

2016 ANNUAL REPORT



CENTRAL DESERT GROUP

WARNING TO ABORIGINAL AND TORRES STRAIT ISLANDER READERS:

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

We sincerely regret any distress that may be caused.

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GLOSSARY

AC	Aboriginal Corporation
ACNC	Australian Charities and Not-for-Profits Commission
AGM	Annual General Meeting
ATO	Australian Tax Office
ATSIC	(Former) Aboriginal and Torres Strait Islander Commission
BHA	Bush Heritage Australia
CAT	Cultural Awareness Training
CATSI	Corporations (Aboriginal and Torres Strait Islander) Act 2006
Central Desert	Central Desert Native Title Services Limited
CDG	Central Desert Group
CHMP	Cultural Heritage Management Plan
CSR	Canning Stock Route
DPaW	WA Department of Parks and Wildlife
DPM+C	Commonwealth Department of Prime Minister and Cabinet
DSS	Desert Support Services Pty Ltd
GDNR	Gibson Desert Nature Reserve
IAS	Indigenous Advancement Strategy
IDA	Indigenous Desert Alliance
ILUA	Indigenous Land Use Agreement
IPA	Indigenous Protected Area
MNR	Mungarlu Ngurrurangkatja Rirraunkaja (Aboriginal Corporation)
MKK	MKK Matuwa Kurrara Kurrara
MOU	Memorandum of Understanding
NNTT	National Native Title Tribunal
NRM	Natural Resource Management
NSRL	Northern Star Resources Limited
NTA	Native Title Act 1993 (Cth)
NTRB	Native Title Representative Body
NTSP	Native Title Service Provider
ORIC	Office of the Registrar of Indigenous Corporations
PBC	Prescribed Body Corporate
PBI	Public Benevolent Institution
PFA	Program Funding Agreement
RFM	Rockhole Funds Management Pty Ltd
RNTBC	Registered Native Title Body Corporate
TMPAC	Tarlka Matuwa Piarku (Aboriginal Corporation)



CENTRAL DESERT NATIVE TITLE SERVICES

23 September 2016

Senator the Hon. Nigel Scullion
Minister for Indigenous Affairs
Parliament House
Canberra ACT 2600

Dear Minister

I have great pleasure in presenting the Annual Report of Central Desert Native Title Services Limited and its subsidiaries for the period 1 July 2015 to 30 June 2016.

This report includes the organisation's report of operations and the audited financial statements for the year ended 30 June 2016.

Sincerely,

Mr Terry Grose
Chairperson

CHAIRPERSON'S REPORT

On behalf of the Directors of the Central Desert Group I am pleased to present the company's Annual Report for the year to 30 June 2016.

The year under review has seen a continuation of the tight economic conditions experienced last year. This has continued to put pressure on the company's income both from government and private sectors, and has placed some limits on the activities that can be undertaken. However with careful management of the company's finances, we have been able to minimise the impact of a slow economic environment.

As described elsewhere in this report, good progress has been made with native title claims in the course of the year, culminating in the landmark judgement by Justice McKerracher on 29 June 2016 confirming that the Yilka claimants hold exclusive possession native title over their lands.

In my report last year I made remarks that Prescribed Bodies Corporate (PBCs) are dangerously under resourced. I am pleased to note that greater attention is now being given to them across the sector. There is however, still a long way to go before PBCs are resourced to the extent required for them to fulfil their crucial role in helping traditional owners maximise the benefits from their native title.

I also made some negative comments in my last report on the implementation of the IAS programme and these comments were echoed by the Senate enquiry report into the tendering process of the IAS delivered in March 2016. Since then Central Desert has had \$350,000 in funding approved over 3 years for employing Aboriginal rangers at Northern Star's Plutonic Mine, for which we are very appreciative. However, the July 2016 Federal election prevented the expected end of 2015/16 financial year funding decisions for PBC support projects and as I write this report, we are eagerly awaiting the announcements for submissions made in April this year.

Central Desert reviewed its Strategic Plan during the reporting period and has set as its Mission a desire to:

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

In planning how best to contribute to achieving this mission, the company came to the conclusion that our organisational structure needed to be revamped.

Some expert external advice on this was sought and it confirmed our view that changes were needed to reflect the increased focus on helping PBCs and their communities develop the skills required to help build solid foundations for the future.

Changes to the organisation were made, resulting in a clearer distinction between the native title legal and related services on the one hand and, on the other, the governance and development support services to assist PBCs and communities.

As a part of this restructure we are seeking to build on services such as labour hire functions, accounting and administration, which are delivered to PBCs by the company's subsidiary, Desert Support Services Pty Ltd (DSS). It is anticipated that these changes will equip the company to fulfil its objectives more effectively and in doing so, will address the Federal Government's aim of empowering PBCs to develop economic opportunities. However in tackling this task, the company is very aware of the challenges in identifying and developing economic opportunities in the Central Desert region. It is the Board's intention that DSS be the provider of choice for the range of services we offer to the land holding groups of the region.

Finally I wish to congratulate our CEO, Ian Rawlings, and his dedicated staff for their work during the year. Despite the funding challenges over the last year and the additional pressures of the company reorganisation, the team continued to perform at a very high level and I thank them for that. I would also like to thank my Board colleagues for their ongoing contribution and support. I consider it a privilege to work with such a well-qualified and dedicated Board and staff.



Terry Grose
Chairperson

CHIEF EXECUTIVE OFFICER'S REPORT

On the ground 2016 was a very good year for Central Desert Native Title Services.

On June 29 2016, Justice Neil McKerracher handed down a landmark judgment recognising that the Yilka claimants hold native title over their traditional lands. This is a major breakthrough and another key milestone achieved by the Yilka people. Their next step is to establish a PBC.

This year the Yilka people also signed a strong agreement with Gold Road Resources over the Gruyere and Central Bore gold deposits. The agreement provides strong heritage protection, a range of benefits to the native title holders as well as support to develop the PBC sufficiently to be able to implement and monitor the agreement.

McKerracher J's decision is regionally significant because it is the first native title decision over land that was caught up in the failed Wongatha claim since Lindgren J dismissed Wongatha and the claims it overlapped in February 2007. The new judgment gives some guidance on how claims over the remainder of the land affected by the original Wongatha decision might be progressed.

We had four native title determinations in the region during the reporting period. We are also planning another determination in August 2016 now that all issues between Ngurra Kayanta and the State have been resolved.

A small portion of the Ngurra Kayanta claim area will be withheld from the determination as the Commonwealth has intervened and seeks to litigate a legal issue that affects part of the claim (and much of the state); that matter being to distinguish the full court decision in Banjima regarding the applicability of s.47B over areas where a petroleum exploration license exists.

If the high point of the 2015 year was the smoothly run on-country hearings and very strong evidence given by Gibson Desert people for the GDNR compensation claim, the low point of 2016 was having to seek instructions from the Gibson Desert people to withdraw their compensation claim following the acceptance by the Federal Court of late pre Racial Discrimination Act extinguishment evidence, which completely changed the nature of the case originally brought. This was devastating for the compensation claim group who had put in so much work and disclosed extremely secret sacred information to the Court, and disheartening for staff. Senior members of the claim group have been deeply hurt and shamed as a consequence of the failed process.

There are nine Prescribed Bodies Corporates registered in the Central Desert region of which we provide direct support to four and supplementary support to two. I am pleased to report that the six PBCs Central Desert provides support to are all compliant and functional.

As noted below we are continually working to determine what the best vehicle for providing support services to PBCs looks like and how we can bring an effective delivery model into existence. It is a work in progress. A strategy that is proving successful in building capacity and work readiness for PBC members and contributing to building resilience in PBCs is the development, implementation and management of small practical on-country projects. This process is facilitated through our Land and Community team within the PBC development and support unit.

The flagship programme that gives this approach a framework to work within is the Indigenous Protected Areas (IPA) programme. The Land and Community team have helped establish and facilitate a range of projects over (and beyond) three IPAs and were instrumental in the establishment of the Indigenous Desert Alliance, which connects and builds capacity for Indigenous land managers across Western Australia, South Australia and the Northern Territory.

The Federal Government engaged Social Ventures Australia to review and measure the social impact of five Indigenous Protected Areas including two from the Central Desert region. The study found a benefit value of around \$2.3 on every \$1 invested in the Central Desert IPAs. Central Desert is a strong supporter of the IPA programme and urge the Federal Government to extend and expand it.

Two other very successful projects are the works and maintenance programme between Northern Star Resources and Central Desert representing the TMPAC group at the Jundee mine site (and currently expanding to engage a Gingirana claim group team at the Plutonic mine site), and the Pay It Forward initiative that Telstra and Central Desert have developed over the last three years. These two innovative programmes model income generation and flexible labour market approaches that effectively and sustainably fulfils local and industry needs.

Last year I reported that the Central Desert Group had reviewed its Strategic Plan for the coming years. We started this reporting year by contracting an independent report on how best to position the organisation to implement the Strategic Plan in a manner that achieves the best outcomes for our clients. On the basis of the report, I implemented a staged restructure of Central Desert Native Title Services that more clearly delineates the provision of statutory native title services from the delivery of development and support services to entities (predominantly PBCs) established out of the native title process.

Central Desert's two subsidiaries, Desert Support Services and Rockhole Funds Management, both established to provide services to PBCs and related entities, are developing steadily. The next challenging and exciting phase of the restructure will be to start the process of moving the PBC project development and management functions out of Central Desert Native Title Services and more directly into the hands of the PBCs.

Looking forward into 2016-17 we anticipate three native title determinations and the establishment of the corresponding PBCs. We expect to lodge one new claim and to steadily progress work on all other claims on foot. The PBC development and support unit are excited about building their service delivery model and investigating alternate structural options, as well as progressing and expanding the range of activities and projects already in play. Administratively, Central Desert is looking forward to the new outcomes reporting and measuring regime being implemented for the Native Title Programme and I acknowledge the hard work of my colleagues and those in the Department of Prime Minister & Cabinet who have put in a lot of work to see the process developed and implemented relatively painlessly so far.

Finally I would like to acknowledge and thank our very dedicated and capable staff, my demanding but very supportive Board for setting our course, especially my chairman Terry Grose for his close contact and sage advice, and our core funders, the Department of Prime Minister & Cabinet Land Branch and key partners for their consistent support and productive working relations.

Sincerely,



Ian Rawlings

Chief Executive Officer



Desert Blooms.
Photo: Ian Rawlings

DIRECTORS



**MR TERRY GROSE
(CHAIRPERSON)**

Appointed 14 December 2012
**Central Desert and Desert
Support Services (DSS)**

Terry Grose has a strong commercial background gained through his experience as a merchant banker, senior executive and business consultant. After a decade spent in various senior roles within the Wesfarmers Group, Terry moved to Hong Kong where he worked as Chief Financial Officer of an innovative software company before establishing his own commercial consulting business. Since returning to Australia in 2008 he has undertaken consulting assignments with commercial companies and a number of Aboriginal organisations. For some time he served on the Board of the Martu Trust and he has worked in remote communities and in Perth with Indigenous Community Volunteers. Terry is currently an ICV Ambassador. He is also a director of the Yirra Yaakin Theatre Company and listed company, Arafura Resources Limited.



THE HON. FRED CHANEY AO

Appointed 11 September 2007
Central Desert and DSS

In recent years Fred Chaney has served as a Member and Deputy President of the National Native Title Tribunal, Co-Chair and director on the board of Reconciliation Australia Limited, Chair of Desert Knowledge Australia and Chair of the Consultation Committee on a Human Rights Act for Western Australia. In 2008 he was awarded the Sir Ronald Wilson Leadership Award for "Exceptional leadership in the fields of social justice, human rights, equality and anti racism". Fred continues to serve as a director of Reconciliation WA and is a co-founder and Deputy Chair of the Graham (Polly) Farmer Foundation. In 2011 he was a member of the Expert Panel on the Constitutional Recognition of Indigenous Australians. Fred was the recipient of the Senior Australian of the Year for 2014.



DR FIONA SKYRING

Appointed 7 October 2008
Central Desert and DSS

Fiona Skyring is a historian. While employed by the Kimberley Land Council from 1999 to 2005 as an expert witness, Fiona gave evidence on behalf of the native title applicants in five trials in the Federal Court. Since then Fiona has worked for native title service providers on behalf of applicants, for Aboriginal heritage organisations and for government. She has contributed to community history projects, museum exhibitions and academic publications. Fiona is the author of 'Justice: A History of the Aboriginal Legal Service of Western Australia', which won the 2012 Margaret Medcalf Award, the State Library of Western Australia WA History Prize and the WA Premier's Prize. Fiona's next book, on returned soldier riots at the end of World War I in Australia, will be published by UWAP in 2017.



**MR ANDREW (ANDY)
GILMOUR**

Appointed 14 December 2012
**Central Desert, DSS and Chair of
Rockhole Funds Management**

Andy is a director of national chartered accounting firm RSM Australia practising in the Corporate Finance Division. He has over 30 years experience as a chartered accountant and business adviser, initially in the area of audit and subsequently in corporate finance and transaction support. He has had a wide breadth of experience with exposure to businesses in diverse industries from financial services to mining, and of varying size, from small to medium sized family concerns to large multinational corporations. Andy holds a Bachelor of Arts (Honours) from the University College of Wales, Aberystwyth and is the West Australian representative of the Business Valuation Special Interest Group of the Institute of Chartered Accountants. Andy was admitted as a partner of RSM Australia Partners in 1994.

**DR CAROLYN TAN**

Appointed 14 December 2012
Central Desert only

Carolyn Tan has been an In-house Legal Counsel at Yamatji Marlpa Aboriginal Corporation since 2003 where she has provided native title advice and appeared in the Federal Court, High Court and before the National Native Title Tribunal and the Mining Warden. Prior to that she was a litigation partner at Dwyer Durack for 15 years and headed up their Native Title Department as well as being engaged in a range of commercial, administrative and other civil and industrial litigation. Carolyn has been a Deputy President of the WA Equal Opportunity Tribunal and has served on numerous legal and social justice committees. She holds a PhD for her research on a topic related to Indigenous heritage and religious freedom laws in Australia, New Zealand, USA and Canada.

**MR IAN BAIRD**

Appointed 23 September 2014
Rockhole Funds Management

Ian Baird is the General Manager of Pila Nguru Aboriginal Corporation, the Registered Native Title Body Corporate of the Spinifex native title holders, based in Tjuntjuntjara community. He recently assumed management of Spinifex Contracting Aboriginal Corporation, a commercial arm of the Spinifex group involved primarily in road works and mining support. Ian has been an adviser to the Maralinga Piling Trust (W.A. Fund) for the past 18 years. He speaks fluent Pitjantjatjara and has over thirty years experience in community development practice and administration living in remote Aboriginal communities in the Western Desert. Ian was recently elected as a councillor and subsequently, Deputy President of the Menzies Shire Council.

**MR ALLAN JAMES**

Appointed 1 October 2014
Rockhole Funds Management

Allan James is a Wongi/Yamatji man who was raised on a remote pastoral station in the Northern Goldfields region of WA. He has a strong commercial background, an accountant by qualification, and has undertaken several consulting roles with Indigenous organisations and communities, providing business development, financial, insurance and risk management advice through his business consultancy. He also has an extensive history in the mining industry having worked with Rio Tinto at Argyle Diamonds, BHPB Billiton, Newmont Boddington Gold and more recently with Carey Mining. He has filled various management roles in the mining sector, including delivery of Social Responsibility and Community Relations strategies as they relate to Heritage and Land Access approvals, Indigenous Affairs, Community Investment, Media Communications, Government and Stakeholder relations.

COMPANY OFFICERS

**CHIEF EXECUTIVE OFFICER
AND COMPANY SECRETARY****MR IAN RAWLINGS**

Appointed Company Secretary
26 November 2007

Ian Rawlings has extensive experience working with Indigenous organisations in Western Australia. Since the early 1990s he has held community development and administration roles in remote communities. He was the Administration Manager for the Ngaanyatjarra Council Native Title Unit and Acting Unit Manager prior to taking on the role of Chief Executive Officer at Central Desert Native Title Services Ltd, now Central Desert Group. Mr Rawlings is the Chairman of Carbon Neutral Charitable Fund Ltd.

**PRINCIPAL LAWYER****MR MALCOLM O'DELL**

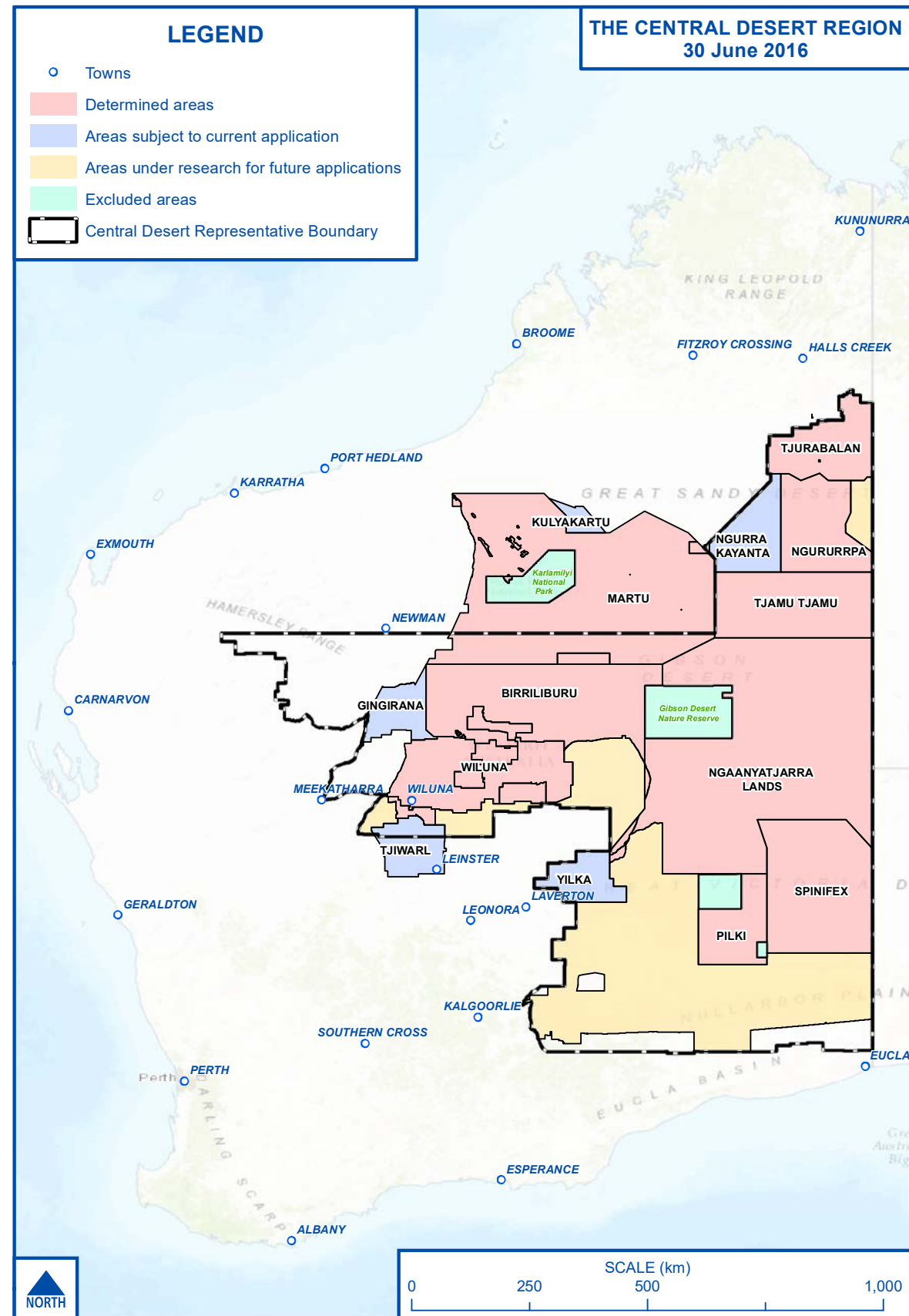
Malcolm O'Dell has served as the company's Principal Lawyer since its inception. Mr O'Dell has extensive native title experience having worked for the National Native Title Tribunal from 1996 to 1999 before entering legal practice with Dwyer Durack. He joined Ngaanyatjarra Council in 2004, working in the Native Title Unit, and moved to Central Desert when it was formed in 2007. He has extensive experience in native title in the areas of mediation, negotiation, agreement making, court representation, arbitral inquiries and hearings. Mr O'Dell is also the Deputy Chair of Access Housing Australia Ltd, a not-for-profit provider of social and affordable housing in WA.

**CHIEF FINANCIAL OFFICER
AND COMPANY SECRETARY****MR RIC WEST JP**

Appointed Company Secretary
24 September 2010

Ric West serves as the company's Chief Financial Officer and Company Secretary. Mr West has worked with and for Indigenous organisations since 1992 when he joined ATSIC. His experience includes working in government, in a private accounting practice providing offsite accounting solutions for remote Indigenous organisations, serving as CFO for a large city-based CDEP, and running his own firm specialising in audits of Indigenous and other non-profit organisations. Mr West is a Fellow of both CPA Australia and the Institute of Public Accountants, and is a certificated member of the Governance Institute of Australia. He was awarded a Masters of Science (Mineral Economics) from Curtin Graduate School of Business in 2014.

THE CENTRAL DESERT REGION



WHO WE ARE

THE CENTRAL DESERT GROUP

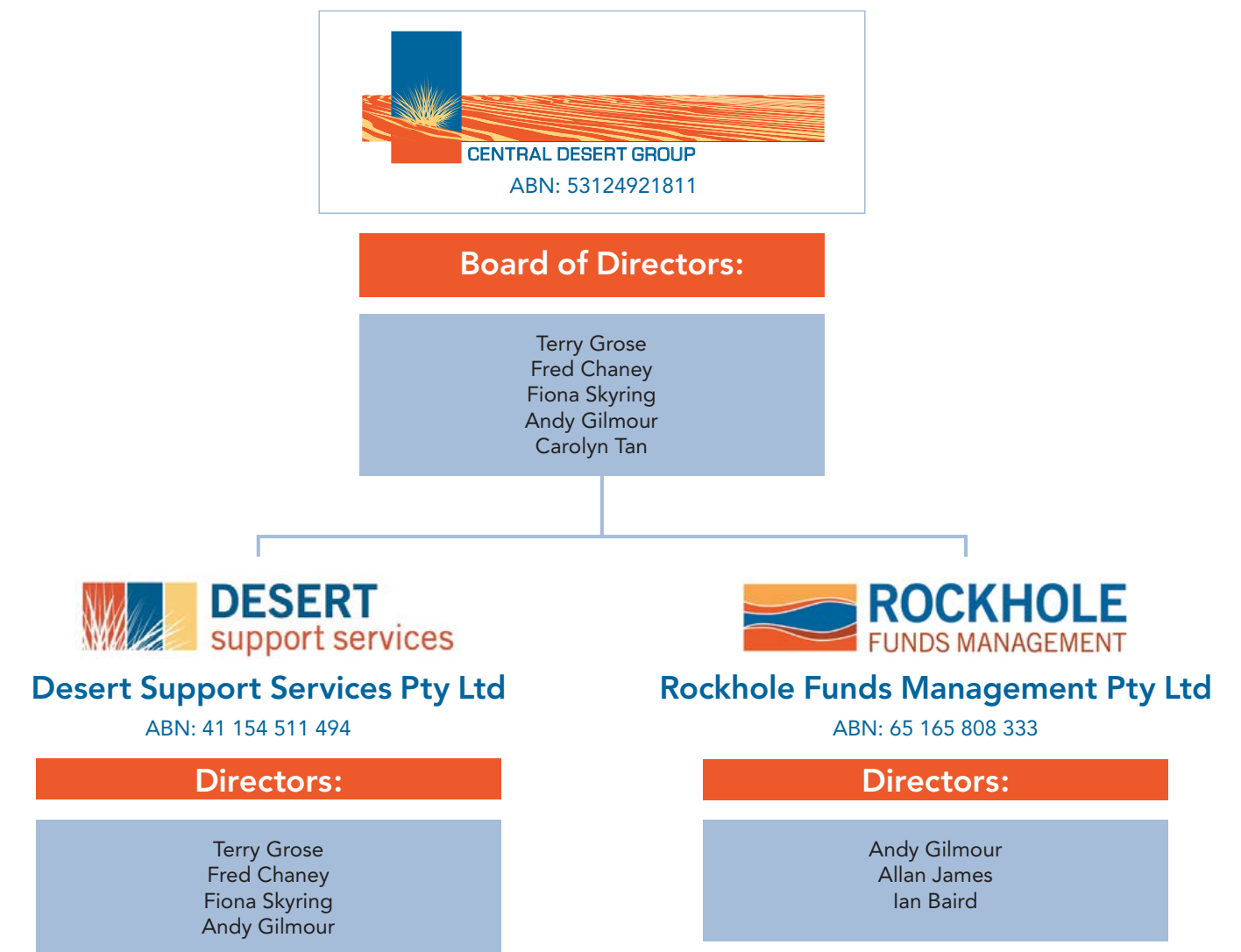
Since its inception in 2007 Central Desert Native Title Services Limited has developed into a 'group', establishing two subsidiary companies. Desert Support Services Pty Ltd (DSS) commenced operations in 2011 and Rockhole Funds Management Pty Ltd (RFM) in 2013.

Central Desert Group continues to deliver the services of a recognised native title service provider, along with a suite of expanded services provided by the subsidiaries. The CEO of all entities comprising the group is Mr Ian Rawlings. Our professional team with their wealth of knowledge and experience are committed to advancing and protecting the native title rights and interests of our constituents.

Central Desert currently has five directors on its Board of Management who volunteer their time and bring a wealth of skills and experience to the company. Their profiles are available on page 9-11.

The two subsidiary companies have their own respective governing boards. As shown in the diagram below, the four directors of DSS are also Central Desert directors. From 1 July 2016 all staff serving in DSS will be employed directly through DSS rather than through secondment from Central Desert.

RFM is governed by a director of Central Desert and two independent directors and receives administrative support to operate through DSS.



Central Desert and its subsidiaries are registered with the Australian Charities and Not-for-Profits Commission (ACNC). As such, the directors of the Central Desert Group place great value on meeting the ACNC governance standards outlined below.

Standard 1: Purposes and not-for-profit nature

Charities must be not-for-profit and work towards their charitable purpose. They must be able to demonstrate this and provide information about their purposes to the public.

Standard 2: Accountability to members

Charities that have members must take reasonable steps to be accountable to their members and provide them with adequate opportunity to raise concerns about how the charity is governed.

Standard 3: Compliance with Australian laws

Charities must not commit a serious offence under any Australian law or breach a law that may result in a penalty of \$10,200 or more.

Standard 4: Suitability of responsible persons

Charities must take reasonable steps to:

- Be satisfied that its responsible persons are not disqualified from managing a corporation under the Corporations Act 2001 (Cth) or disqualified from being a responsible person of a registered charity by the ACNC Commissioner; and,
- Remove any responsible person who does not meet these requirements.

Standard 5: Duties of responsible persons

Charities must take reasonable steps to make sure that responsible persons are subject to, understand and carry out the duties set out in this standard. The duties are:

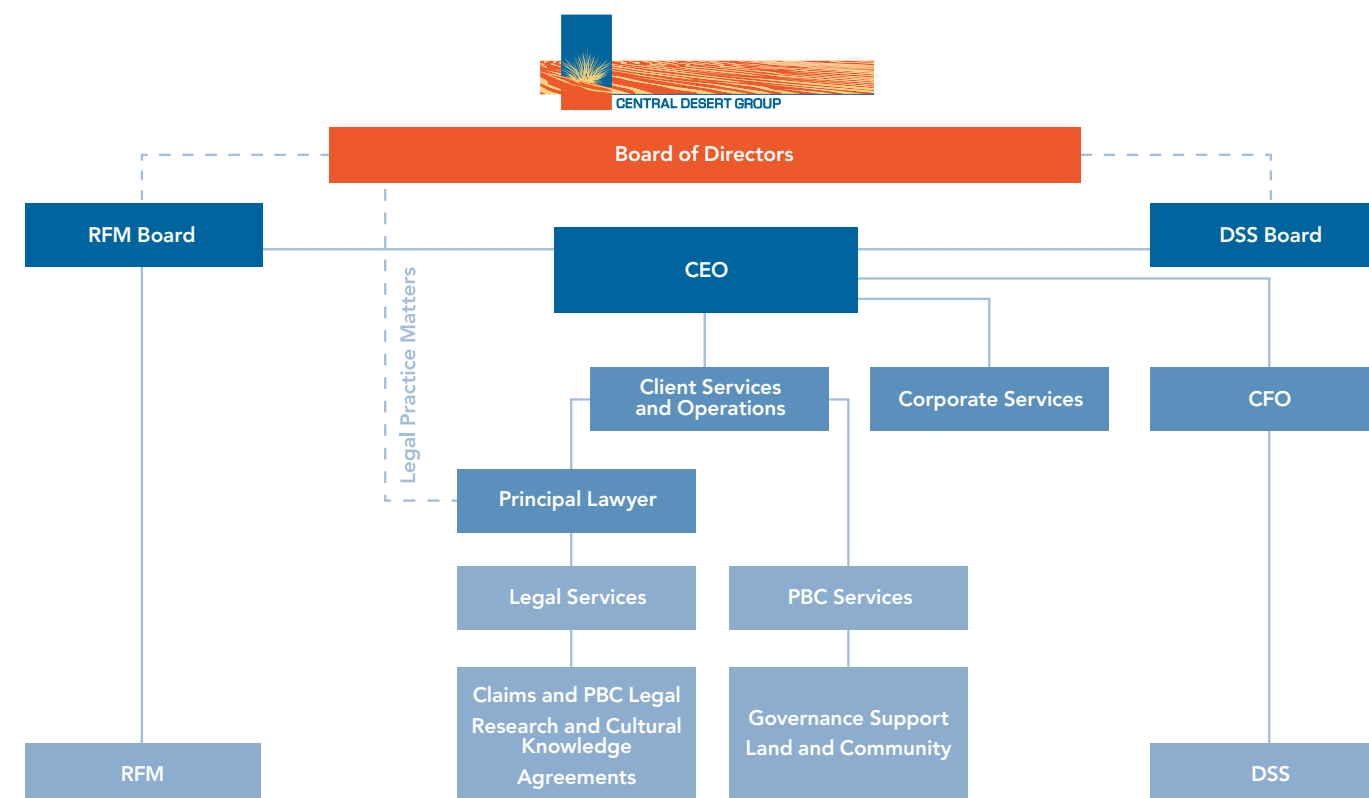
- Act with reasonable care and diligence;
- Ensure that financial affairs are managed responsibly;
- Act honestly in the best interests of the charity and for its purposes;
- Not misuse their position or information;
- Disclose any actual or perceived conflict of interest; and,
- Not allow a charity to operate while insolvent.

http://www.acnc.gov.au/ACNC/Manage/Governance/ACNC/Edu/GovStds_overview.aspx

One of the 'Pay It Forward' participants on Ngurrpa country.
Photo: Nick Brisbout

OUR ORGANISATIONAL STRUCTURE

The Central Desert Group underwent a restructure during 2015-16 in an effort to improve our service delivery. The new organisational chart is shown below.



Spinifex in Yilka county.
Photo: Mladen Mrvelj

OUR ROLE AND FUNCTIONS

As a native title service provider Central Desert carries out specific functions under part 11, Division 3 of the Native Title Act (NTA). In addition to these prescribed activities, Central Desert provides a range of related services and expertise to native title communities in the Central Desert region of WA. The work carried out by Central Desert can be divided into four main areas, described briefly below:

1. Statutory functions under the NTA ('Legal Services')
2. Prescribed Bodies Corporate Services ('PBC Services')
3. Agreements and Compliance
4. Subsidiaries

Central Desert is committed to the promotion of a corporate culture that is ethical and transparent and an organisational culture that is community-focused, and driven by values based on innovation, collaboration and professionalism. Central Desert is highly respected by its constituents, by government and industry.

Legal Services

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

- Facilitation and assistance;
- Agreement-making;
- Certification functions;

- Dispute resolution;
- Notification functions;
- Internal review; and
- Other functions as conferred by the Act.

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

PBC Services

Central Desert's PBC Services supports native title bodies with their governance obligations and with land management program development, including support for Indigenous ranger employment and training programs. The work of the section, which includes our well established Land and Community team, builds the capacity of native title communities to manage their own land and community programs and promotes partnerships between native title communities and other organisations for mutual benefit. Much of this work is funded through project specific grants.

Agreements and Compliance

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



Kiwirrkurra traditional owners at a soakage found after many years.
Photo: Rachel Paltridge



Dr Sackett, Allbrook and Brett at Boolygoo Spring during the Tjiwarl on country hearings.
Photo: Marian Hennessy

Subsidiaries

Desert Support Services

DSS's principal activities during the financial year were:

- Labour hire of casual employees, usually regionally-based Traditional Owners undertaking future act and land management activities for Central Desert;
- Accounting, bookkeeping and HR services for Prescribed Bodies Corporate (PBC) and other Indigenous community groups within the Central Desert region; and,
- Property management of surplus office space at 76 Wittenoom Street East Perth on behalf of Central Desert.

DSS is a non-profit organisation. It has been endorsed by the Australian Charities and Not-for-Profits Commission (ACNC) and the Australian Taxation Office (ATO) as a Public Benevolent Institution (PBI).

Rockhole Funds Management

RFM continued to serve as a Native Title Trust fund management service for Central Desert PBCs and for claim groups where native title has not been determined. Trusts held are below the commercial threshold for private trust fund services. The company deliberately operates on a low cost model and use the Public Trustee as its 'high' benchmark for costs. Over the past 12 months RFM took over responsibility for all the native title trusts funds held by Central Desert. RFM holds legal advice stating that the company does not need to be the holder of an Australian Financial Services Licence.

RFM is a non-profit organisation. The company is endorsed by the Australian Charities and Not-for-Profits Commission (ACNC) and the ATO as a charity.

It is the intention of the Central Desert Board to consult with clients and other stakeholders on a timeframe and structure to devolve ownership of both entities to PBCs within the region.

OUR STRATEGIES

During the 2015-16 year the Central Desert Group launched a revised Strategic Plan, setting the direction for our efforts over the coming three years.

The new plan continues to focus on securing timely and strong settlements and agreements for our constituents and maximising effective and beneficial use and management of Aboriginal lands, with a stronger emphasis on developing and supporting native title land holding entities (PBCs). These three Key Focus Areas are at the core of our purpose.

A range of key activities have been identified which contribute to achieving results in the Key Focus Areas.

Central Desert Group's Strategic Plan is provided below.

OUR VISION

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

OUR MISSION

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

The values that drive our behaviour are

- Community focused
- Innovative and adaptive
- Professional
- Collaborative
- Goal oriented

OUR KEY FOCUS AREAS ARE WORKING WITH CLIENTS, PARTNERS AND STAKEHOLDERS TO:

Secure timely and strong settlements and agreements

Researching, preparing and settling claims;

Securing strongest native title or alternative outcomes;

Securing compensation for past extinguishment of or interference with native title;

Negotiating best agreements to deliver on social, cultural and economic aspirations and ensure implementation and compliance of agreements;

Assisting in non native title land acquisition by working with groups to identify opportunities, funding and land management implications.

Develop and support well governed and self determining land holding entities

Supporting PBCs to develop strategic and business plans, identifying financial and other opportunities;

Facilitating professional, individual and corporate learning and development workshops and training opportunities;

Providing high quality governance, administrative and financial advice and support;

Developing and implementing tailored strategies for PBCs to become wholly independent and sustainable entities;

Securing partner support and investment for organisational development;

Working with PBCs to devolve access to Cultural Knowledge and Information (CKI) archive.

Maximise effective and beneficial use and management of Aboriginal lands

Facilitating engagement and planning processes to assist land holders to identify their land use and management values and priorities (make a plan);

Advocating and brokering of partner support and resources to implement the plans;

Provide program development and project and management support and training.

OUR KEY ACTIVITY AREAS

HOW WE PERFORM

SECURE TIMELY AND STRONG SETTLEMENTS AND AGREEMENTS

Legal Services

DETERMINATIONS OF NATIVE TITLE

As at 30 June 2016 there have been 20 determinations that native title exists on lands within the Central Desert Representative Area.

CLAIM	FCA NO.	AREA (km²)	DATE FILED	DATE DETERMINED
Spinifex	WAD6043/98	50,000	30/09/98	28/11/00
Tjurabalan	WAD160/97	25,917	18/12/97	20/08/01
Kiwirrkurra	WAD619/98	42,905	30/09/98	19/10/01
Martu part A	WAD6110/98	135,942	30/09/98	27/09/02
Ngaanyatjarra Lands part A	WAD6004/04	187,600	23/04/04	26/06/05
Ngururra	WAD357/06	29,600	08/12/06	18/01/07
Ngaanyatjarra Lands part B	WAD6004/04	1,427	23/04/04	03/06/08
Birriliburu part A	WAD6284/98	66,875	30/09/98	20/06/08
Martu part B	WAD6110/98	3,010	30/09/98	16/05/13
Martu No.2	WAD141/2010	836	01/06/10	16/05/13
Karnapyrri	WAD77/2006	151	22/03/06	16/05/13
Wiluna	WAD6164/1998	45,796	30/09/98	29/07/13
Wiluna No.3	WAD181/2012	3,596	03/08/12	29/07/13
Tarlpa	WAD248/2007	5,369	14/12/07	29/07/13
Wiluna No.2	WAD241/2004	5,616	28/10/04	03/09/13
Pilki	WAD6002/2002	17,858	12/08/02	02/12/14
Birriliburu part B	WAD6284/98	105	30/09/98	06/06/16
Birriliburu No 2	WAD 108/2008	105	27/06/08	06/06/16
Birriliburu No 3	WAD 50/2010	3,319	15/03/10	06/06/16
Birriliburu No 4	WAD 299/2011	15	18/07/11	06/06/16

There were four native title claims determined within the Central Desert Representative Area during the reporting period.

LITIGATION ON A QUESTION OF LAW

Pilki - Right to take and use resources for any purpose

FCA No. WAD6002/02

Area 17,858 km²

Date Filed 12/08/02

The Pilki native title claim was determined on 2 December 2014. The State of Western Australia appealed the determination with respect to Justice North’s findings in *Willis on behalf of the Pilki People v Western Australia* [2014] FCA 714, that the recognised right to use resources included the right to take and use resources for any purpose, including commercial purposes. The Full Court of the Federal Court of Australia, consisting of Dowsett, Jagot and Barker JJ, unanimously dismissed the appeal on 16 December 2015.

On 6 April 2016 it was determined that the prescribed body corporate for the Pilki claim, Kaltupakal (Aboriginal Corporation) RNTBC, would hold in trust the native title rights and interests of the Pilki common law native title holders.

MINING AGREEMENTS

Yilka Claim / Gold Road - Mining Agreement

On 3 May 2016 the Yilka claimants, Cosmo Newberry Aboriginal Corporation, and mining company Gold Road Resources Ltd (Gold Road) signed an historic mining and access agreement over Gold Road’s proposed Gruyere and Central Bore mining projects.

Gingirana Claim / Kalium - Potash Mining Agreement

On 22 March 2016 the Gingirana claimants and mining company Kalium Lakes Potash Pty Ltd (Kalium) signed an agreement that would allow Kalium to build the necessary infrastructure to collect potash from the various lakes in the eastern part of the claim area.

CLAIMS DISCONTINUED DURING THE REPORTING PERIOD

The Gibson Desert Nature Reserve compensation application and the Mantjintjarra Ngalia No. 2 claim were discontinued during the reporting period.

Gibson Desert Nature Reserve Compensation Application

FCA No. WAD86/2012

Area 18,458 km²

Date Filed 29/03/12

The Gibson Desert Nature Reserve compensation application was discontinued on 4 May 2016. This decision was based on Justice Barker’s finding in *Ward v Western Australia (No.3)* [2015] FCA 658 that the grant of historical petroleum exploration permits in the 1920’s had extinguished the native title right of exclusive possession. Rather than proceed to a determination of compensation for the extinguishment of their remaining non-exclusive native title rights and interests, the claimant group opted to discontinue their application and seek an alternative settlement with the State of Western Australia.

Mantjintjarra Ngalia No. 2

FCA No. WAD372/2006

Area 22,929 km²

Date Filed 21/12/2006

Mantjintjarra Ngalia No. 2 was lodged by the Goldfields Land and Sea Council in 2006. Central Desert agreed to represent the claim in March 2014 after extensive consultation with the claim group. In-house anthropological research was undertaken and the findings presented to the claim group in November 2015. The Mantjintjarra Ngalia No. 2 native title application was discontinued in December 2015. Central Desert expects to file a new claim covering parts of the former Mantjintjarra Ngalia and Mantjintjarra Ngalia No. 2 claim areas during the next reporting period.



Yilka applicant Harvey Murray and Central Desert Principal Lawyer outside the Court in June 2016. Photo: Marian Hennessy

CLAIMS IN PROGRESS AS AT 30 JUNE 2016

As at 30 June 2016 there were 13 native title applications in progress within the Central Desert representative area. Three of these claims are not represented by Central Desert namely, the Mirning native title application (WAD 6001/2001), the Wutha native title application (WAD6064/1998) and the Sullivan/Edwards native title application (WAD498/2011).

CLAIM	FCA NO.	AREA (km²)	DATE FILED
Cosmo Newberry	WAD43/2007	12,260	02/03/07
Gingirana	WAD6002/2003	12,150	10/03/06
Kulyakartu	WAD6293/2005	3,550	11/10/05
Kulyakartu No. 2	WAD 720/2015	3,550	04/12/15
Mirning	WAD6001/2001	40,601	27/02/01
Ngurra Kayanta	WAD410/2012	19,574	21/12/12
Ngurra Kayanta No. 2	WAD326/2015	19,574	30/05/15
Sullivan/Edwards	WAD498/2011	9,310	07/12/11
Tjiwarl	WAD 288/2011	13,623	17/06/11
Tjiwarl No. 2	WAD302/2015	1,312	22/06/15
Wutha	WAD6064/1998	32,629	19/01/99
Yilka	WAD297/2008	12,260	15/12/08
Yilka No. 2	WAD303/2013	3.5	06/08/13

Gingirana

FCA No. WAD6002/2003
Area 12,150 km²
Date Filed 10/03/06

The Gingirana claim is in active case management in the Federal Court. On 26 October 2015, Justice Barker made orders for the production of a joint experts’ report in two volumes by the Applicant’s anthropologist, Dr David Martin, and the State of Western Australia’s anthropologist, Dr Ron Brunton. The purpose of the joint report is to identify those people that occupied the Gingirana claim area at the time of sovereignty, including their laws and customs in place at that time. The first volume of the joint report was filed on 8 June 2016 and the second volume is due to be filed early in the next reporting period.

Kulyakartu

FCA No. WAD293/2005
Area 3,550 km²
Date Filed 11/10/05

The Kulyakartu claim remains in active case management in the Federal Court. The Applicant and the State of Western Australia have been working towards reaching agreement on the terms of a consent determination of native title. The Commonwealth joined the proceedings as an intervener on 13 May 2016.

Kulyakartu No. 2

FCA No. WAD720/2015
Area 3,550 km²
Date Filed 4/12/15

The Kulyakartu No. 2 claim is brought on behalf of same claim group as the Kulyakartu claim and overlaps the entirety of that application area. Kulyakartu No. 2 was filed on 4 December 2015 with the intention of relying on section 47B of the *Native Title Act 1993* (Cth) to disregard any prior extinguishment of native title over the claim area. The Commonwealth joined the proceedings as an intervener on 13 May 2016.

Ngurra Kayanta

FCA No. WAD410/2012
Area 19,574 km²
Date Filed 21/12/2012

This application is in active case management in the Federal Court. On 20 June 2016, Justice Barker ordered that the claim be separated into Part A and Part B. An on-country consent determination of native title for Part A of the claim will occur at ‘Jalyirr’ in the northern part of the claim area on 10 August 2016. The determination will recognise the native title holders’ right of exclusive use, occupation and possession to the claim area. The Part B area of the claim has been programmed for trial on the issue of whether section 47B of the NTA (Cth) applies to existing petroleum exploration permits.

Ngurra Kayanta No. 2

FCA No. WAD326/2015
Area 19,574 km²
Date Filed 30/06/2015

This application is brought by the same claim group as in the Ngurra Kayanta matter and overlaps the entirety of that application and was lodged to enable evidence of occupation to trigger the operation of section 47B of the NTA (Cth). It will be progressed along with the Ngurra Kayanta claim noted above.

Tjiwarl

FCA No. WAD288/2011
Area 13,623.41 km²
Date Filed 17/06/11

This claim was fully litigated with two weeks of on-country connection evidence heard from 27 July – 5 August 2015. Expert evidence was heard in Perth on 27 – 29 October 2015 and extinguishment arguments and final submissions were heard between 13 – 15 December 2015. The extinguishment submissions included a legal challenge to the validity of the renewal of all pastoral leases in the State of Western Australia on the basis that they were invalid future acts. Justice Mortimer reserved her judgment and it is expected to be delivered early in the next reporting period.

Tjiwarl No 2

FCA No. WAD302/2015
Area 1312 km²
Date Filed 22/06/15

The Tjiwarl No. 2 claim is a small claim that overlaps parts of the Tjiwarl claim and was lodged to enable evidence of occupation for the purpose of triggering section 47B of the NTA (Cth). When section 47B is triggered, previous instances of extinguishment may be disregarded.

Yilka

FCA No. WAD297/2008
Area 12,260 km²
Date Filed 15/12/08

This matter was fully litigated with final written submissions filed on 22 September 2015. On 29 June 2016, Justice McKerracher delivered a judgment finding that the Yilka claimants had made out their case and that native title exists in relation to the application area and the Yilka No. 2 application noted below.

Yilka No. 2

FCA No. WAD303/2013
Area 3.5 km²
Date Filed 06/08/2013

The Yilka No. 2 claim is a small claim that overlaps parts of the Yilka claim and was lodged to take advantage of changes in tenure in the area.

Cosmo Newberry (Appeal)

FCA No. WAD 43/2007
Area 12,260 km²

The Cosmo Newberry claim boundary was located wholly within the Wongatha native title claim area. In 2007 the Federal Court of Australia dismissed the Cosmo Newberry claim along with all other overlapping claims in the Wongatha area. The Cosmo Newberry claimants appealed that dismissal. The appeal has been adjourned pending the resolution of the Yilka native title claim.

PROGRESS ON PROPOSED NEW NATIVE TITLE CLAIMS

Central Desert is in the process of researching a number of potential claim areas within its representative area.

East Wongatha

A large area in the east of the former Wongatha claim area falls within the Central Desert representative area. Following the 2007 dismissal of the Wongatha claim, Central Desert conducted preliminary anthropological research in the area. Further research was put on hold pending the outcome of estoppel arguments raised by the State of Western Australia in the Yilka proceedings. The estoppel argument was unsuccessful and Central Desert will now aim to formalise a claim strategy for the East Wongatha area during the next reporting period.

West of Walpiri

This remains a low priority area and little more than maintaining ongoing communications with the Central Land Council and monitoring future act notifications is expected during the next reporting period.

Nullarbor

During the reporting period Central Desert briefed Dr Scott Cane to undertake anthropological research into the Nullarbor claim. We expect to receive a draft Connection Report by the end of April 2017. The Nullarbor claim is now considered a medium priority as a result of the Pilki native title application being determined and subsequent litigation arising from the Pilki determination being finalised.

COMPENSATION MATTERS

The Gibson Desert Nature Reserve compensation application was discontinued on 4 May 2016. Central Desert is awaiting the outcome of the Northern Territory compensation application in relation to the township of Timber Creek in the case of *Allan Griffiths And Lorraine Jones On Behalf Of The Ngaliwurru And Nungali Peoples & Northern Territory Of Australia*. The Timber Creek decision is expected to provide useful precedent in relation to how entitlement to compensation is assessed under the NTA. Central Desert plans to develop a strategy for dealing with compensation claims within its representative area during the next reporting period.

LAND ACCESS AND HERITAGE AGREEMENTS

On instructions from its clients, Central Desert continues to develop strong Land Access and Heritage Agreements with mining companies wishing to enter onto native title lands. The agreements vary depending on the nature of the land tenure and whether the area is subject to a determination of native title. On areas where native title is determined, the agreements have been developed to encompass all aspects of land access including heritage issues, rehabilitation of the land, compensation, cultural awareness and employment and training opportunities. Some agreements also include special conditions for mining companies wishing to explore for uranium. These agreements are subject to periodic review.

Agreements designed to facilitate access to determined native title land by other interest groups such as tourists, tour operators, as well as government agencies and researchers, are developed on a demand driven basis, subject to instructions from our clients.

Central Desert continues its efforts to increase mineral explorers' understanding of our clients' native title rights and interests. Explorers and miners are invited to engage directly with our clients at native title group meetings where they can hear first hand the importance of respecting the traditional owners' cultural heritage and complying with their obligations under exploration or mining agreements. Central Desert has also increased its dialogue with exploration and mining companies on agreement implementation and compliance issues. A compliance database to assist in this process has been implemented during the reporting period.

CULTURAL HERITAGE MANAGEMENT PLANS (CHMP)

The Gingirana native title claimants, with the assistance of Central Desert, developed a comprehensive 'Cultural Heritage Management Plan' (CHMP) over the mining project area for the Kalium Potash agreement noted above. Central Desert assisted Gingirana to undertake ethnographic and archaeological studies that informed the development of the CHMP.

The Yilka native title claimants, with the assistance of Central Desert, developed a comprehensive 'Cultural Heritage Management Plan' (CHMP) over the mining project area for the Gold Road mining agreement noted above. Central Desert assisted the Yilka claimants to undertake ethnographic studies that informed the development of the CHMP.



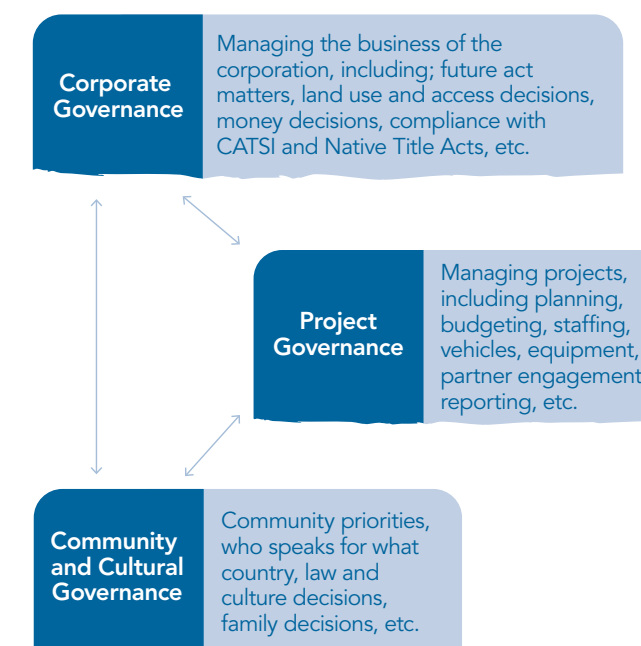
Gold Road Negotiation Team.
Photo: Marian Hennessy

DEVELOP AND SUPPORT WELL GOVERNED AND SELF DETERMINING LAND HOLDING ENTITIES

PBC Development Services

Central Desert Group is committed to working with Prescribed Bodies Corporate (PBCs) to enable them to become wholly independent and sustainable entities. During the year the Central Desert Board initiated an organisational restructure to give a greater focus on providing support services geared toward this aim.

The service model we are using seeks to bring greater alignment between community, project and corporate governance processes to empower emerging PBCs to take greater control of their business. The interrelationships between these processes is represented as:



This model utilises project management as a practical pathway through which native title holders can transition between community and cultural decision making processes to developing the skills and knowledge required for good decision making in a corporate context.

Key to this model is support for the development of PBC sub-committees and working groups through which projects identified by the community and/or PBC are planned and implemented. This approach enables momentum around PBC business to be maintained between bigger meetings and provides scope for the development of applied leadership and other governance skills along the way.

Projects, such as Indigenous Protected Area (IPA) projects, therefore play a key role in providing a platform for PBCs to develop sound corporate governance processes, along with a wide range of other socio-cultural, economic and environmental benefits (see page 30 - 33). These governance processes are critical to enabling PBCs to effectively engage in regional economies.

This approach, combined with the development of an increasingly collaborative approach to agenda-setting, is already seeing a shift in the dynamic of PBC meetings, with PBC directors taking on greater responsibility for planning and leading meetings.

As directors take greater carriage of core business, self-governance amongst the PBCs we service has increased. Leveraging the new found confidence is generating a blueprint for ongoing engagement.

As at 30 June 2016 there were nine registered PBCs functioning within the Central Desert region. Five of these have retained the Central Desert Group, via service agreements, to provide a range of support services. Key activities and highlights for respective PBCs are described below:

Kaltupakal (Aboriginal Corporation) RNTBC

Kaltupakal is the newest PBC to become incorporated this year. Central Desert assisted the Pilki people to develop Kaltupakal AC at an on-country workshop which focused on:

- capacity building around corporate compliance and governance;
- developing rules tailored to align with the Pilki people's needs and aspirations.

On 21 April 2016 Kaltupakal AC accepted the nomination to hold on trust the native title rights and interest of the Pilki people.

A partnership between the Spinifex Rangers and Kaltupakal members saw a shed tank built at the corporation's meeting place.

Identifying opportunities involving activities like land management and other community projects are a priority for Kaltupakal members. Central Desert is committed to assisting Kaltupakal in this endeavour.

Mungarlu Ngurrurangkaja Rirraunkaja (Aboriginal Corporation) RNTBC (MNR)

Central Desert has continued to assist MNR identify and develop its financial aspirations and independence. MNR's progress in this area include:

- creating and administering part-time Indigenous Protected Area (IPA) employment positions (in progress);
- entering into a commercial agreement for the harvesting of sandalwood;
- creating a sandalwood harvesting reserve through negotiations with the Department of Lands; and
- commencing investigation to hold and administer its own PBC grant.

MNR directors and members have increased their direct stakeholder engagement opportunities through encouraging government agencies, mining companies, partners and other stakeholders to attend MNR meetings.

In March the Birriliburu IPA management team (a sub-committee of MNR) gave a presentation on key activities and outcomes of the IPA to funding bodies in Perth. The Birriliburu IPA management team also led the development of a Facebook page for MNR to raise the corporation's profile.

Parna Ngururpa (Aboriginal Corporation) RNTBC

This year Parna Ngururpa sought to identify opportunities at a regional level. This resulted in a collaboration with Tjamu Tjamu (Aboriginal Corporation) on developing a joint visitor's access policy and proposed permit system for the Balgo to Kiwirrkurra road.

Parna Ngururpa partnered with Telstra in the Pay It Forward initiative. The partnership resulted in a number of benefits, including important infrastructure being built on Parna Ngururpa country and knowledge sharing between participants.

A Facebook page was created by Parna Ngururpa to increase publicity and provide a platform for future access to broader markets and partners.

Pila Nguru (Aboriginal Corporation) RNTBC

Pila Nguru employs a number of staff who have responsibilities for managing the corporation's business. Central Desert provides Pila Nguru with legal advice, financial services and other assistance as requested. Presently, Pila Nguru and Central Desert are working together to develop a service agreement to better define and formalise the relationship.

Tarlka Matuwa Piarku Aboriginal Corporation (Aboriginal Corporation) RNTBC (TMPAC)

Central Desert assists TMPAC with its land management projects. Members of TMPAC make up the Matuwa and Kurrara Kurrara (MKK) IPA management team.

The MKK IPA management team travelled to Perth on a number of occasions this year, firstly to attend a workshop on decision-making and governance skills and later, to host a presentation for stakeholders and funding partners. The meeting with the Department of Parks and Wildlife (DPAW) resulted in a commitment to fund a Martu Coordinator position. The economic benefit of the partnership to traditional owners and increased involvement in the joint project will have lasting benefits for a productive relationship into the future.

Central Desert is assisting TMPAC on behalf of the native title holders to seek to vary the existing determination of native title to reflect the decision of the High Court in *WA v Brown*. The native title holders are applying to the Court to recognise the coexistence of native title rights and interests with those of pastoralists in relation to areas where pastoral improvements were previously thought to extinguish native title.

Tjamu Tjamu (Aboriginal Corporation) RNTBC (Tjamu)

Central Desert is supporting Tjamu Tjamu to broaden its direct stakeholder relations. To this end, a delegation from Tjamu Tjamu met with the WA Minister for Indigenous Affairs in Perth to discuss Tjamu Tjamu's rights over Aboriginal reserves within its lands. The Minister agreed to personally look into the matter and appreciated the issue being brought to his attention.

Tjamu Tjamu has also achieved successes through:

- hosting the inaugural Bilby Festival (read more at page 30),
- participating in a Telstra Pay It Forward initiative;
- representation to Canberra to advocate for government support for Indigenous ranger programs.

These significant undertakings in stakeholder relations are all publicised and promoted on the corporation's newly created Facebook page. Tjamu Tjamu directors and members have been steadily taking greater control of Tjamu Tjamu business. This has included leading productive negotiations directly with mining companies seeking access to its native title lands. Tjamu Tjamu is currently prioritising the development of a subsidiary road contracting business.



Pay It Forward participants relax after a day working on Ngururpa country.
Photo: Nick Brisbourn

MAXIMISE EFFECTIVE AND BENEFICIAL USE AND MANAGEMENT OF ABORIGINAL LANDS

Land and Community Program

Central Desert provides specialised land and community project development and management services through its Land and Community Team. The program of activities delivered by the team involves working with and empowering native title holders to use and manage their traditional lands to achieve their social, cultural and economic aspirations. Central Desert continues to establish partnerships and strategic alliances between our constituents and other relevant stakeholders in order to support and sustain mutually beneficial outcomes in the longer term.

Through these partnerships, Birriliburu, Wiluna and Kiwirrkurra native title holders now have well established and growing land and community programs on their lands. These programs use cultural and natural resource management activities to create regional Indigenous employment and build social and cultural capital in the process. This year has seen the emergence of a similar program for Ngururpa lands, which will continue to grow over coming years. Central Desert was also successful in securing the first investment to support the development of a land and community program with the Gingirana native title claimants.

Over \$2.5 million of partnership investment has flowed into the five land and community programs. This has generated more than 1500 days of paid local Indigenous employment, over \$200,000 in critical infrastructure investment, along with a broad range of social, cultural and environmental outcomes. With a Gingirana program coming on stream in 2016-17, these numbers will continue to grow.

A number of projects and programs continued to attract significant local, state and national media attention this year, particularly the Birriliburu and Kiwirrkurra programs. The establishment of a social media presence on facebook for Birriliburu, Kiwirrkurra and Ngururpa has contributed to raising the profile of these programs along with a number of other initiatives driven by the Prescribed Bodies Corporate (PBCs). See pages 26-28 for more detail.

Birriliburu and Matuwa and Kurrara Kurrara Indigenous Protected Areas (IPAs) were chosen by the Department of Prime Minister and Cabinet (DPM&C) as two of the five IPAs (from over 70 national IPAs) for case study to conduct social return on investment analyses (SROI). These IPAs were chosen on the basis that the economic and socio-cultural model for these two offered a relatively unique contrast to the other IPAs selected as case studies.

The SROI study showed that for every \$1 invested in Birriliburu and MKK, \$2.3 dollars were returned in social, economic, cultural and environmental benefits. The projects have delivered positive outcomes such as:

- Rangers - increased employment, training, and economic engagement; pride and sense of self; better health and wellbeing;
- Community - better cultural asset management; more role models for young people; less violence;
- Indigenous corporations - improved governance capacity;
- Corporate partners - increased local and international credibility.

From the perspective of Government, the programs demonstrate a successful lateral approach to tackling systemic social, health and justice issues - ranging from unemployment to dependence on alcohol and other drugs. [A short report on the findings was published by Social Ventures Australia.](#)

The Land and Community team was successful in securing a further three year partnership with Telstra to deliver the Pay It Forward program. The Pay It Forward program is a cornerstone of Telstra's Reconciliation Action Plan where select employees from across Australia and overseas are rewarded for their commitment to exceptional customer service. For our clients, it means a direct economic return as well as an opportunity to engage directly with corporate Australia and to promote the importance of their land and culture to a national audience. This year saw the delivery of two highly successful programs on Kiwirrkurra and Ngururpa lands (see below).

Staff from Central Desert's Land and Community team were also selected to be part of the leadership team for the Indigenous Desert Alliance (IDA), as well as to provide coordination services to the Alliance. The IDA is a coalition of Indigenous land management groups who are developing regionally significant, desert wide (NT, WA, SA), collaborative projects that leverage resources, skills and IPA programs to manage shared issues and threats and promote understanding of the values of Australia's deserts. The highly successful Kiwirrkurra Ninu (Bilby) Festival held in June this year (see below) is an example of one of the IDA's collaborative projects.

Highlights of the five land and community programs for this year include:

Kiwirrkurra

The Kiwirrkurra IPA program has continued to expand through strong partnerships and the creation of a part-time Ranger Coordinator role to provide support to both male and female Rangers.

In August 2015 Kiwirrkurra hosted the Telstra Pay It Forward program, with rangers working alongside 18 Telstra employees to build a remote Ranger Hub near Lake Mackay and share in the culture and Ranger activities on-country. The Ranger Hub with shelter and water tank, has proved an invaluable base for IPA activities, as well as being used by Kiwirrkurra school and community.

In September the Bush Blitz program came to Kiwirrkurra. Bush Blitz is a national program aimed at discovering new species and supporting taxonomic science in under-studied locations. Due to the strength of Kiwirrkurra's IPA program, this Blitz enjoyed the most engagement with traditional owners that the program has ever had. Rangers worked alongside scientists, and one ranger, Roy Bennett, took the opportunity to complete his final unit towards a Certificate 1 in Conservation and Land Management. Of particular note was the collaboration between women rangers, a linguist and scientists studying edible grubs, *maku* (witchetty grub). Co-authored scientific publications and a *maku* booklet for the community and school are only the start of ongoing collaborations in this area.

Kiwirrkurra's threatened species conservation program has continued strongly, with support from both the IPA program and Rangelands NRM. Expanding traditional patch burning to other high priority areas, feral cat control and starting up a weed control program, form the core of this program along with robust monitoring. In October Kiwirrkurra Rangers visited Punmu community and the Kanyirninpa Jukurrpa Ranger program to share knowledge and ideas. In May 2016 a visiting fire ecologist demonstrated the application of satellite imagery and fire scar mapping to our work. This was very successful with Rangers now confidently using the iPad to identify off-road areas that need burning.

The year ended on a high note with the highly successful Ninu (Bilby) Festival held at Kiwirrkurra in June 2016. Over 120 Aboriginal Rangers joined scientists and other partners to share their knowledge, skills and experiences of looking after the Bilby, and participants left feeling energised and excited by the opportunity to stop this iconic species from going extinct. Facilitated through the Indigenous Desert Alliance, the Festival has helped strengthen links between Indigenous land management organisations, as well as with scientific, government and philanthropic partners, with ideas for new collaborations well underway. [Click here to watch a movie of the event.](#)



Bilby Festival Poster. Designed by Leigh Harris



Preparing the ground for the shed tank.
Photo: Nick Brisbout

Ngururrpa

In 2013 Parna Ngururrpa Aboriginal Corporation (PNAC) developed a 'Ngururrpa - Plan for Country' which was a small strategic plan that set out some of the key priorities for country and people. In the years since, this plan has provided the platform for Parna Ngururrpa to seek partnerships and funding for a range of activities, culminating this year with two major on-country events.

In August 2015 the Australian Government's Landcare program funded the first coordinated biological survey over Ngururrpa country. Traditional owners worked alongside well-known desert ecologist, Dr Rachel Paltridge, to record the diverse flora and fauna of the area. A major outcome of the research was the finding that Ngururrpa country has one of the highest density populations of Bilby in Australia. Project support was also provided by the Kiwirrkurra IPA rangers in a great show of cross-border collaboration and knowledge sharing.

Early in 2016 funding was secured to begin the process of developing a Ngururrpa Protected Area plan. The plan will expand the 2013 plan into a comprehensive document (similar to an IPA plan) that will help to document the values of Ngururrpa country and the 'big picture' economic, cultural and environmental strategies that PNAC will use to manage Ngururrpa country.

In June 2016 the Telstra Pay It Forward program came to Ngururrpa country. Eighteen Telstra employees shared in cultural immersion experiences and worked alongside Ngururrpa traditional owners to refurbish an old accommodation block at the abandoned Yakka Yakka community. This refurbished infrastructure, together with the solar water pump installed as part of a previous project, provides PNAC with an 'on country' base from which to more meaningfully engage in a range of land management activities.

Gingirana

In May this year Central Desert secured Commonwealth funding on behalf of the Gingirana native title claim group, to commence development of a Ranger Program. The funding will establish a local, Indigenous owned enterprise with fee-for-service capabilities in environmental management. This is a starting point for the Marputu Ranger Program, from which it is hoped to build more partnerships and projects to look after Gingirana country and employ more rangers in the future. Over the coming year, the project will focus on the partnership with Northern Star Resources, centred on the Plutonic mine site.

Wiluna

The 'hub' for the Wiluna program continues to be the Matuwa and Kurrara Kurrara (MKK) IPA from which a number of other projects in the region interact. With the dedication of the IPA in early July 2015, the project moved from a consultation project into the implementation phase this year. The primary focus for the year has been on establishing best practice governance processes, along with the progression of a number of priority projects identified in the MKK IPA Plan for Country.

An IPA Management Team has been established to lead the decision making for the IPA and meets on a quarterly basis. To date the Management Team has established protocols for new projects and commenced development of a range of other initiatives such as;

- the establishment of Martu Coordinator positions;
- a Martu Women in Science project,
- a Science Pathways partnership with CSIRO and the Wiluna School; and
- an upgrade of the Martu ku Ngurra Camp.

The IPA Management Team also met with the Director General of the Department of Parks and Wildlife to discuss the establishment of a formal joint management agreement.

The highlights for the Wiluna Biodiversity Project this year include the Wiluna Martu women taking an active role in the management of the Ululla and Jundee leases through predator and threatened species monitoring and strategic cool season burning of hummock grasslands. Patch burning was carried out to protect important habitat on Ululla, including habitat that supports Malleefowl populations. The landuse and management planning has enabled the identification of a number of important natural and cultural resource management projects on Windidda for which further partnerships will be pursued.

The Wiluna Martu Rangers have continued to deliver environmental, natural and cultural resource management services to Northern Star Resources (NSR) Jundee operations throughout the year. This work is enabled through the *Jundee Memorandum of Understanding*, which commits NSR and Central Desert to work together in partnership with Wiluna Traditional Owners to create meaningful employment opportunities and build the capacity of local traditional owners to develop sustainable business enterprises.



Volunteers from the Subaru Club, the Wiluna Martu Rangers and DPaW staff worked together to upgrade the ranger camp.
Photo: Mo Pawero



Scar Tree, Ngururrpa country.
Photo: Ian Rawlings

Birriliburu

The development of a significant partnership with Bush Heritage Australia (BHA) has led to significant growth in the Birriliburu IPA program through increased investment, advocacy and promotion.

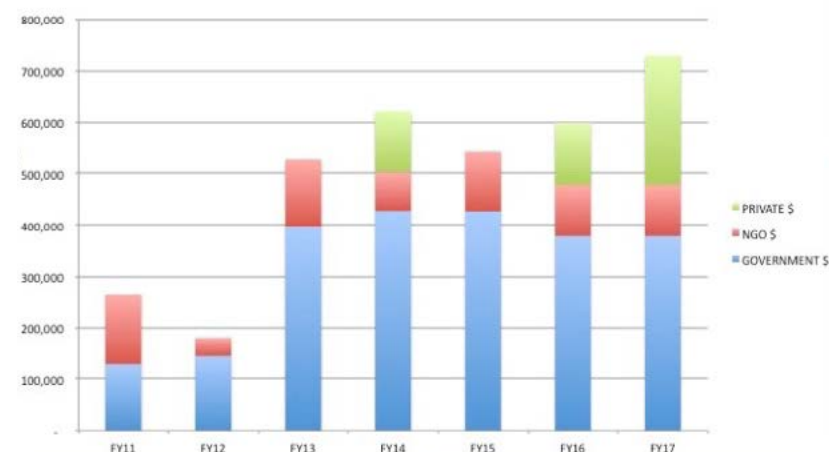
The partnership germinated as part of BHA's attendance at the Birriliburu IPA dedication in 2013 and has been nurtured by valuable on-country engagement in conservation work. This year the Birriliburu native title holders played host to BHA's leadership team, which included the Chief Executive Officer and members of the board. The partnership between BHA and the Birriliburu native title holders continues to grow and to provide mutually beneficial outcomes for both parties.

The partnership with BHA has enabled the Birriliburu IPA program to deliver:

- More job opportunities through increased investment in 'ranger wages';
- Increased funding to support the management of country;
- Increased scope and sophistication of land management work, including the development of a Science and Monitoring Plan, and a scientific focus to conservation based activities;
- Increased promotion and advocacy through the development of national media, high quality video and photography products, and increased reach with social media campaigns; and
- Professional and personal development of Birriliburu rangers, particularly women, through the development of a joint 'two-way science' position and the appointment of ecologist Dr Vanessa Westcott to the role.

The depth and commitment of the partnership has grown not only within Birriliburu but has also enabled partnering and investment opportunities to be explored in the Matuwa and Kurrara Kurrara IPA as well.

BIRRILIBURU
INVESTMENT BY STAKEHOLDER GROUP



TRENDS INFLUENCING PRINCIPAL FUNCTIONS AND SERVICES

The Federal Court of Australia's directed case management continues to expedite native title matters in the region. This approach by the Court creates a consistent and heavy workload for native title staff.

The State of WA is maintaining its high threshold for consenting to native title determinations. A number of issues have been referred to litigation through the intervention of the Commonwealth and or the State. This trend is putting further pressure on staff workloads and putting pressure on the Commonwealth's contested litigation funding capacity.

The announcement by the Commonwealth Minister for Indigenous Affairs of the allocation of \$20.4m over four years for PBC capacity building and that PBC support is a priority, to date has not resulted in additional funding being delivered to PBCs in the region. Economic opportunities are at a premium in the desert region and when funding to create positive outcomes is insufficient, it is a constant balancing act to meet the PBCs objectives to become independent sustainable organisations.

The combination of these factors means that our organisation, which is already functioning beyond its sustainable capacity, will need to prioritise very carefully in the coming year.

EXTERNAL SCRUTINY

The Minister has made no directions or determinations during the reporting period in relation to Central Desert. There have been no judicial or Administrative Tribunal decisions in relation to Central Desert during the reporting period, other than legal decisions that affect native title matters generally. There have been no other reports on Central Desert operations by any of the above bodies during the reporting period.

During the reporting period Central Desert received nil external review requests under 203FBA of the NTA.



Traditional patch burning in Ngururrpa country.
Photo: Ian Rawlings

CORPORATE SERVICES

STRATEGIES

Central Desert's success is supported by its Corporate Services strategies.

Corporate Services strategies focus on four key areas:

- sound governance;
- recruiting and retaining high-quality staff;
- building robust, effective systems; and
- diversifying our resource base.

Sound Governance

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

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

High Quality Staff

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

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

Due to the tight economic environment and ongoing funding restraints we faced this financial year, we have again had to make some difficult decisions around staffing. Two positions were made redundant due to a slow down in the resources sector and a tightening of Commonwealth funding. It is not anticipated that we will need to make any more decisions of this sort in the coming year.

Effective Systems

Central Desert focuses on delivering outcomes related to native title and land. To deliver our services to a consistent standard in some of the remotest parts of the country we have to:

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

Our Corporate Services, Finance, and Logistics teams perform this behind-the-scenes work with enthusiasm, skill and dedication.

Key activity indicators and previous year comparison for Central Desert are provided in the table below:

	\$8,945,045 2016	2015
Turnover		\$9,689,614
Number of trips	160	190
Number of return flight bookings	436	514
Number of person days travelling	2,805	3,922
Number of vehicle operating days	960	1,398

Particular initiatives this year include:

- successful expansion of Corporate Services team due to the organisational restructure, to include staff from logistics, GIS and operational filing;
- installation of fibre optic internet at our Perth Office to allow transfer to a cloud base system for IT services;
- enhancement of our in-house database system to unify information gathering and retention, and automate many of the basic functions of our logistics and reporting systems. This included the development of a Human Resources and Project Planning database;
- streamlined travel planning and booking processes with the aim to significantly reduce costs associated with air fares;
- installed Telstra Navman Wireless and SecureTrak devices to fleet vehicles, providing sophisticated GPS tracking and geofencing capabilities to increase safety of our staff and vehicles whilst travelling remotely;

- ongoing development of a Cultural Geography database, which now captures over 5200 people, 2600 places and 1100 documents;
- further development of automated electronic filing systems;
- successfully obtained a Charitable Collections Licence;
- quarterly meetings of our safety committee;
- an increase in safety awareness of staff and incident reporting rates;
- renewed the lease for our East Perth premises for a further seven years, and commenced refurbishment of the premises.

Adequate Resources

In order to support and add to its current range of activities, Central Desert is continually investigating ways to diversify and expand its funding and income opportunities. However, the changing economic landscape has seen a net decline in all revenue of nearly \$750,000 in 2015-16 compared to the previous year. Revenue from all sources this year was \$8,945 045.

Central Desert received core funding through a one year grant funding agreement for 2015 - 2016 to provide the services described in the operational plan. This was a reduction on the previous year. Core funding for the reporting year and anticipated core funding in forward years has also reduced as the Department of Prime Minister and Cabinet changes its funding processes to an outcomes-based model as part of the Indigenous Advancement Strategy:

2015-16	\$4,084,210
2016-17	\$3,990,400
2017-18	\$3,990,400

Central Desert applied for and received additional amounts from the Department of Prime Minister and Cabinet's PBC Support Fund to enable PBCs in the region that applied to us, to meet corporate compliance requirements.

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

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

It was another successful year working with key partners in our Land and Community program, namely Bush Heritage Australia, Rangelands NRM, the WA Department of Parks and Wildlife and Northern Star Resources. Our clients have benefitted from their assistance in developing land management projects in the Wiluna and Birriliburu areas. A number of key resource companies working in the Central Desert region, in particular Gold Road, have made contributions to project development, and negotiations with traditional owners groups.

Other Grant funding received during the year included amounts from:

- The Commonwealth Department of Environment for Indigenous Protected Area projects (IPA);
- Rangelands NRM for several land management projects focussing on protecting biodiversity and threatened species; and
- The Western Australian Government's State NRM Program through the Department of Agriculture and Food supporting collaborations in land management.

The ratio of Native Title funding compared to all other sources for 2015-16 was 52% to 48% compared to 61% to 39% in 2014-15. There was an overall decline in funding due to decreased economic activity in the mining area with a corresponding fall in heritage protection activities, and a reduction in funding for contested litigation.

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



The court sits on Lake Miranda sand dune during the Tjiwarl on country hearings.
Photo: Marian Hennessy

HUMAN RESOURCES

Our Staff

Central Desert Group owes its continued success to the outstanding efforts of our staff. We value each of them highly and thank them for their dedication to helping achieve successful, sustainable native title outcomes for the people of the Central Desert.

In 2015 Desert Support Services established its core staff, with five employees transferring from Central Desert to the new entity.

We thank all of the people listed below who were employed by the Central Desert Group during the 2015-2016 year (not including labour hire contractors).

2015-2016	
Alissa Strain	Maia Williams
Anita Field	Malcolm O'Dell
Barry Hooper	Marian Hennessy
Christina Araujo	Michael Allbrook
Claire Greer	Michael Ierace
Darren Farmer	Mladen Mrvelj
Des Godber	Monique Jekel
Emlyn Collins	Mo Pawero
Emma Thompson	Nicholas Brisbout
Felicity Noonan	Pandy Lee
Gavin Dunn	Phil Ramsay
Gemma Wheeler-Carver	Rachel Melville
Giacomo Boranga	Ric West
Glenda Allen	Rob Thomas
Grant Sutherland	Rose Lukman
Hamish Morgan	Sam Hall
Heather Lynes	Sarah Hobson
Ian Rawlings	Sasa Oentarijo
Isobel Milnes	Sean Calderwood
Janamat Sharma	Shanti Fatchen
Jo Lanagan	Stacey Little
Kara Baldwin	Stephen Bai
Karine Flematti	Susan Ware
Kate Crossing	Sue Yoong
Katrina Shaw	Tessa Herrmann
Kim Baldwin	Thomas Griffiths
Lindsey Langford	Trinity Handley

Staffing Levels and Retention Rates for the Year

At 30 June 2016 Central Desert Native Title Services comprised a core staff of 41 staff. This included 31 full-time employees, 5 part-time and 4 casual staff members. One person was on maternity leave during the period.

A turnover of 8 staff during the reporting period represents a retention rate of 84%, compared with 87% in 2015.

Desert Support Services comprised of 5 employees; 3 fulltime and 2 part time. DSS had a retention rate of 100%.

Staff remuneration is based on individual common law agreements negotiated with regard to operational requirements, the prevailing recruitment environment, and available resources.

Staff and management have commenced the process of entering an enterprise bargaining agreement to ensure optimum employment conditions within our funding guidelines.

Professional Development

All staff are supported and encouraged to participate in regular professional development workshops and courses. These are sourced from a wide range of training providers to consolidate and increase relevant skills and knowledge.

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

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

Occupational Safety and Health Performance

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

Central Desert encourages its staff to report any incidents and/or identified hazards. Since the introduction of a server-based reporting system in 2014, the number of incidents reported has shown an increase on previous years. Analysis of the data and investigation of the incidents shows that the increase in the number of incidents is due to improved reporting rather than a reflection of poor safety performance. Central Desert's incidents are divided into four categories: Accidents, Injuries, Hazards Identified and Near Misses.

The following incidents were reported this financial year.

INCIDENT REPORTED	2016	2015
Accident	5	8
Injury	4	1
Hazard Identified	5	4
Near Miss	0	2
Total:	14	15

Lost time injuries for the 2015-16 year were 1.



Patrick Green with Mark Cowan of Bush Blitz.
Photo: Brian Hawkins

CONSULTANTS AND COMPETITIVE TENDERING AND CONTRACTING

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

Where services are expected to cost more than \$20,000 but not greater than \$80,000 we obtain three written competitive quotes from suitable suppliers or service providers. Where we expect the cost of an asset or service to exceed \$80,000 we either obtain public tenders or invite three suitable, qualified service providers to tender for the provision of the asset or service.

Exemptions to the above procedures apply to:

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

NATIVE TITLE CONSULTING AGREEMENTS

	2016	2015
Number of consultancies for goods or services	22	19
Value of consultancies for goods or services	\$529,766	\$1,350,974
Consultancies with Traditional Owners	\$ 3,072	\$ 23,279



The build in progress during Telstra's Pay It Forward program near Lake Mackay.
Photo: Lindsey Langford

OUTPUTS

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

	2016	2015	2014
FACILITATION AND ASSISTANCE			
The Claims Experience			
Number of claims at 1 July	15	14	18
Plus: Filed this year by NTSP	1	2	1
Less: Claims determined	4	1	4
Less: Claims dismissed	0	0	0
Less: Claims withdrawn	2	0	0
Less: Claims amalgamated/altered	0	0	2
Number of current active claims at 30 June	10	15	14
Claims in Development	4	4	4
Non-claimant Applications			
Compensation claims	1	1	1
The Agreements Experience			
Future Acts			
Notices received	217	318	435
Responses to Future Acts	217	318	435
Agreements			
Agreements concluded	10	73	63
Agreements in development	4	0	0
ILUAs			
ILUAs concluded and registered	0	0	0
ILUAs in development	0	0	0
COMPLAINTS AND DISPUTES			
Complaints			
Received	1	1	0
Resolved	1	1	0
Pending	0	0	0
Disputes relating to native title	0	0	1
Disputes relating to ILUAs, rights of access and other matters	0	0	0
Requests for s203B1 reviews of decisions not to assist			
Received	0	0	1
Completed	0	0	0

SUBSIDIARIES

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

DESERT SUPPORT SERVICES Pty Ltd

Formed: 6 January 2012

Objectives as stated in the Constitution

- 1.1. The objects of Desert Support Services Pty Ltd are to:
- (a) deliver services including administrative, financial, labour hire, training, and land management services to support Aboriginal people, Aboriginal Communities and Aboriginal Organisations (including PBCs) and projects on Aboriginal Land;

(b) promote and further the economic, social and cultural development of Aboriginal people in Australia;

(c) establish and maintain Amenities for the benefit of Aboriginal people; and

(d) relieve poverty, sickness, misfortune, suffering, distress and helplessness of socially and financially disadvantaged Aboriginal people in Australia through the provision of services to people and organisations, including those services set out in rule 4.1(a).
- 1.2. The Company must operate solely for the purpose of promoting and advancing its objects. However, the Company is not required to promote each specific object at the same time or in any particular order and may, in its absolute discretion, determine the level and amount of promotion, funding or any other support that should be applied to anyone or more specific objects at any given time.

	2016	2015
Financial Results	\$ 33,203	\$ -4,867
Casual Employees	251	239

ROCKHOLE FUNDS MANAGEMENT Pty Ltd

Formed: 26 July 2013

Objectives as stated in the Constitution

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

(a) Acting as trustee for trusts that receive, hold or manage benefits (including cash or non-cash benefits) within the meaning of the ITAA97, that relates to:

(i) native title (withing the meaning of the Native Title Act 1993); or

(ii) traditional indigenous rights of ownership, occupation, use of enjoyment of land; and

(b) Any other function or purpose that is consistent with or furthers the objects of the trusts which the Company acts as trustee.

	2016	2015
Financial Results	\$ 1,006	\$ 7,356
Funds Under Management	\$ 1,400,773	\$ 657,909
Trust Funds	8	8

SUMMARY FINANCIAL INFORMATION

	ACTUAL 2014-15	BUDGET 2015-16	ACTUAL 2015-16	VARIANCE 2015-16
Income				
Native Title Funding				
Unexpended grants			392,940	392,940
Capital				
Operational	6,294,810	4,679,210	4,679,210	
Other Income				
Other Income	119,580	36,000	32,126	(3,874)
Recoveries	23,585	30,000	15,586	(14,414)
Interest	19,798	36,180	18,566	(17,614)
	6,457,773	4,781,390	5,138,428	357,038
Expenditure				
Capital Acquisitions	-	-	-	-
Corporate	2,010,255	1,584,044	1,584,044	0
Activities	4,054,578	3,197,346	3,477,384	280,038
	6,064,833	4,781,390	5,061,428	280,038
Net Result	392,940	-	77,000	77,000

All amounts are net of GST

CENTRAL DESERT NATIVE TITLE SERVICES LTD
AND SUBSIDIARIES

THE CENTRAL DESERT GROUP
CONSOLIDATED DIRECTORS'
AND FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2016

Issued: 16 September 2016

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CORPORATE DIRECTORY

The Group	Central Desert Native Title Services Ltd Desert Support Services Pty Ltd Rockhole Funds Management Pty Ltd
Chairperson	Mr. Terence Grose
Company Secretaries	Mr. Ian Rawlings Mr. Ric West JP
CEO	Mr. Ian Rawlings
Registered Address	76 Wittenoom Street, EAST PERTH WA 6004
Telephone	08 9425 2000
Fax	08 9425 2001
Email address	reception@centraldesert.org.au
Group Auditor	Paul Gilbert CPA MacLeod Corporation Pty Ltd Registered Company Auditor No: 165334

Glossary

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

DIRECTORS' REPORT

The directors of Central Desert Native Title Services Ltd present this report on the Central Desert Group for the year ended 30 June 2016.

THE CENTRAL DESERT GROUP

The Central Desert Group comprises the following entities:

NAME	PRINCIPAL ACTIVITY	FORMED	% HELD
Central Desert Native Title Services Ltd	Native Title service provider, land and community management services, heritage surveys and future act management.	16 Apr 2007	N/A
Desert Support Services Pty Ltd	Labour hire, accounting, HR, and property management.	6 Jan 2012	100%
Rockhole Funds Management Pty Ltd	Management of Native Title Trusts for PBCs and Claimant groups.	26 Jul 2013	100%

DIRECTORS

Directors within the group are as follows:

NAME	CENTRAL DESERT		DSS	RFM
	BOARD	AUDIT COMMITTEE		
Mr. Terence (Terry) Grose	Chairperson	Member	Chairperson	-
Hon. Frederick (Fred) Chaney AO	Director	Member	Director	-
Dr. Fiona Skyring	Director	-	Director	-
Dr. Carolyn Tan	Director	-	-	-
Mr. Andrew (Andy) Gilmour	Director	Chairperson	Director	Chairperson
Mr. Ian Baird (appointed 23/9/2014)	-	-	-	Director
Mr. Allan James (appointed 1/10/2014)	-	-	-	Director

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

OFFICERS & COMPANY SECRETARIES

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

NAME	CENTRAL DESERT	DSS	RFM
Mr. Ian Rawlings	Chief Executive Officer, Company Secretary	CEO	CEO
Mrs Jo Lanagan	Executive Director Client Services and Operations (since 15 Feb 2016)	-	-
Mr. Richard (Ric) West JP	Chief Financial Officer, Company Secretary	CFO, Secretary	CFO, Secretary
Mr. Malcolm O'Dell	Principal Lawyer, Chief Operations Officer	-	-

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

REVIEW OF OPERATIONS

Operating Results

The Group's consolidated comprehensive surplus for the year was \$256,087 (2015: surplus 57,583).

Principal Activities

Central Desert

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

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

The company provides the following services to Traditional Owners and claimants:

- Supporting PBCs to manage land under Indigenous Protected Area (IPA) programs.
- Managing ranger programs in a number of determined and claim areas.
- Developing Land Management and Access plans.

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

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

Desert Support Services

DSS's principal activities during the financial year were:

- (a) Labour hire of casual employees, usually regionally-based Traditional Owners to Central Desert for future act and land management activities;
- (b) Accounting, bookkeeping and HR services for Prescribed Bodies Corporate (PBC) and community groups within the Central Desert region; and,
- (c) Property management of surplus office space at 76 Wittenoom Street East Perth on behalf of Central Desert.

The company is a non-profit organisation. The company is endorsed by Australian Charities & Non Profit Commission (ACNC) and the Australian Taxation Office (ATO) as a Public Benevolent Institution (PBI).

Rockhole Funds Management

RFM continued to serve as a Native Title Trust fund management service for Central Desert PBCs and for claim groups where Native Title has not been determined. Trusts held are below the commercial threshold for private trust fund services. The company deliberately operates on a low cost model and use the Public Trustee as its 'high' benchmark for costs. RFM has responsibility for all the native title trusts funds previously held by Central Desert. The company holds legal advice stating that the company does not need to be the holder of an Australian Financial Services Licence.

The company is a non-profit organisation. The company is endorsed by Australian Charities & Non Profit Commission (ACNC) and the Australian Taxation Office (ATO) as a charity.

Significant Changes in State of Affairs

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

After Balance Date Events

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

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

Likely Developments

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

MEETINGS OF DIRECTORS

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

DIRECTORS	DIRECTORS		AUDIT AND FINANCE COMMITTEE	
	ELIGIBLE TO ATTEND	NUMBER ATTENDED	ELIGIBLE TO ATTEND	NUMBER ATTENDED
Mr. Terence Grose	6	6	2	2
Hon. Fred Chaney AO	6	4	2	2
Dr. Fiona Skyring	6	5	0	0
Dr. Carolyn Tan	6	5	0	0
Mr. Andrew Gilmour	6	4	2	2

ENVIRONMENTAL PERFORMANCE

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

DISTRIBUTIONS TO MEMBERS DURING THE YEAR

No dividends or distributions were recommended, declared or paid by members of the Group during the year. The companies within the Group are all non-profit companies and their constitutions do not allow payments including dividends, bonuses or distributions of profit, directly or indirectly, to members, officers, servants, agents or employees other than as reasonable remuneration for services actually rendered.

INDEMNIFYING OFFICERS OR AUDITOR

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

PROCEEDINGS ON BEHALF OF THE COMPANY

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

AUDITOR'S INDEPENDENCE DECLARATION

The Group's auditor is Mr. Paul Gerrard Gilbert (ASIC Reg. 165334). Mr. Gilbert's independence declarations for the year ended 30 June 2016 have been received and Central Desert's can be found on page 48 of the financial statements.

Signed in accordance with a resolution of the board of directors:

Terence Grose

Director/Chairperson
16 September 2016

Andrew Gilmour

Director/Audit and Finance Committee Chairperson
16 September 201



MACLEOD
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14 The Outlook
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e. paul@macleodcpa.com.au
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2 August 2016

The Directors
Central Desert Native Title Services Ltd
76 Wittenoom Street
EAST PERTH WA 6004

Dear Directors,

AUDITOR'S INDEPENDENCE DECLARATION

UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

I declare that, to the best of my knowledge and belief, during the Year Ended 30 June 2016 there have been:

- 1. No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and,
- 2. No contraventions of the requirements of the Accounting Professional and Ethical Standards Board in relation to the audit.

Yours faithfully,



Paul Gilbert
Macleod Corporation Pty Ltd
Registered Company Auditor

LIABILITY LIMITED BY A SCHEME APPROVED UNDER PROFESSIONAL STANDARDS LEGISLATION

CERTIFIED PRACTISING ACCOUNTANTS

CONSOLIDATED FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016

DIRECTORS' DECLARATION

FOR THE YEAR ENDED 30 JUNE 2016

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

- The consolidated financial statements and notes, as set out in pages 52 to 69 are in accordance with the *Corporations Act 2001*, the Regulations and the company's constitution and:
 - Comply with Australian Accounting Standards – Reduced Disclosure Requirements; and,
 - Give a true and fair view of the financial position of the consolidated group as at 30 June 2016 and of its performance for its operations as a whole for the year then ended.
- In the directors' opinion that there are reasonable grounds to believe that the company, and the group, will be able to pay its debts as and when they fall due.



Terence Grose
Director/Chairperson

16 September 2016



Andrew Gilmour
Director/Audit and Finance Committee Chairperson

16 September 2016



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The Members

Central Desert Native Title Services Ltd

76 Wittenoom Street

East Perth WA 6004

INDEPENDENT AUDITOR'S REPORT

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying consolidated general purpose financial statements of Central Desert Native Title Services Ltd (the "company") which comprises the consolidated balance sheet as at 30 June 2016, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes, and the directors' declaration.

The Responsibility of Directors for the Financial Statements

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, the *Corporations Act 2001* and meets the needs of the members and funding bodies. The directors of the company are responsible for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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



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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001* and the Accounting Professional and Ethical Standards Board.

Auditor's Opinion

In our opinion the financial statements of the company are in accordance with the *Corporations Act 2001*, including:

1. Giving a true and fair view of the company's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
2. Complying with Australian Accounting Standards Reduced Disclosure Requirements and complying with the *Corporations Regulations 2001*.

Inherent Uncertainty Regarding Going Concern

Without qualification to the opinion expressed above, attention is drawn to the following matter. The financial statements are prepared on the basis of company being a going concern. This is dependent upon continued funding from government agencies.



Paul Gilbert

Macleod Corporation Pty Ltd
Registered Company Auditor

16 September 2016

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2016

	NOTE	2016 \$	2015 \$
Revenue and Other Gains			
Revenue from continuing operations	4	9,215,073	9,560,484
Other gains	4	12,133	12,109
		9,227,206	9,572,593
Expenses and Other losses			
Employee benefits expense		(4,953,477)	(4,942,586)
Services and supplies		(1,843,052)	(2,256,571)
Motor vehicle expenses		(248,820)	(271,825)
Occupancy costs		(702,040)	(646,916)
Travel expenses		(494,948)	(721,568)
Other expenses	5	(390,484)	(288,484)
Depreciation / amortisation		(302,159)	(380,734)
Interest expense		(1,896)	-
Other Losses		(34,243)	(6,326)
		(8,971,119)	(9,515,010)
Net Income before income tax		256,087	57,583
Income tax expense	3 (j)	-	-
Net Income after income tax		256,087	57,583
Other comprehensive income			
Items that will not be reclassified to profit or loss		-	-
Gains on revaluation of motor vehicle fleet		434,840	-
Total comprehensive income for the year		434,840	-
Total Comprehensive Income		690,927	57,583

The accompanying notes form part of these financial statements.

CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2016

	NOTE	2016 \$	2015 \$
Current Assets			
Cash and cash equivalents	7	3,488,328	2,196,594
Trade and other receivables	9	325,941	297,733
Other current assets	10	75,658	205,906
Total Current Assets		3,889,927	2,700,233
Non-Current Assets			
Property, plant & equipment	11	1,673,089	1,314,490
Total Non-Current Assets		1,673,089	1,314,490
Total Assets		5,563,016	4,014,723
Current Liabilities			
Trade and other payables	13	162,943	160,503
Current tax liabilities	14	72,177	113,861
Payroll liabilities	15	3,255	24,775
Provisions and accruals	16	881,748	617,410
Deferred income	17	801,347	773,193
Trust liabilities	18	1,408,062	660,412
Other current liabilities	19	15,051	135,129
Total Current Liabilities		3,344,583	2,485,283
Non-Current Liabilities			
Provisions and accruals	16	195,280	213,081
Financial Liabilities	19	15,867	-
Total Non-Current Liabilities		211,147	213,081
Total Liabilities		3,555,730	2,698,364
Net Assets		2,007,286	1,316,359
Equity			
Member's Funds		2,007,286	1,316,359

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2016

	NOTE	RETAINED EARNINGS \$	RESERVES \$	TOTAL \$
Balance at 30 June 2014		1,258,776	-	1,258,776
Operating result for the year		57,583	-	57,583
Other comprehensive income for the year		-	-	-
Movement in reserves		-	-	-
Balance at 30 June 2015		1,316,359	-	1,316,359
Operating result for the year		256,087	-	256,087
Other comprehensive income for the year		-	434,840	434,840
Movement in reserves		(158,400)	158,400	-
Balance at 30 June 2016	6	1,414,046	593,240	2,007,286

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2016

	NOTE	2016	2015
		\$	\$
Cash Flow from Operating Activities			
Receipts from government and customers		9,317,236	9,338,836
Payments to employees		(4,974,996)	(4,792,251)
Payments to suppliers		(2,893,774)	(4,190,365)
Interest received		33,898	30,181
Finance costs		-	-
Net cash from operating activities	8	1,482,364	386,401
Cash Flow from Investing Activities			
Proceeds from sale of property & equipment		6,170	744
Payment for property & equipment		(225,822)	(130,689)
Payments for investments in associates		-	-
Net cash used in investing activities		(219,652)	(129,945)
Cash Flow from Financing Activities			
Repayment of financing commitments		45,320	-
Increase in financing commitments		(16,298)	-
Net cash from financing activities		29,022	-
Net (decrease) increase in cash held		1,291,734	256,456
Cash at the end of the financial year	7	3,488,328	2,196,594
Cash at the beginning of the financial year	7	2,196,594	1,940,138
Net Increase / (Decrease) in cash held		1,291,734	256,456

The accompanying notes form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

1. THE PARENT COMPANY

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

(a) Registered Office

All companies in the group have the following registered and business address:

**76 Wittenoom Street
East Perth, WA, 6004**

(b) Not For Profit

The Company is a not-for-profit organisation. It is registered as a PBI with the ACNC and the ATO.

2. BASIS OF PREPARATION OF THE FINANCIAL REPORT

(a) Date of Issue

These consolidated financial statements of Central Desert Native Title Services Ltd and the Central Desert Group were authorised for issue by the directors on 16 September 2016. The Directors have the authority to amend the financial statements after that date.

(b) Basis of Accounting

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

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

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

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

The financial report covers the company and its subsidiaries as a consolidated Group.

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

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

(c) Going Concern

The accounts have been prepared on a going concern basis.

(d) Economic Dependence

The ability of the company to continue as a going concern is dependent upon continued support from various government funding bodies. At the date of this report the directors have no reason to believe that governments will not continue to fund the native title operations of the company.

The Commonwealth Department of Prime Minister and Cabinet ("DPMC") offered \$3,990,400 in core funding for each of the next two funding years, 16-17 and 17-18, on 5 August 2016.

3. SIGNIFICANT ACCOUNTING POLICIES

The following specific policies, which are consistent with the previous year unless otherwise stated, have been adopted by the company and other companies in the Central Desert Group in the preparation of this financial report:-

(a) Principles of consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of the parent entity (the parent) and all subsidiaries as at 30 June 2016 and the results of the parent and all subsidiaries

for the year then ended. Central Desert Native Title Services Ltd and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity. Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is established or transferred to the Group. They are de-consolidated from the date that control ceases. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

(b) Cash and cash equivalents

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

(c) Financial Instruments

Recognition and initial measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the company becomes a party to the contractual provisions of the instruments. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

De-recognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

Classification and subsequent measurement

Financial assets at fair value through profit and loss

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

Loans and receivables

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

Held-to-maturity investments

These investments have fixed maturities, and it is the company's intention to hold these investments to maturity. Any held-to-maturity investments held by the company are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial liabilities

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

Derivative instruments

The company does not deal with or hold derivative instruments.

Fair value

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

Impairment

At each reporting date, the company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the income statement.

(d) Inventories

The company does not hold inventories of goods for sale.

(e) Investments (financial assets)

Available-for-sale financial assets

All investments are classified as available-for-sale financial assets. Available-for-sale financial assets are reflected at fair value unless their fair value cannot be reliably measured. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Fair value

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

Recognition

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

(f) Property, plant and equipment

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

Freehold land and buildings

Freehold land and building are measured on the cost basis.

Plant and equipment

Plant and equipment are measured on the cost basis.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a diminishing-value basis over the asset's useful life to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

(g) Intangible assets

Software

Software developed specifically for the company is recorded at cost. Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of between one and two years. It is assessed annually for impairment. All other software is expensed as it is purchased.

(h) Employee benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits. These cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

(i) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(j) Borrowings

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

(k) Funds held on trust

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

(l) Revenue

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Grant revenue

Grant revenue is recognised in the income statement when it is controlled. When there are conditions attached to the grant revenue relating to the use of those grants for specific purposes it is recognised as a liability until such time as those conditions are met or the services provided.

Sale of services

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the reporting date and where the outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is presently recoverable.

Sale of goods

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

Interest

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

Donations and bequests

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

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

(m) Taxation**Public Benevolent Institution**

The Australian Charities and Not-for-Profits Commission has registered the company as a Public Benevolent Institution. The Australian Taxation office has endorsed the company as eligible for the following concessions:

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

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

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are presented in the cash flow statement on a net basis.

(n) Critical accounting estimates and judgments

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the entity's accounting policies. The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group. No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next accounting period.

4. REVENUE FROM CONTINUING OPERATIONS

	NOTE	2016	2015
		\$	\$
Revenue from continuing operations			
Net grant revenue	18	6,453,398	7,306,332
Revenue from the sale of services		2,536,286	2,062,491
Sales of goods		12,568	6,892
Reimbursements		65,490	107,037
Rent & Utilities		19,174	26,557
Donations		62,878	8,583
Sundry		31,381	12,411
Interest		33,898	30,181
		9,215,073	9,560,484
Other Gains			
Proceeds on sale of non-current assets		6,264	744
Other Gains		5,869	11,365
		12,133	12,109
Total		9,227,206	9,572,593

5. NET OPERATING RESULT

Net Operating Result before Income Tax is determined after the following significant Other Expenses:

PBC Program expenses	380,399	255,886
Repairs & maintenance	7,125	30,828
Charitable payments	1,014	1,770
Sundry	1,946	-
	390,484	288,484

6. MOVEMENT IN RESERVES

	ASSET REVALUATION	PROJECT	VEHICLE REPLACE'T	TOTAL
Reserves at beginning of year	-	-	-	-
Operating Result for the year	-	-	-	-
Items charged directly to equity	434,840	-	-	434,840
Movement in Reserves	-	108,900	49,500	158,400
Reserves at end of year	434,840	108,900	49,500	593,240

Note: Share capital reserves are eliminated on consolidation.

7. CASH AND CASH EQUIVALENTS

	2016	2015
	\$	\$
Cash at Bank		
Central Desert	1,873,208	1,377,293
DSS	210,748	158,851
RFM	3,299	2,241
	2,087,255	1,538,385
Trust Accounts		
Held by Central Desert	-	-
Held by RFM	1,400,773	657,909
	1,400,773	657,909
Cash on Hand		
Petty cash	300	300
Gift vouchers	-	-
	3,488,328	2,196,594

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

Restrictions: Cash at bank for Central Desert includes the following restricted amounts:

- \$561,347 representing the balance of unexpended grants – see note 17b
- \$240,000 in unexpended commitments included – see note 17c

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

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

- \$1,400,773 is held on Trust for 3rd parties – see note 18.

8. CASH FLOW INFORMATION

Reconciliation of cash flows from operating activities

	2016	2015
	\$	\$
Surplus/(loss) after income tax	256,087	57,583
Non cash flows included in surplus/(loss)		
Depreciation and amortisation	302,158	380,734
Sale of assets	(6,264)	(744)
Lease/Hire Purchase Charge Reclassified as Financing	1,895	-
Changes in assets and liabilities		
(Increase)/decrease in receivables	(28,208)	110,578
(Increase)/decrease in other current assets	130,247	(179,758)
Increase/(decrease) in payables	2,439	(150,846)
Increase/(decrease) in current tax liabilities	(41,684)	(175,977)
Increase/(decrease) in deferred income	(211,846)	(262,453)
Increase/(decrease) in provisions and accruals	502,402	216,014
Increase/(decrease) in Trust liabilities	747,650	242,925
Increase/(decrease) in other liabilities	(172,512)	148,345
Cash flows from operating activities	1,482,364	386,401

9. TRADE AND OTHER RECEIVABLES

Trade receivables	343,691	264,351
Other receivables	2,608	42,789
Less: Provision for doubtful debts	(20,358)	(9,407)
	325,941	297,733

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

(a) *Aging of amounts receivable, past due (over 30 days) but not impaired*

31-60	59,168	51,947
61-90	17,468	-
90+	6,224	25,780
	82,860	77,727

10. OTHER CURRENT ASSETS

Prepayments	37,889	83,828
Bonds	1,980	1,980
Accrued Income	35,789	120,098
	75,658	205,906

11. PROPERTY PLANT & EQUIPMENT

	2016	2015
	\$	\$
Freehold land and buildings		
Freehold land	23,500	23,500
Buildings at cost	923,210	923,210
Less: accumulated depreciation	(54,379)	(25,357)
	892,331	921,353
Leasehold improvements		
Leasehold improvements at cost	530,654	530,654
Less: accumulated depreciation	(491,543)	(385,839)
	39,111	144,815
Motor vehicles		
Motor vehicles at cost	1,227,668	1,316,181
Less: accumulated depreciation	(703,892)	(1,096,398)
	523,776	219,783
Office equipment & furniture		
Office equipment & furniture at cost	322,608	288,951
Less: accumulated depreciation	(283,645)	(265,486)
	38,963	23,465
Plant & equipment		
Plant & equipment at cost	72,316	62,967
Less: accumulated depreciation	(67,900)	(60,969)
	4,416	1,998
Artwork		
Artwork	3,076	3,076
Less: accumulated depreciation	-	-
	3,076	3,076
	1,501,673	1,314,490
Work In Progress		
Work In Progress - Office Fitout	171,416	-
	171,416	-
	1,673,089	1,314,490

(a) Movements in carrying amounts

	F/HOLD LAND & BUILDINGS	L/HOLD IMP	MOTOR VEHICLES	OE & FURN	PLANT & EQUIPMENT	ARTWORKS	TOTAL
	\$	\$	\$	\$	\$	\$	\$
2015							
Opening balance	822,212	326,700	351,849	54,865	5,833	3,076	1,564,535
Additions							
by purchase	50,051	-	80,638	-	-	-	130,689
Depreciation expense	(21,851)	(110,944)	(212,704)	(31,400)	(3,835)	-	(380,734)
Disposals	70,941	(70,941)	-	-	-	-	-
	921,353	144,815	219,783	23,465	1,998	3,076	1,314,490
2016							
Additions							
by purchase	-	-	15,000	33,656	5,750	-	54,406
Depreciation expense	(29,022)	(105,704)	392,504	(18,158)	(6,932)	-	232,688
Disposals	-	-	(103,511)	-	3,600	-	(99,911)
Closing Balance	892,331	39,111	523,776	38,963	4,416	3,076	1,501,673

Freehold Land and Buildings: The land management facility and native title office located in Wiluna Western Australia were valued in January 2015. The market value at that date were determined to be:

Lot 1489 Woodley Street - \$30,000

Lot 501 Wotton Street - \$435,000

The company continues to hold these freehold properties at cost, rather than market value, because market value is not considered reliable due to the lack of market sales activity in Wiluna WA and the fact that the value-in-use to the company more closely matches cost.

12. INVESTMENTS IN ASSOCIATES

	2016	2015
	\$	\$
Investments carried at cost		
Desert Support Services Pty Ltd	100	100
Rockhole Funds Management Pty Ltd	100	100
	200	200

Note: Shareholding in subsidiaries is eliminated on consolidation.

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

(a) Ownership Interests

NAME	PRINCIPAL ACTIVITY	PLACE OF INCORPORATION	PROPORTION OF OWNERSHIP HELD BY GROUP	
			2016	2015
Desert Support Services P/L	Labour Hire, Accounting, Property Management	Australia	100%	100%
Rockhole Funds Management P/L	Native Title Trust Management	Australia	100%	100%

Both companies are formed as not-for-profit private companies and therefore Central Desert is not entitled to dividends or other distributions from either subsidiary. Investments in associates are carried at cost rather than using the equity method as the parent has not right to the equity of the subsidiaries.

(b) Financial Results

NAME	2016		2015	
	SURPLUS/ (LOSS)	NET ASSETS	SURPLUS/ (LOSS)	NET ASSETS
Desert Support Services Pty Ltd	33,203	106,403	(4,866)	73,200
Rockhole Funds Management Pty Ltd	1,006	8,657	7,356	7,651

13. TRADE AND OTHER PAYABLES

	2016	2015
	\$	\$
Trade payables	107,794	71,552
Other payables	6,204	10,017
Credit card		
Mastercard	36,428	48,591
American Express	12,517	30,343
	162,943	160,503

Credit Card Facilities. The company has a \$100,000 credit card facility with Westpac Banking Corporation of which \$63,130 remained unused at balance date. The company has a \$70,000 credit card facility with American Express of which \$57,483 remained unused at balance date. MasterCard and American Express purchasing card balances are cleared on or about the 27th of each month.

14. CURRENT TAX LIABILITIES

GST payable	120,934	121,734
GST receivable	(107,751)	(85,350)
PAYG Withholding payable	58,994	77,477
	72,177	113,861

15. PAYROLL LIABILITIES

	2016	2015
	\$	\$
Superannuation payable	-	19,354
Wages deductions payable	3,255	5,421
	3,255	24,775

16. PROVISIONS AND ACCRUALS

(a) Current

Provisions		
Audit fees	14,450	9,985
Accruals		
Employee entitlements		
Wages	265,122	33,883
Annual leave	307,080	320,179
Long service leave	182,513	174,824
Program expenses	112,583	78,539
	881,748	617,410

(b) Non-current

Accrued Employee Entitlements		
Long Service Leave	195,280	213,081
	195,280	213,081

Accrued Entitlements: Some employees continue to have entitlements accrued from their service with a predecessor entity. These entitlements were recognised by the company under "transmission of business" provisions when the personnel transferred to the company.

17. DEFERRED INCOME

Grants-in-advance	-	361,000
Unexpended grants	561,347	412,193
Unexpended Commitments	240,000	-
	801,347	773,193

(a) Grants in advance

Matuwa Kurrara Kurrara IPA Declaration	-	15,000
Native Title representation and services	-	346,000
	-	361,000

(b) Unexpended grants

	2016	2015
	\$	\$
Native Title - contested litigation	77,000	350,440
Native Title - PBC support	-	42,500
Department of the Environment	348,564	-
Rangelands NRM	135,783	-
WA DAF	-	19,253
	561,347	412,193

Net Grant Revenue: Net grant revenue is represented by new grants plus Unexpended Grants b/fwd less unexpended grants c/fwd. 2016: \$6,453,398 (2015: \$7,306,332).

(c) Unexpended commitments

Native Title representation services PFA - 15/16	7	240,000	-
		240,000	-

18. TRUST LIABILITIES

Funds held by DSS	7,289	2,503
Funds held by RFM	1,400,773	657,909
	1,408,062	660,412

19. OTHER LIABILITIES

Unearned Income		
Customer deposits	-	135,129
	-	135,129
Bank Loan	16,298	-
Less: Unexpired Interest	(1,247)	-
	15,051	135,129

Non-current

Bank Loan	16,298	-
Less: Unexpired Interest	(431)	-
	15,867	-

Unearned Income: Funds are held under agreements with mining companies to deliver particular services or as deposits for services to be delivered in future accounting periods.

20. KEY MANAGEMENT PERSONNEL

The company's Key Management Personnel comprise the directors identified in the directors' report and the following management staff:

POSITION	2016	2015
Chief Executive Officer	Ian Rawlings	Ian Rawlings
Manager - Statutory Functions	Jo Lanagan	Jo Lanagan
Principal Lawyer	Malcolm O'Dell	Malcolm O'Dell
Chief Financial Officer	Ric West	Ric West
Manager - Land & Community	Rob Thomas	Rob Thomas

(a) Remuneration of Key Management Personnel

	DIRECTORS		MANAGEMENT STAFF	
	2016	2015	2016	2015
	\$	\$	\$	\$
Short Term Benefits				
Salaries & allowances	-	-	807,990	803,521
Directors fees	-	-	-	-
Travel allowances	-	-	-	-
Post Employment Benefits				
Superannuation	-	-	75,633	75,222
Total	-	-	883,623	878,743

21. RELATED PARTY TRANSACTIONS

The company has paid for services provided by related parties in the Central Desert Group as follows:

	LABOUR HIRE	FINANCE AND ADMIN	PROPERTY MANAGEMENT	TOTAL
Desert Support Services Pty Ltd	780,355	64,261	959	845,575
Rockhole Funds Management Pty Ltd	-	5,000	-	5,000
	780,355	69,261	959	850,575

The company provides services to and has received payments from related parties in the Central Desert Group as follows:

	MANAGEMENT SERVICES	ADMIN & LOGISTICS	TOTAL
Desert Support Services Pty Ltd	-	104,574	104,574
Rockhole Funds Management Pty Ltd	-	500	500
	-	105,074	105,074

22. CAPITAL AND LEASING COMMITMENTS

Capital Expenditure Commitments

Capital expenditure commitments at balance date are:

	2016	2015
	\$	\$
Leasehold improvements: 76 Wittenoom Street	171,416	-

Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements relate to office properties in Perth and Kalgoorlie, Western Australia, and leases for office equipment. Rental lease arrangements include market review clauses.

OPERATING LEASE	EXPIRING	PAYMENTS DUE		
		WITHIN 1 YEAR	1-5 YEARS	OVER 5 YEARS
76 Wittenoom Street East Perth ¹	31/03/23	228,921	1,251,836	273,344
225 Piccadilly St Kalgoorlie	30/06/17	20,800	-	-
Canon photocopiers	13/06/19	8,072	18,162	
		257,793	1,269,998	273,344

Right to early termination: The lease has a provision to terminate the lease earlier (in 2019 and 2022) if Central Desert core funding for Native Title Representative Services is withdrawn by the Commonwealth.

Lease Options: The property at 76 Wittenoom Street has two (2) three-year options expiring in 31/3/2029.

23. CONTINGENT ASSETS AND LIABILITIES

Contingent Assets:

Nil.

Contingent Liabilities:

Nil.

24. MEMBERS' GUARANTEE

Central Desert is incorporated as a company limited by guarantee under the *Corporations Act 2001*.

If the company is wound up the company's constitution requires each member to contribute a maximum of \$1 each towards the property of the company for payment of the debts and liabilities of the company. At 30 June 2016 the number of members was five (5).

25. EVENTS AFTER THE BALANCE DATE

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

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Purple flowering plant, Kiwirrkurra country.
Photo: Brian Hawkins, Bush Blitz.

ACKNOWLEDGEMENTS

We gratefully acknowledge the people and communities with whom we work.

We also acknowledge our funding providers and partners:

- The Department of Prime Minister and Cabinet
- Department of Environment
- Rangelands NRM
- The Western Australian Government's NRM Program through the Department of Agriculture and Food
- Bush Heritage Australia
- Northern Star Resources

FOR MORE INFORMATION:

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



The Central Desert Group is Central Desert Native Title Services Ltd, Desert Support Services Pty Ltd and Rockhole Funds Management Pty Ltd. The Group delivers high quality services to native title holder and claimant groups in the Central Desert region of WA, including legal representation, natural resource management facilitation services, as well as financial and governance support. The organisation fosters and maintains strong cooperative relationships between traditional owners and government agencies, non-government organisations, exploration and mining companies and other stakeholders.



CENTRAL DESERT GROUP

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