and management of the ALT estate benefit Aboriginal people and, where possible, accord with the wishes of the Aboriginal inhabitants of the land.

Aboriginal Advisory Council of Western Australia

The AACWA is established under section 18 (1) of the AAPA Act and has a reporting relationship with the Minister for Aboriginal Affairs.

The AACWA provides advice to the State Government on a range of policy matters relating to Aboriginal people to ensure better social, economic, health and cultural outcomes. Progressing a whole-of-government approach to Aboriginal outcomes and engagement must be built around Aboriginal people's views, priorities, voices and aspirations.

Peer-nominated and Ministerially endorsed, AACWA members are Aboriginal leaders chosen to reflect a diversity of regions, organisation types, areas of expertise and genders. These appointments present a significant step forward to developing a more inclusive and contemporary engagement partnership between Aboriginal people and the State Government.

Secretariat support is provided by the Department of the Premier and Cabinet.

The AACWA held five meetings in 2022-23, providing whole-of-government strategic advice and coordination of the State Government's Aboriginal Affairs agenda, including implementation of the National Agreement on Closing the Gap and the Aboriginal Empowerment Strategy.

Three new members were announced in July 2022 - Mr Preston Thomas, Mr Fabian Tucker and Ms Rowena Leslie.

2022-23 highlights

Culture at the Heart

In September 2022, the AACWA brought together Aboriginal advisory groups across the Western Australian public sector through the first Culture at the Heart Workshop, recognising the role these groups play as key drivers in reshaping Government through genuine partnership, shared decision making and Aboriginal-led solutions.

Closing the Gap

A key achievement of the AACC in 2022-23 was the establishment of a whole-of-government governance framework to strengthen coordination across agencies and assure the State Government meets its commitments under the National Agreement on Closing the Gap, including the development of Western Australia's updated implementation plan for the National Agreement on Closing the Gap.

Aboriginal Lands Trust divestments

The State Government and the ALT are committed to transferring land that is currently owned or managed by the AAPA and the ALT (jointly referred to as the ALT estate). The ALT has requested the Department work to divest the estate to appropriate Aboriginal ownership and control.

Land divestment is a complex process that must be engagement-led if it is to succeed. In January 2023, in recognition of the extensive time required for divestment, Cabinet approved an amendment to the 2017 election commitment to divest the ALT estate within two terms of Government, by changing the timeframe for divestment to as soon as practicable.

In 2022-23, seven properties were approved by the ALT and the Minister for Aboriginal Affairs for divestment and 13 properties were transferred into ownership or management of Aboriginal entities. This brings the total number of properties approved by the ALT and the Minister for Aboriginal Affairs to 75 and the total number of properties transferred into ownership or management of Aboriginal entities to 23.

The Department continues to work closely with Aboriginal stakeholders and in 2022-23 held 17 ALT divestment workshops with Aboriginal corporations across the State to progress divestment outcomes.

Amendments to the AAPA Act

In 2017, the State Government made an election commitment to divest the ALT estate into the direct control of Aboriginal people and corporations.

For this to happen changes needed to be made to the AAPA Act. At 50 years old, the Act is considered to be outdated and not reflective of the current aspirations of Aboriginal people and communities in Western Australia. Similarly, it does not align with broader government policy approaches or the *Aboriginal Empowerment Strategy - Western Australia 2021-2029* which sets out how the Western Australian Government will direct its efforts towards a future in which all Aboriginal people, families and communities are empowered to live good lives and choose their own futures from a secure foundation.

Informed by the Department's ongoing extensive engagement with, and feedback from Aboriginal stakeholders, the Department identified targeted amendments to the Act to remove the legislative barriers to — and maximise opportunities for — the divestment of the ALT estate.

From April to July 2022, the Department undertook a first round of public consultation, including with key Aboriginal stakeholders and government agencies, seeking feedback on the proposed amendments to inform the drafting of an Amendment Bill.

In early 2022-23, the Department began analysing submissions received during the online public consultation period, as well as feedback received during the targeted workshops.

This feedback is being used to shape the drafting of the proposed amendments. Following preparation of a Green Amendment Bill, the Department will undertake a second round of public consultation, with a view to introducing the Amendment Bill into Parliament in 2024.

The Department will continue to work closely with Aboriginal stakeholders to ensure amendments to the AAPA Act are fit-for-purpose and reflect the needs of Aboriginal people and communities in Western Australia.

Performance

Outcome-based management framework

Through the desired outcomes and services listed below, the AAPA contributes to the Government's goal of "Investing in WA's Future: Tackling climate action and supporting the arts, culture and sporting sectors to promote vibrant communities."

Key performance indicators are used to measure the AAPA's achievement of its desired outcomes, and the efficiency of its services.

Summary of actual results compared to budget targets

AAPA financial targets	2022-23 target ^(a) \$'000	2022-23 actual ^(b) \$'000	Variation \$'000
Total cost of services (expense limit)	12,321	8,885	(3,436)
Net cost of services	12,004	8,014	(3,990)
Total equity	94,506	109,533	15,027
Net increase/(decrease) in cash held	(600)	1,808	2,408
Approved salary expense level	Nil	Nil	-
Agreed borrowing limit	Nil	Nil	-

AAPA financial targets	2022-23 agreed limit ^(a) \$'000	2022-23 target/actual ^(b) \$'000	Variation \$'000
Working cash limit (at budget)	228	228	0
Working cash limit (at actuals)	228	138	(90)

Notes: (a) The targets specified above are as per the 2022-23 Ministerial approved budget.

(b) Further explanations are contained in Note 8.9 to the financial statements.

Summary of key performance indicators compared to budget targets

Key effectiveness indicators ^(a)	2022-23 target	2022-23 actual	Variation ^(b)
Percentage of stakeholders who found the Authority's management of the land on behalf of Aboriginal people satisfactory	80%	36.7%	(43.3%)

Key efficiency indicators ^(a)	2022-23 target	2022-23 actual	Variation ^(b)
Average cost per hectare	\$0.58	\$0.42	(\$0.16)

Notes: (a) The tables above provide a summary of the AAPA's key performance indicators for 2022-23. For more detailed information, including explanations, refer to the desired outcome and key performance indicators section of this report at page 47.

(b) Variations shown in brackets represent a decrease in the actual result compared to the target. Depending on the key performance indicator, a decrease in the actual result does not necessarily mean that the target has not been achieved.

Disclosures

Aboriginal Affairs Coordinating Committee remuneration

The table below details the remuneration of non-government core members and invitees for the 2022-23 financial year.

Member	Position	Type of remuneration	Membership period	Gross remuneration
Martin Sibosado	Co-Chair AACWA	Sitting fees (per meeting)	12 months	*Remuneration is included with remuneration for the AACWA
Gail Beck	Co-Chair AACWA	Sitting fees (per meeting)	12 months	*Remuneration is included with remuneration for the AACWA
Vicki O'Donnell	Member AACWA	Siting fees (per meeting)	12 months	*Remuneration is included with remuneration for the AACWA

Aboriginal Lands Trust remuneration

Member	Position	Type of remuneration	Membership period	Gross remuneration	Meetings attended
Roanna Edwards	Chairperson	Sitting fees (per meeting attended)	12 months	\$2,953	6
Nerida Haynes	Board member	Sitting fees (per meeting attended)	11 months	\$1,919	6
Rowena Mouda	Board member	Sitting fees (per meeting attended)	12 months	\$2,175	6
Andrew Dowding	Board member	Sitting fees (per meeting attended)	12 months	\$1,578	5
Cecilia Gore-Birch	Board member	Sitting fees (per meeting attended)	4 months	\$526	1
Brett Lewis	Board member	Sitting fees (per meeting attended)	4 months	Nil	0
Fabian Tucker	Board member	Sitting fees (per meeting attended)	3 months	\$87	0
Jeremiah Riley	Board member	Sitting fees (per meeting attended)	3 months	Nil	0

Aboriginal Advisory Council of Western Australia remuneration

The table below details the remuneration of members for the 2022-23 year.

Member	Position title	Type of remuneration	Membership in 2022-23 period	Gross remuneration for financial year
Daniel Brown	Member	Sitting fees (per meeting attended)	12 months	\$5,069
Fabian Tucker	Member	Sitting fees (per meeting attended)	12 months	\$2,380
Gail Beck	Co-chair	Sitting fees (per meeting attended)	12 months	\$11,164*
Linda Dridi	Member	Sitting fees (per meeting attended)	12 months	\$3,474
Martin Sibosado	Co-Chair	Sitting fees (per meeting attended)	12 months	\$11,164*
Mary Martin	Member	Sitting fees (per meeting attended)	12 months	\$3,641
Merle Carter	Member	Sitting fees (per meeting attended)	12 months	\$1,261
Preston Thomas	Member	Sitting fees (per meeting attended)	12 months	\$6,639
Lynette Adamson	Member	Sitting fees (per meeting attended)	6 months	Nil
Rowena Leslie	Member	Sitting fees (per meeting attended)	12 months	\$4,902
Vicki O'Donnell	Member	Sitting fees (per meeting attended)	12 months	\$3,307*
Total				\$53,001

*Members who are also remunerated for attendance at AACC meetings.

Other disclosures

The following activities are undertaken by the Department, where relevant, on behalf of the AAPA and are reported in the Department's annual report.

- Act of grace payments
- Advertising, market research, polling and direct mail
- Compliance with public sector standards and ethical codes
- Credit cards – information on personal expenditure
- Disability, access and inclusion plan outcomes
- Major capital projects
- Ministerial directives
- Occupational safety, health and injury management
- Pricing policies
- Record keeping plans
- Substantive equality (optional)
- WA Multicultural Policy framework.





Financial statements



Auditor General

INDEPENDENT AUDITOR'S REPORT

2023

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 2023, 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 2023 and the financial position at the end of that period
- in accordance with Australian Accounting Standards (applicable to Tier 2 Entities), 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 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 (applicable to Tier 2 Entities), 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.

Page 1 of 5

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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 misstatements, 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 Director General are those policies and procedures established 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 the State's financial reporting framework (the overall control objectives).

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 the State's financial reporting framework during the year ended 30 June 2023.

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.

Page 2 of 5

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 Engagement 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 2023. 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, 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 2023.

Matter of significance

The Aboriginal Affairs Planning Authority reported the "Percentage of stakeholders who found the Authority's management of the land on behalf of the Aboriginal people satisfactory" key effectiveness indicator for reporting period 2022-23 was based on a survey result where only 6 out of 207 stakeholders responded to the survey. Accordingly the Authority has concluded that the result for this indicator is based on insufficient responses, and therefore may not reflect a true position of its performance. 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 controls 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 Instructions 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 management relating to the report on financial statements, 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 ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, the Office of the Auditor General maintains a comprehensive system of quality management 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 2023, but not the financial statements, key performance indicators and my auditor's report.

My opinions on the financial statements, controls and key performance indicators does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, controls and key performance indicators my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and key performance indicators or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to those charged with governance and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

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

The auditor's report relates to the financial statements and key performance indicators of The Aboriginal Affairs Planning Authority for the year ended 30 June 2023 included in the annual report 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 the annual report. If users of the financial statements 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.



Patrick Arulsingham
Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
13 September 2023



ABORIGINAL AFFAIRS
PLANNING AUTHORITY

**Certification of financial statements
for the year ended 30 June 2023**

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 2023 and the financial position as at 30 June 2023.

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.



Anthony Kannis PSM
Director General
Department of Planning, Lands and Heritage
8 September 2023



Maurice Hanrahan
Chief Finance Officer
Department of Planning, Lands and Heritage
8 September 2023

Statement of comprehensive income for the year ended 30 June 2023

	Notes	2023 '000	2022 '000
COST OF SERVICES			
Expenses			
Supplies and services	2.2	6,439	4,952
Depreciation expense	4.1	1,074	1,026
Grants and subsidies	2.1	91	236
Other expenses	2.2	1,281	645
Total cost of services		8,885	6,859
Income			
Other income	3.2	871	812
Total Income		871	812
Net cost of services		8,014	6,047
Income from State Government			
Services received free of charge	3.1	3,978	3,518
Income received from other public sector entities	3.1	3,567	3,538
Total income from State Government		7,545	7,056
(Deficit)/Surplus for the period		(469)	1,009
Other comprehensive income			
Items not reclassified subsequently to profit or loss			
Changes in asset revaluation surplus	8.7	3,054	5,576
Total other comprehensive income		3,054	5,576
Total comprehensive income for the period		2,585	6,585

The statement of comprehensive income should be read in conjunction with the accompanying notes.

Statement of financial position as at 30 June 2023

	Notes	2023 '000	2022 '000
ASSETS			
Current Assets			
Cash and cash equivalents	6.1	7,789	5,981
Receivables	5.1	411	621
Total Current Assets		8,200	6,602
Non-Current Assets			
Property, plant and equipment	4.1	105,902	104,279
Total Non-Current Assets		105,902	104,279
Total Assets		114,102	110,881
Liabilities			
Current Liabilities			
Payables	5.2	756	66
Other liabilities	5.3	6	69
Provisions	5.4	2,385	2,190
Total Current Liabilities		3,147	2,325
Non-Current Liabilities			
Provisions	5.4	1,422	1,866
Total Non-Current Liabilities		1,422	1,866
Total Liabilities		4,569	4,191
Net Assets		109,533	106,690
Equity			
Contributed equity	8.7	893	635
Reserves	8.7	131,414	128,360
Accumulated deficit		(22,774)	(22,305)
Total Equity		109,533	106,690

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 2023

	Notes	Contributed Equity '000	Reserves '000	Accumulated deficit '000	Total equity '000
Balance at 1 July 2021		727	122,784	(23,314)	100,197
Surplus		-	-	1,009	1,009
Other comprehensive income		-	5,576	-	5,576
Total comprehensive income for the period		-	5,576	1,009	6,585
Transactions with owners in their capacity as owners:					
Capital appropriations		-	-	-	-
Distributions to owners		(92)	-	-	(92)
Total		(92)	-	-	(92)
Balance at 30 June 2022		635	128,360	(22,305)	106,690
Balance at 1 July 2022		635	128,360	(22,305)	106,690
Deficit		-	-	(469)	(469)
Other comprehensive income		-	3,054	-	3,054
Total comprehensive income for the period		-	3,054	(469)	2,585
Transactions with owners in their capacity as owners:					
Capital appropriations		-	-	-	-
Contributions by owners		258	-	-	258
Total		258	-	-	258
Balance at 30 June 2023	8.7	893	131,414	(22,774)	109,533

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 2023

	Notes	2023 '000	2022 '000
Cash flows from operating activities			
Payments			
Supplies and services		(1,451)	(1,112)
Grants and subsidies		(91)	(236)
GST payments on purchases		(281)	(202)
GST payments to taxation authority		(12)	(1)
Other payments		(1,215)	(733)
Receipts			
Grants and contributions		3,567	3,538
Interest received		125	-
GST receipts on sales		32	36
GST receipts from taxation authority		287	168
Other receipts		847	1,221
Net cash provided by operating activities		1,808	2,679
Net increase in cash and cash equivalents			
Cash and cash equivalents at the beginning of the period		5,981	3,302
Cash and cash equivalent at the end of the period	6.1	7,789	5,981

The statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements for the year ended 30 June 2023

1. Basis of preparation

The Aboriginal Affairs Planning Authority (Authority or AAPA) is a Western Australia Government entity and is controlled by the State of Western Australia, which is the ultimate parent. 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 8 September 2023.

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) - Simplified Disclosures
- 4) Where appropriate, those AAS paragraphs applicable for not-for-profit entities have been applied.

The FMA and the TIs take precedence over AASs. Several AASs are modified by the TIs 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 dollar (\$'000).

Accounting for Goods and Services Tax (GST)

Income, expenses, and assets are recognised net of the amount of goods and services tax (GST), except that the:

- (a) amount of GST incurred by the Authority as a purchaser that is not recoverable from the Australian Taxation Office (ATO) is recognised as part of an asset's cost of acquisition or as part of an item of expense; and
- (b) receivables and payables are stated with the amount of GST included.

Cash flows are included in the Statement of cash flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

Contributed equity

Australian Accounting Standards Board (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.

Comparative information

Except when an AAS permits or requires otherwise, comparative information is presented in respect of the previous period for all amounts reported in the financial statements. AASB 1060 provides relief from presenting comparatives for:

- 1) Property, Plant and Equipment reconciliations

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.

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	2023 '000	2022 '000
Grants and subsidies	2.1	91	236
Other expenditure	2.2	7,720	5,597

2.1 Grants and subsidies

	2023 '000	2022 '000
Recurrent		
Land and cultural management grant	91	236
Total grants and subsidies	91	236

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

	2023 '000	2022 '000
Supplies and services		
Services received free of charge from the Department of Planning, Lands and Heritage	3,978	3,518
Consultants and contractors	1,831	1,051
Utilities expenses	289	81
Supplies and services – other	341	302
Total supplies and services expenses	6,439	4,952
Other expenses		
Property repairs and maintenance	837	297
Indigenous Land Use Agreement - land transfers ^(a)	205	207
Demolition of buildings	-	114
Other	239	27
Total other expenses	1,281	645
Total other expenditure	7,720	5,597

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 DPLH 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	2023 '000	2022 '000
Income from State Government	3.1	7,545	7,056
Other Income	3.2	871	812

3.1 Income from State Government

	2023 '000	2022 '000
Services received free of charge from other State government agencies during the period:		
Department of Planning, Lands and Heritage - DPLH	3,978	3,518
Total services received	3,978	3,518
Income received from other public sector entities:		
Income received from other public sector entities - DPLH	3,567	3,538
Total Income received from other public sector entities	3,567	3,538
Total income from State Government	7,545	7,056

Services received from other public sector entities is recognised as income equivalent to the fair value of assets received, or the fair value of services received that can be reliably determined and which would have been purchased if not donated.

Income from other public sector entities are recognised as income when the Authority has satisfied its performance obligations under the funding agreement. If there is no performance obligation, income will be recognised when the Authority receives the funds.

3.2 Other Income

	2023 '000	2022 '000
Interest revenue	182	16
Royalties received	470	376
Other	219	420
Total other income	871	812

Other income 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.

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	2023 '000	2022 '000
Property, plant and equipment	4.1	105,902	104,279
Total key assets		105,902	104,279

4.1 Property, plant and equipment

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

	Freehold land '000	Reserves '000	Pastoral leases '000	Other leases '000	Buildings '000	Total '000
Gross carrying amount at 1 July 2022	11,475	44,316	5,443	83	42,962	104,279
Accumulated Depreciation at 1 July 2022	-	-	-	-	-	-
Carrying amount at 1 July 2022	11,475	44,316	5,443	83	42,962	104,279
Additions	-	-	-	-	258	258
Disposals	(170)	-	-	-	-	(170)
Transfer to fixed assets	-	-	-	-	-	-
Transfer from intangible assets	-	-	-	-	-	-
Revaluation increments/(decrements)	370	2,526	-	-	(287)	2,609
Depreciation	-	-	-	-	(1,074)	(1,074)
Carrying amount at 30 June 2023	11,675	46,842	5,443	83	41,859	105,902
Gross carrying amount at 30 June 2023	11,675	46,842	5,443	83	41,859	105,902
Accumulated depreciation at 30 June 2023 ^(a)	-	-	-	-	-	-

^(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; and
- 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 (Landgate) 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 2022 by Landgate. The valuations were performed during the year ended 30 June 2023 and recognised at 30 June 2023. In undertaking the revaluation, fair value was determined by reference to market values for freehold land, reserves and leases: \$24,551k (2022: \$24,874k) and buildings: \$10,008k (2022: \$10,543k). 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

	2023 '000	2022 '000
Depreciation charge		
Buildings	1,074	1,026
Total depreciation charge	1,074	1,026

Impairment expense recognised for the year end 30 June 2023 was \$Nil (2022: \$Nil).

All surplus assets at 30 June 2023 have either been classified as assets held for sale or have been written-off.

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.

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:

Asset	Useful life
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, leases and heritage or culture buildings are considered to have indefinite lives and not depreciated.

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	2023 '000	2022 '000
Receivables	5.1	411	621
Payables	5.2	756	66
Other liabilities	5.3	6	69
Provisions	5.4	3,807	4,056

5.1 Receivables

	2023 '000	2022 '000
Current		
Trade receivables	265	559
Allowance for impairment of receivables	(27)	(7)
GST receivable	43	69
Accrued interest	130	-
	411	621
Reconciliation of changes in the allowance for impairment of trade receivables:		
Opening balance	(7)	(12)
Expected credit losses expense	(20)	5
Balance at end of period	(27)	(7)

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 at Note 7.1 'Financial instruments'.

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

	2023 '000	2022 '000
Current		
Trade payables	201	32
Accrued expenses	555	34
Total current payables	756	66

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 Other liabilities

	2023 '000	2022 '000
Current		
Deposits in advance	6	69
Total other liabilities	6	69

5.4 Provisions

	2023 '000	2022 '000
Current		
Indigenous Land Use Agreement - land transfers ^(a)	2,225	2,190
Other provisions ^(b)	160	-
Balance at end of period	2,385	2,190
Non-Current		
Remediation costs	1,422	1,866
Balance at end of period	1,422	1,866
Total Provisions	3,807	4,056

(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 Lands Estate.

(b) In relation to an outstanding utility bill. AAPA has negotiated a partial waiver of the total amount which has been accepted by the supplier subsequent to year end. The agreed partial amount has been provided for as at year end.

5.4.1 Provisions 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 compensation is recognised when:

- there is a present obligation where continuing lease expires and is not further continued;
- 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.

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

5.4.2 Movement in provisions

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

	2023 '000	2022 '000
Remediation costs		
Carrying amount at start of period	1,866	1,509
Additional/(reversals of) provisions recognised	(444)	357
Balance at end of period	1,422	1,866
Indigenous Land Use Agreement - land transfers		
Carrying amount at start of period	2,190	5,612
Land transferred during the year	(170)	(3,630)
Additional/(reversals of) provisions recognised	205	208
Balance at end of period	2,225	2,190
Other provisions		
Carrying amount at start of period	-	-
Additional/(reversals of) provisions recognised	160	-
Balance at end of period	160	-

6. Financing

	Notes	2023 '000	2022 '000
Cash and cash equivalents	6.1	7,789	5,981

6.1 Cash and cash equivalents

	2023 '000	2022 '000
Cash and cash equivalents	7,789	5,981
Total cash and cash equivalents	7,789	5,981

7. Financial instruments and contingencies

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

	Notes
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:

	2023 '000	2022 '000
Financial assets		
Cash and cash equivalents	7,789	5,981
Financial assets at amortised cost ^(a)	238	552
Total financial assets	8,027	6,533
Financial liabilities		
Financial liabilities at amortised cost ^(b)	756	66
Total financial liability	756	66

^(a) The amount of 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 Contingent 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 (2022: \$Nil).

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 before the end of the 2026 calendar year and will be drawn predominantly from the pool of eligible Unallocated Crown Land and Unmanaged Reserves. 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 or the 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.

As at 30 June 2023, 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, 25 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 5.4 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 \$1,813,000 (2022: \$1,875,000) issued by the Water Corporation to the Authority remains outstanding as at period end. No provision was raised at 30 June 2023 (2022: \$Nil) 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.

	Notes
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
Explanatory statement	8.9

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 senior officers of the Authority for the reporting period are presented within the following bands:

Compensation Band (\$)	2023	2022
0 to 10,000	6	7
	'000	'000
Total compensation of key management personal	9	10

Total compensation includes the superannuation expense incurred by the Authority in respect of senior officers.

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.

Significant transactions with Government Related Entities

In conducting its activities, the Authority is required to transact with the State and entities related to the State. These transactions are generally based on the standard terms and conditions that apply to all agencies.

Significant transactions include:	Notes
Grants and subsidies received from State and other entities	3.1
Services received free of charge from the Department of Planning, Lands and Heritage	3.1

8.4 Related bodies

The Authority had no related bodies during the financial year 2022-2023 and 2021-2022.

8.5 Affiliated bodies

The Authority had no affiliated bodies during the financial year 2022-2023 and 2021-2022.

8.6 Remuneration of auditors

Remuneration paid or payable to the Auditor General in respect of the audit for the current financial year is as follows:

	2023 '000	2022 '000
Auditing the accounts, financial statements, controls and key performance indicators	31	28

8.7 Equity

	2023 '000	2022 '000
Contributed equity		
Balance at start of period	635	727
Contribution by owners	-	-
Transfer of net assets from other agencies	-	-
Land and buildings	258	-
Total contributions by owners	258	-
Distribution to owners		
Transfer of net assets to other agencies		
Land and buildings	-	(92)
Total distributions to owners	-	(92)
Balance at end of period	893	635
Asset revaluation surplus		
Balance at start of period	128,360	122,784
Net revaluation increments/(decrements):		
Freehold land, reserves and leases	2,895	2,878
Buildings	(286)	3,055
Provision of Restoration	445	(357)
Balance at end of period	131,414	128,360
Accumulated deficit		
Balance at start of period	(22,305)	(23,314)
Result for the period	(469)	1,009
Balance at end of period	(22,774)	(22,305)
Total equity at the end of the period	109,533	106,690

8.8 Supplementary financial information

(a) During the financial year, \$0 (2022: \$28,011) was written off the Authority's books under the authority of:

	2023 '000	2022 '000
The accountable authority	-	28
Total write-offs	-	28

(b) Losses through theft, defaults, and other causes

During 2022-23 and 2021-22 the Authority did not report any losses due to theft, defaults and other causes.

(c) Gifts of public property

There were no gifts of public property provided by the Authority during the financial year 2022-23 and 2021-22.

8.9 Explanatory statements for controlled operations

This explanatory section explains variations in the financial performance of the department undertaking transactions under its own control, as represented by the primary financial statements.

All variances between annual estimates (original budget) and actual results for 2023, and between the actual results for 2023 and 2022 are shown below. Narratives are provided for key major variances which vary more than 10% from their comparative and that the variation is more than 1% of the:

- Total Cost of Services for the previous year for the Statements of comprehensive income and Statement of cash flows; and
- Total Assets for the current estimate year for the Statement of financial position.

8.9.1 Statement of Comprehensive Income Variances

	Variance	Estimate	Actual	Actual	Variance	Variance
	Note	2023	2023	2022	between	between
		'000	'000	'000	estimate	actual
					and actual	results for
					'000	2023 and
						2022
						'000
Expenses						
Supplies and services	1, A	10,789	6,439	4,952	(4,350)	1,487
Depreciation expense		1,155	1,074	1,026	(81)	48
Grants and subsidies	B	175	91	236	(84)	(145)
Other expenses	2, C	202	1,281	645	1,079	636
Total cost of services		12,321	8,885	6,859	(3,436)	2,026
Income						
Other income	3	317	871	812	554	59
Total Income		317	871	812	554	59
Total income other than income from State Government		317	871	812	554	59
Net cost of services		12,004	8,014	6,047	(3,990)	1,967
Income from State Government						
Services received free of charge	4, D	6,500	3,978	3,518	(2,522)	460
Income received from other public sector entities		3,567	3,567	3,538	-	29
Total income from State Government		10,067	7,545	7,056	(2,522)	489
Surplus/(deficit) for the period		(1,937)	(469)	1,009	1,468	(1,478)
Other comprehensive income/(losses)						
Items not reclassified subsequently to profit or loss						
Changes in asset revaluation surplus		-	3,054	5,576	3,054	(2,522)
Total other comprehensive income/(loss)		-	3,054	5,576	3,054	(2,522)
Total comprehensive income/(loss) for the period		(1,937)	2,585	6,585	4,522	(4,000)

Major Estimate and Actual (2023) Variance Narratives

1. Supplies and services are lower than budget estimate by \$4.35 million (40%) mainly due to various Aboriginal Lands Trust (ALT) estate divestment activities being delayed due to restrictions from the Kimberley Flood.
2. Other expenses are higher than budget estimate by \$1.08 million (535%) mainly due increase to fire break program, repair and construction of roads within the Djarindjin townsite.
3. Other income is higher than the budget estimate by \$0.55 million (175%) mainly due to an increase in mining royalties received for ALT estates.
4. Services received free of charge income is lower than the budget estimate by \$2.52 million (39%) mainly due to lower allocation of support costs from the Department of Planning, Lands and Heritage.

Major Actual (2023) and Comparative (2022) Variance Narratives

- A. Supplies and services have increased by \$1.49 million (30%) mainly due to a larger program of work following the removal of COVID-19 pandemic restrictions.
- B. Grants and subsidies have decreased by \$0.15 million (61%) mainly due to deferral of grant payments.
- C. Other expenses have increased by \$0.64 million (99%) mainly due to a larger program of work following the removal of COVID-19 pandemic restrictions.
- D. Services received free of charge income has increased by \$0.46 million (13%) mainly due to increased support costs from the Department of Planning, Lands and Heritage.

8.9.2 Statement of financial position variances

	Variance	Estimate	Actual	Actual	Variance	Variance
	Note	2023 '000	2023 '000	2022 '000	between estimate and actual '000	between actual results for 2023 and 2022 '000
ASSETS						
Current Assets						
Cash and cash equivalents		660	7,789	5,981	7,129	1,808
Receivables		614	411	621	(203)	(210)
Total Current Assets		1,274	8,200	6,602	6,926	1,598
Non-Current Assets						
Property, plant and equipment		100,871	105,902	104,279	5,031	1,623
Total Non-Current Assets		100,871	105,902	104,279	5,031	1,623
Total Assets		102,145	114,102	110,881	11,957	3,221
Liabilities						
Current Liabilities						
Payables		394	756	66	362	690
Other current liabilities		124	6	69	(118)	(63)
Provisions	5	5,612	2,385	2,190	(3,227)	195
Total Current Liabilities		6,130	3,147	2,325	(2,983)	822
Non-Current Liabilities						
Provisions		1,509	1,422	1,866	(87)	(444)
Total Non-Current Liabilities		1,509	1,422	1,866	(87)	(444)
Total Liabilities		7,639	4,569	4,191	(3,070)	378
Net Assets		94,506	109,533	106,690	15,027	2,298
Equity						
Contributed equity		727	893	635	166	258
Reserves		122,784	131,414	128,360	8,630	3,054
Accumulated surplus/(deficit)		(29,005)	(22,774)	(22,305)	6,231	(469)
Total Equity		94,506	109,533	106,690	15,027	2,843

Major Estimate and Actual (2023) Variance Narratives

5. Provisions are lower than budget estimate by \$3.23 million (58%) mainly due to no additional land being committed under the South West Native Title ILUA.

Major Actual (2023) and Comparative (2022) Variance Narratives

Nil

8.9.3 Statement of Cash Flow Variance

	Variance	Estimate	Actual	Actual	Variance	Variance
	Note	2023 '000	2023 '000	2022 '000	between estimate and actual '000	between actual results for 2023 and 2022 '000
Cash flows from operating activities						
Payments						
Supplies and services	6, E	(4,289)	(1,451)	(1,112)	2,838	(339)
Grants and subsidies	F	(175)	(91)	(236)	84	145
GST payments on purchases	7, G	(44)	(281)	(202)	(237)	(79)
GST payments to taxation authority		-	(12)	(1)	(12)	(11)
Other payments	8, H	(99)	(1,215)	(733)	(1,116)	(482)
Receipts						
Grants and contributions		3,567	3,567	3,538	-	29
Interest received	9, I	-	125	-	125	125
GST receipts on sales		-	32	36	32	(4)
GST receipts from taxation authority	10, J	44	287	168	243	119
Other receipts	11, K	396	847	1,221	451	(374)
Net cash provided by/(used in) operating activities		(600)	1,808	2,679	2,408	(871)
Net increase/(decrease) in cash and cash equivalents		(600)	1,808	2,679	2,408	(871)
Cash and cash equivalents at the beginning of the period		1,260	5,981	3,302	4,721	2,679
Cash and cash equivalent at the end of the period		660	7,789	5,981	7,129	1,808

Major Estimate and Actual (2023) Variance Narratives

6. Supplies and services are lower than budget estimate by \$2.84 million (66%) mainly due to various Aboriginal Lands Trust (ALT) estate divestment activities being delayed due to restrictions from the Kimberley Flood.
7. GST payments on purchases are higher than budget estimate by \$0.24 million (539%) mainly due to higher payments of taxable supplies.
8. Other payments are higher than budget estimate by \$1.12 million (1,127%) mainly due to increase in ground maintenance and fire breaks at Djarindjin and West Kimberley.
9. Interest received are higher than budget estimate by \$0.13 million (100%) due to increase in interest rates on higher cash balances.
10. GST receipts from taxation authority are higher than budget estimate by \$0.24 million (552%) due to higher refunds from taxation authority as a result of higher payments of taxable supplies.
11. Other receipts are higher than budget estimate by \$0.45 million (114%) mainly due to an increase in mining royalties received for ALT estates.

Major Actual (2023) and Comparative (2022) Variance Narratives

- E. Supplies and Services have increased by \$0.34 million (31%) mainly due to a larger program of works following the removal of COVID-19 pandemic restrictions.
- F. Grants and subsidies have decreased by \$0.15 million (61%) mainly due to deferral of grant payments.
- G. GST payments on purchases have increased by \$0.08 million (39%) mainly due to higher payments of taxable supplies.
- H. Other payments have increased by \$0.48 million (66%) mainly due to a larger program of works following the removal of COVID-19 pandemic restrictions.
- I. Interest received has increased by \$0.13 million (100%) due to increase in interest rates on higher cash balances.
- J. GST Receipts have increased \$0.12 million (71%) due to higher refunds from taxation authority as a result of higher payments of taxable supplies.
- K. Other receipts have decreased by \$0.37 million (31%) mainly due timing differences in receiving the mining royalty receipts in the previous financial year.



ABORIGINAL AFFAIRS
PLANNING AUTHORITY

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 2023.

Anthony Kannis PSM
Director General
Department of Planning, Lands and Heritage
8 September 2023

The AAPA's desired outcome and key performance indicators

For the year ended 30 June 2023

Relationship to Government goals

The Aboriginal Affairs Planning Authority (the Authority) plays a vital role in realising the Government's objective to divest the ALT Estate, which is critical to achieving social, cultural and economic outcomes for Aboriginal people.

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

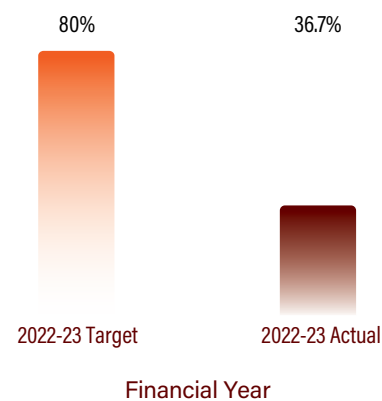
Percentage of stakeholders who found the Authority's management of the land on behalf of Aboriginal people satisfactory.

The Authority measures the effectiveness in achieving its outcome in the context of the use and management of the land held by the ALT.

This is measured through a survey of key stakeholders who have had interactions with the Authority relating to management of the ALT estate during the reporting period.

The Authority identifies stakeholders as those individuals or organisations that have had substantial interactions with the Authority and its services during the reporting period, including other government agencies, key stakeholder committees and key community organisations. The number of survey respondents fluctuates from year-to-year due to individuals who opt out and those unable to be contacted.

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



Explanation for significant variance

For the 2019-20, 2020-21 and 2021-22 reporting periods, the Under Treasurer granted the Authority an exemption from reporting this KPI due to Government's emergency response to the COVID-19 pandemic. For 2022-23, the Authority conducted an electronic stakeholder satisfaction survey, which resulted in an insufficient response rate. Of the 207 stakeholders surveyed, only six responded. Consequentially, the Authority has considered the result may not reflect a true position of its performance. The above indicates a need for a review of the measure of the effectiveness of this service.

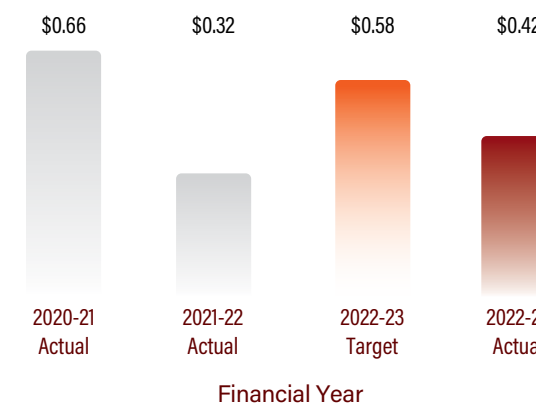
Efficiency indicators

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 of Planning, Lands and Heritage (DPLH) for the administration of the estate and spending on maintenance of the estate.

Average cost per hectare



Explanation for significant variance

The variance between the 2022-23 actual and the 2022-23 target was mainly due to corporate cost expenditure falling below budget by \$2.5 million because of savings achieved by DPLH in administering corporate service functions on behalf of the Authority.

The variance between the 2022-23 actual and the 2021-22 actual was largely due to an increase in expenditure of \$2.7 million within the work program following the removal of COVID-19 pandemic restrictions.