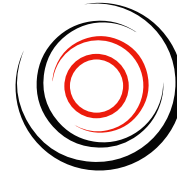


# Annual Report

2019/20



First Nations  
Legal & Research  
Services



## Acknowledgment

First Nations Legal and Research Services acknowledges the Traditional Custodians of the land on which they work and live, and recognise their continuing connection to land, water and community. We pay respect to Elders past, present and emerging.

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# Introduction

Our Objectives and Strategies

## OBJECTIVES

**1.**

RESOLVE OUTSTANDING  
NATIVE TITLE ISSUES AND  
TO CREATE NEW  
TRADITIONAL OWNER  
CORPORATIONS.

**2.**

BECOME THE SERVICE  
PROVIDER OF CHOICE  
FOR TRADITIONAL  
OWNER CORPORATION  
DEVELOPMENT.

**3.**

ANTICIPATE AND SERVICE  
OUR CLIENTS' LEGAL,  
RESEARCH, FINANCIAL AND  
GOVERNANCE NEEDS IN  
THE POST-SETTLEMENT  
ENVIRONMENT.

**4.**

RETURN RESEARCH  
MATERIALS AND  
EVIDENCE IN  
A CULTURALLY  
APPROPRIATE WAY.

**5.**

SEEK CONTINUOUS  
IMPROVEMENT TO  
AGREEMENT-MAKING  
PROCESSES INCLUDING  
THE TRADITIONAL OWNER  
SETTLEMENT ACT.

## STRATEGIES

Build relationships  
with future clients  
to resolve  
outstanding claims.

Maintain momentum  
in researching,  
preparing and  
negotiating claims.

Work closely with the  
Federation to inform  
service delivery needs  
and improvements.

Reduce Traditional  
Owner disputes by  
creating a model  
dispute management  
process.

Be active  
members of  
the National Native  
Title Council.

Work with each  
group to hand  
over research  
material.

## Chair's Report

I open my report by acknowledging country for all Traditional Owner groups across Victoria and all our elders past and present who have led the way over many years in our journey to reclaim our country, culture and rights.



There are two elders I want to acknowledge in particular, Aunty Diane Kerr and Uncle Graham Atkinson. Aunty Di is our outgoing chair. I want to thank her for her insightful and compassionate guidance to the board and organisation more broadly. Uncle Graham was our founding chairperson and has been on the board for 17 years. He led the way in the development of the landmark Traditional Owner Settlement framework that has opened up the opportunity for Victorian Traditional Owners to enter into comprehensive settlements with the State. His visionary leadership and sound counsel will be greatly missed.

I also want to thank Marcus Stewart who also finished his term on the board. Marcus has now joined the First Peoples' Assembly of Victoria as co-Chair. Our loss is Victoria's gain as he deftly guides Victoria's First Peoples through uncharted treaty waters, along with co-chair Aunty Geraldine Atkinson and the other Assembly members. Another outgoing director is the cool, calm and collected Jeremy Clark. I thank you both for your tremendous contribution to First Nations.

As we farewell Aunty Di, Uncle Graham, Marcus and Jeremy it is with great pleasure that I introduce Raylene Haradine, Stewart Taylor, Ron Briggs, Drew Berick and Jesse Williams, who were appointed to the board following a comprehensive recruitment process. The new directors bring an additional level of diversity to the board in terms of skills and experiences. In particular, I note the youthful perspectives Drew and Jesse are able to offer.

Like all good teams, you need stability and I am pleased that both Eileen Alberts and Paul Paton were reappointed. Their on-going leadership and sound governance expertise provide a strong foundation upon which the new board is building.

I cannot report on 2019-2020 without acknowledging the impact of the COVID-19 pandemic on our communities and on our business. Like everywhere globally it has been profound. We all know people who have lost jobs, lost contact with friends and family and in some circumstances lost loved ones to the virus. It was and remains a truly difficult and tragic time. First Nations transitioned to working remotely in response to the stay at home orders very quickly and smoothly. Thanks go to all staff for this happening – their flexibility, their good will and professionalism. In particular, I thank Tony for his leadership, not only in guiding the organisation through our pandemic response, but also throughout the whole year. His intuitive leadership, no more than ever before, ensured that staff felt supported and were able to remain focused on the important job of pursuing rights and interests for Victorian Traditional Owners.

In closing, I would like to thank the Victorian Traditional Owners who invite us to work with their communities. We acknowledge the trust you put in us and the frustrations and difficulties of the journey to recognition.

**Kenneth Stewart**  
November 2020

## CEO's Report

The 2019-2020 financial year opened with the listing of the Budj Bim cultural landscape on the UNESCO World Heritage Register. Budj Bim, on the lands of the Gunditjmara in southwest Victoria, is the first place in Australia to receive World Heritage recognition based solely on its cultural significance.



On behalf of everyone at First Nations, I extend my congratulations to the Gunditjmara who for many years have fought for this recognition of what is a truly remarkable landscape.

We extend our congratulations to all Victorian Traditional Owners who throughout the last year took further steps on their respective journeys of recognition and self-determination. In particular, I acknowledge the formation of the First Peoples' Assembly of Victoria. This is a remarkable and ground-breaking achievement and I wish the Assembly well in its important tasks of establishing the treaty negotiation framework, the treaty authority, the self-determination fund and the elders' council.

Under our Commonwealth funding First Nations plays a critical role in identifying who the Traditional Owners for a given area are and then working alongside those Traditional Owners in bringing applications to have their rights recognised under the Native Title and/or Traditional Owner Settlement Act. We also support recognised native title groups to manage their rights and interests and leverage them for further gains and development.

Recently First Nations entered into a partnership with the Federation of Victorian Traditional Owner Corporations and Aboriginal Victoria to deliver the Traditional Owner Nation Building Support Package. Under the package, First Nations has received funding from the Victorian Government to complement our native title work in areas without formal recognition. Working alongside the partners, First Nations will lend its support to Traditional Owner groups as they resolve membership and extent of country issues, develop internal governance arrangements, identify priorities and make applications for recognition under the Aboriginal Heritage, Native Title and/or Traditional Owner Settlement Acts.

2019-2020 has thrown up extraordinary challenges starting firstly with bushfires that ravaged many parts of Australia, including Victoria's east, followed closely with COVID-19, which continues to impact significantly on all aspects of Victorian life. Both these events hampered the ability of Traditional Owners to come together, conduct business and make decisions. Hence, progress on all our native title matters experienced delay. However, as the further COVID-19 restrictions deepened Traditional Owners increasingly resolved to conduct business in different ways, including by video-conferencing. This allowed First Nations to continue to engage with and take instructions from our Traditional Owner clients. Although not ideal, it meant some business could still be done.

On the 23 March we shut down the office and all staff were directed to work remotely as per the Victorian Government health directive. Owing in large part to the foresight of our Chief Financial Officer, Dilruk Taylor, who insisted we upgrade our IT capacity 12 months earlier, we transitioned smoothly to working remotely. The smooth transition was also a result of the flexibility of staff in taking up the challenge and the openness of Traditional Owners to new ways of engaging and working.

Throughout the 2020-2021 financial year First Nations will continue to respond and adapt to the demands of working in a 'covid-safe' manner and looks forward to being able to continue to advance the interests of Victorian Traditional Owners.

**Tony Kelly**  
November 2020



## About First Nations / Background

First Nations was registered on 12 August 2003 as a public company limited by guarantee under the Corporations Act 2001 (Cth) (Corporations Act) and this shapes our corporate governance and financial reporting practices. First Nations' organisational objectives and governance structure are set out in our constitution. As we are a charity registered with the Australian Charities and Not-for-Profit Commission (ACNC), a copy of our constitution is publicly available on the ACNC website.

### Objects and Functions

Our constitution directs us to work with Victorian Traditional Owners to reverse the socio-economic disadvantage they experience as a result of progressive dispossession of their traditional lands and waters by assisting them to: regain recognition of their rights and interests in land and waters arising from traditional law and custom; regain access to those land and waters; have a voice in relation to the future use of those land and waters and to obtain compensation for past dispossession and future use of those lands and waters.

Directed by our constitution and by agreement with the Commonwealth Government, First Nations performs the functions of a Native Title Service Provider as set out in the Native Title Act 1993 (Cth) (Native Title Act), including:

- s203BB facilitation and assistance functions, including but not limited to, the research and preparation of native title claims, representation in native title proceedings before the Federal Court and the National Native Title Tribunal, representation in future act and Indigenous Land Use Agreement negotiations with the State and third parties, and the establishment and good governance of native title corporations;
- s203BE certification function in relation to native title claims and Indigenous Land Use Agreements;
- s203BF dispute resolution function to promote stability and certainty between and within native title claimant groups and corporations;
- s203BG notification functions to ensure native title holders are advised of and can respond to activities proposed for their traditional lands and waters;
- s203BH agreement making functions, participating as a party to Indigenous Land Use Agreements where appropriate and in line with client interests;
- s203BI internal review functions to ensure native title claimants and holders can seek review of our decisions and actions as a Native Title Service Provider; and
- s203BJ other functions including consulting with Aboriginal Victorians and cooperating with other Native Title Representative Bodies and Service Providers to promote an effective, efficient and just native title sector.

### The Victorian Context

Although it does not confer formal functions or responsibilities directly on First Nations, the Traditional Owner Settlement Act 2010 (Vic) (Settlement Act) is an important feature of our operating environment unique to Victoria.

The Settlement Act is the result of collaborative policy development between the State Government and Victorian Traditional Owners and establishes an alternative way to resolve native title claims in Victoria. The Settlement Act provides for out-of-court settlements of native title and delivery of land justice by enabling the Victorian Government to make agreements that recognise Traditional Owners and their rights in Crown land in return for the settlement of current and future claims (including compensation claims) under the Native Title Act.

Under the Settlement Act, a settlement package can include:

- an Indigenous Land Use Agreement, which is required to ensure that the settlement is legally valid under the Native Title Act;
- a Recognition and Settlement Agreement, which recognises a Traditional Owner group as Traditional Owners for an area and recognises certain Traditional Owner rights over Crown land;
- a Land Agreement, which provides for grants of land in freehold title for cultural or economic purposes and grants of Aboriginal title over national parks and reserves to be jointly managed in partnership with the State;
- a Traditional Owner Land Management Agreement, which provides for the joint management of national parks and reserves;
- a Land Use Activity Agreement, which grants Traditional Owners procedural rights to comment on or negotiate and consent to certain activities on Crown land, including the payment of 'community benefits', or compensation, for some activities (the Land Use Activity Agreement replaces the future acts regime under the Native Title Act);

- a Funding Agreement to enable Traditional Owner corporations to manage their settlement obligations and to undertake economic development for financial self-sufficiency;
- a Natural Resource Agreement to recognise Traditional Owners' rights to take and use specified natural resources in the agreement area (including animals, plants and forest produce) and to participate in the State's management of land, waters and natural resources.

Settlement Act agreements and consent determinations under the Native Title Act are not mutually exclusive and subject to the wishes of the group and the evidence available, outcomes under both are possible.

With the passage of the Advancing the Treaty Process with Aboriginal Victorians Act 2018 (Vic) in 2018 it has become increasingly important for First Nations to consider the role the native title process plays in relation to Treaty. Treaty making with Traditional Owners is fundamental, therefore it is vital to ensure Traditional Owner groups are identified and recognised, and given the support and resources to negotiate with the State on an even footing, once the treaty framework is established. First Nations has been working with the Victorian Government to ensure our native title processes are aligned, where possible, with the treaty process.



## Strategy and Priorities

First Nations receives more requests for assistance from native title groups than it is able to meet at any given time and has a policy and planning framework in place to guide resource allocation.

The First Nations' Board set out its priorities for the provision of professional services to client groups in its Operational Plan 2019-20.

During the year the Operational Plan guided the direction of resources and assisted the Board and the Management Team to monitor progress. First Nations continues to implement our Guidelines for First Nations Assistance to Native Title Groups Policy in assessing requests for assistance from native title groups. Decisions made under these guidelines are reviewable. The guidelines assist First Nations to allocate the funds it receives to facilitate native title matters in Victoria in a manner which:

- advances the interests of Traditional Owners in accordance with First Nations' Operational Plan;
- enables First Nations to manage the provision of assistance to native title groups effectively;
- accords with the principles of procedural fairness;
- complies with our funding terms and conditions; and
- complies with the Native Title Act.

## Services

In line with our objects, functions and current strategic plan, our services to clients include:

- legal representation and research assistance for native title claimants and corporations;
- negotiation and agreement-making under the Native Title Act and the Settlement Act;
- dispute resolution services;
- professional services to support native title agreement-making and self-determination, including technical advice and planning support in natural resource management, country planning, cultural mapping, economic development, corporation development and governance; and
- secretariat services, including policy, governance and technical advice to the Registered Native Title Bodies





## Our Performance

### Financial Overview

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

NTRB FUNCTIONS (FUNDS UTILIZED UNDER NATIVE TITLE PROGRAM FUNDING AGREEMENTS)	(1) ACTUAL 2018-19 (\$'000)	(2) BUDGET 2019-20 (\$'000)	(3) ACTUAL 2019-2020 (\$'000)	VARIATION COLUMN (3) MINUS COLUMN (2)
Capital	155	90	30	60
Contested Litigation	265	-	-	-
Prescribed Body Corporate Funding	140	100	100	-
Activities	2,297	2,308	1,903	(405)
Corporate	1,970	1,604	1,568	(36)
<b>Total</b>	<b>4,818</b>	<b>4,102</b>	<b>3,601</b>	<b>(\$501)</b>
<b>INCOME</b>				
NIAA Funding	4,677	3,725	3,725	\$0
NIAA Funding carried forward	(23)	126	126	\$0
Activity Generated Income	290	251	383	\$132
<b>Total</b>	<b>4,944</b>	<b>4,102</b>	<b>4,234</b>	<b>\$132</b>
<b>Surplus/(Deficit)</b>	<b>126</b>	<b>-</b>	<b>633</b>	<b>633</b>

Note that the above table is prepared in accordance with the funding agreement which is prepared on a modified cash basis and is not in accordance with accounting standards.

The surplus of \$633K indicated in this table arises from underspent funds – mainly due to the restrictions due to COVID-19, which have been committed to be expended in the financial year 2020-21.

A summary of the operating expenditure for the 12 months to 30 June 2020, by activity is shown in the table below:

ACTIVITY NAME	\$'000
Eastern Maar	312
First Peoples of the Millewa-Mallee	257
Wamba Barapa	139
Mid-North West	99
Far East Gippsland	106
Barengi Gadjin Land Council	120
Taungurung	165
Wurundjeri	147
Bunurong	152
Wadawurrung	46
Gunditjmara	71
North East	18
Wilson's Promontory	37
GLaWAC	91
Return of Materials	96
Digitisation	45
PBC Funding - BGLC	50
PBC Funding - GLaWAC	50
<b>Total</b>	<b>2,003</b>

### Consultants

The following table is a summary of the number and expenditure on consultancies. In this context 'legal consultancies' include the briefing of Counsel.

CONSULTANCY	NUMBER	\$'000
Legal	8	146
Research	7	86
Corporate	4	126
Travel		15
<b>Total</b>	<b>19</b>	<b>373</b>

## Our Clients



### Barengi Gadjin Land Council Aboriginal Corporation (BGLC)

The Wotjobaluk, Jaadwa, Jadawadjali, Wergaia and Jupagalk Peoples (WJJWJ Peoples) were the first Traditional Owner group in Victoria to have their native title rights and interests recognised in 2005. However, following a review of the 2005 agreement reached between the WJJWJ Peoples and the State, in September 2017 the WJJWJ Peoples commenced negotiations with the State for a Settlement Act outcome. The WJJWJ Peoples' negotiating team received a formal settlement offer from the State in November 2019. During 2020 First Nations has worked with BGLC and the WJJWJ Peoples' negotiating team to further negotiate terms of the proposed settlement. It is hoped that the negotiating team will be able to return to the WJJWJ full group later in 2020 with a full in-principle settlement agreement for their consideration.



### Bunurong/Boon Wurrung

In the context of the Gunaikurnai native title claim over Wilsons Promontory and surrounds, further Bunurong / Boon Wurrung research was undertaken for the purposes of conferences of experts ordered by the Federal Court. Further research continued during this financial year.

An application for a determination of native title was lodged by Carolyn Briggs and Sylvia Muir over an area including much of Melbourne, Port Phillip Bay and Wilsons Promontory in 2020. First Nations has not provided support to this claim as it is of the opinion that until further research is conducted it cannot be satisfied that it is representative of all Traditional Owners and has reasonable prospects of success.



### Dja Dja Wurrung Clans Aboriginal Corporation (DDWCAC)

The Dja Dja Wurrung were the second group to achieve a comprehensive settlement with the State of Victoria under the Settlement Act, signing a Recognition and Settlement agreement in 2013. Following a Five Year Outcomes Review of the Dja Dja Wurrung Recognition and Settlement agreement the Dja Dja Wurrung has commenced re-negotiations of their settlement package.

First Nations continues to assist DDWCAC by providing legal advice and support in relation to land use activities, the negotiation of agreements and community benefits, compliance and reporting and for other commercial matters as they arise.



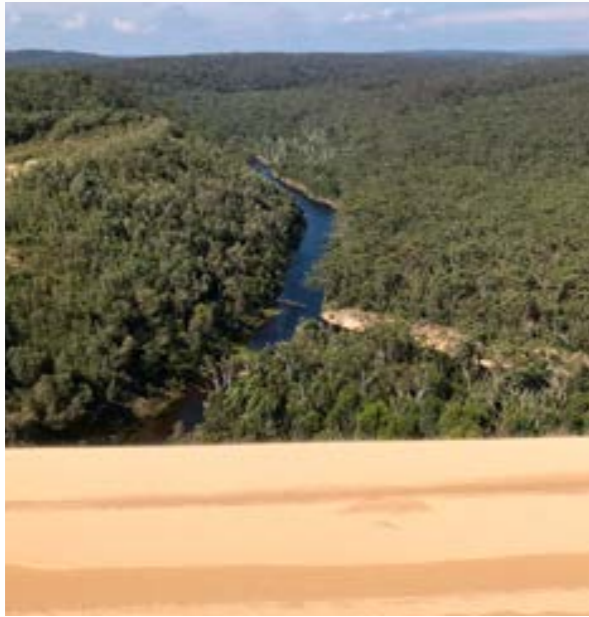
### Eastern Maar Aboriginal Corporation

The Eastern Maar people continue to negotiate with the State under the Settlement Act and the Native Title Act for settlement of their traditional owner and native title claims to complement their joint native title determination with the Gunditjmarra. The group is progressing negotiations towards a consent determination, including through a series of mediations with Indigenous Respondents, and it is hoped these negotiations will be substantially resolved within the next six to twelve months. The Eastern Maar have already commenced planning work with respect to negotiations under the Settlement Act and are confident of achieving a comprehensive and sustainable settlement outcome in addition to a consent determination through a staged settlement approach.

The Eastern Maar Aboriginal Corporation (EMAC), as the registered native title body corporate representing the interests of the Eastern Maar, has been expanding its staffing profile to provide support during and after negotiations, and will continue to be assisted by First Nations as it builds capacity. EMAC's area of statutory recognition as a registered Aboriginal party pursuant to the Aboriginal Heritage Act 2006 (Vic) was extended on the 6 February 2020 to include areas claimed both under the Native Title Act 1993 (Cth) and the Traditional Owner Settlement Act 2010 (Vic).



## Our Clients (continued)



### Far East Gippsland

First Nations continues research and engagement with Traditional Owners of the region that lies approximately between the Snowy River and the NSW/Victorian border bounded by the Tasman Sea. Far East Gippsland is one of the remaining parts of Victoria which does not have a claim underway, so this work has involved collecting information from Traditional Owners directly and investigation of the historical record. Community engagement has unfortunately been delayed due to the impacts of the 2019/2020 bushfires and, later, by COVID-19 restrictions. However, First Nations has continued to engage by email and telephone, where appropriate, with Traditional Owners to work towards ascertaining the community's aspirations and preparing for a claim and/or settlement, subject to the group's instructions.

First Nations also continues to provide assistance and support in relation to future act matters.



### First Peoples of the Millewa-Mallee (FPMM)

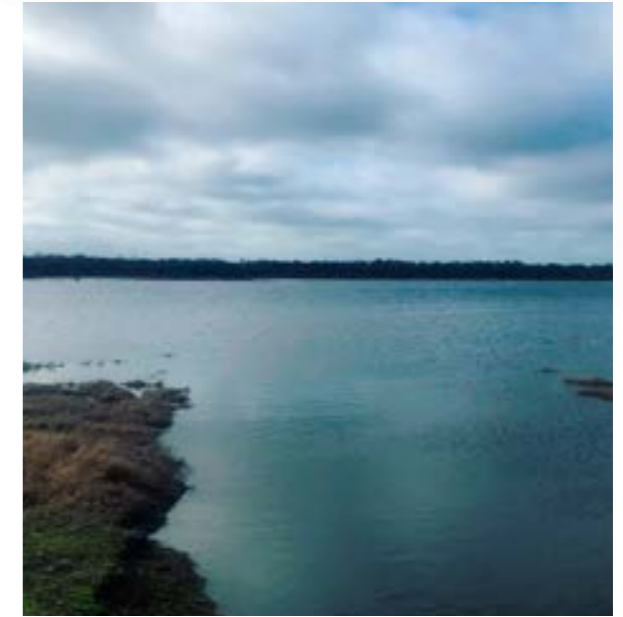
FPMM currently have a registered native title claim in the Federal Court and are seeking a settlement with the State under the Settlement Act. In 2019-20, the FPMM claim was notified and work was focussed on provision of connection material to the State and progressing other matters through case management and mediation. It is hoped that the matters referred to mediation will be resolved within the next six months and that settlement negotiations with the State will commence in 2020-21.

In December 2018, First People of the Millewa Mallee Aboriginal Corporation (FPMMAC) was appointed as a Registered Aboriginal Party (RAP) by the Victorian Aboriginal Heritage Council. Since RAP appointment, FPMMAC has built recognition in its RAP area, establishing an office space and building a team of staff. First Nations provides legal advice and corporate secretariat support to FPMMAC, as well as in relation to future act matters.



### Gunaikurnai Land & Waters Aboriginal Corporation (GLaWAC)

The Gunaikurnai were the first Traditional Owner group to achieve a settlement with the State of Victoria under the Settlement Act, as well as successfully achieving native title recognition through a consent determination in 2010. GLaWAC continues to oversee and implement the terms of the settlement in addition to its roles and responsibilities under the Native Title Act, and continues to progress the Five Year Initial Outcomes Review of its Recognition and Settlement Agreement. First Nations has continued to assist the GLaWAC Board, the Native Title and Cultural Heritage Subcommittee and executive team by providing legal advice and support in relation to native title and future act negotiations.



### Gunditj Mirring Traditional Owners Aboriginal Corporation (GMTOAC)

GMTOAC continues to carry out the functions of a registered native title body corporate and registered Aboriginal party in south-west Victoria, with First Nations providing ongoing advice and assistance to the corporation and the Gunditjmara in native title and related matters.

GMTOAC continues working on ground-breaking land management projects and advancing the aspirations of Gunditjmara Traditional Owners. In 2019-20, this included registration of an Indigenous Land Use Agreement in relation to development works proposed by Glenelg Shire Council for the Portland Foreshore, and gaining listing of the the Budj Bim cultural landscape on the UNESCO World Heritage Register.

## Our Clients (continued)



### Mid North West Victoria

Despite significant set backs due to COVID-19, First Nations is continuing research and engagement with Traditional Owners of the area that is located approximately from Swan Hill to Mildura, and over which there is currently no claim. The priority in 2019-20 was community engagement and the holding of meetings to ascertain the community's aspirations, with future work including preparing for a native title claim and/or settlement (subject to the group's instructions), including the establishment of a Traditional Owner Corporation and lodgement of a Registered Aboriginal Party application. In addition to this, where instructed by the Traditional Owner group, First Nations has been undertaking a collaborative approach with Aboriginal Victoria's Strong Roots for Our Futures Program to progress the aspirations of the Traditional Owners in the area.

First Nations also continues to provide assistance and support in relation to future act matters.



### Taungurung Land & Waters Council

In October 2018, the Taungurung people and the State concluded negotiations under the Settlement Act and entered into a comprehensive settlement package. Registration of the Taungurung Indigenous Land Use Agreement (ILUA) and implementation of the settlement package was delayed due to litigation. However, the ILUA was registered in April 2020 and implementation has commenced. Taungurung Land & Waters Council continues to be assisted by First Nations with respect to ongoing land use activity, corporate governance and commercial matters. First Nations also continues to represent Taungurung Land & Waters Council in ongoing litigation processes with respect to the Taungurung ILUA and settlement package.

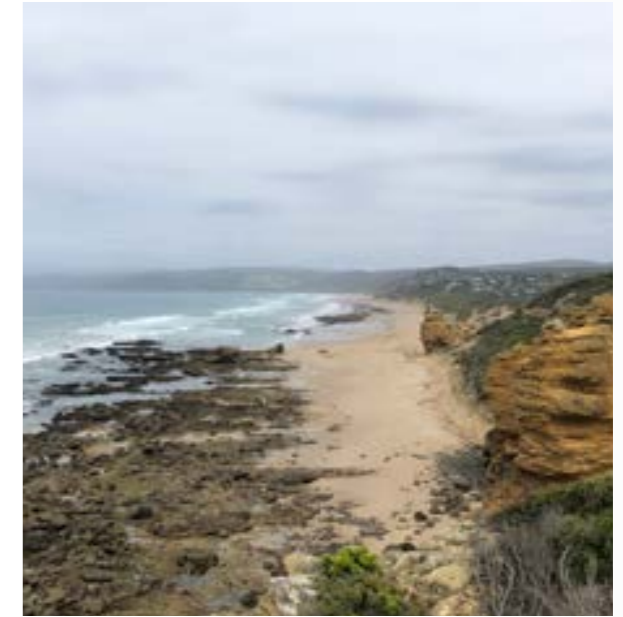


### Wemba Wemba and Barapa Barapa

Following a request for assistance in early 2017, First Nations has commenced engagement with the Barapa Barapa and Wamba Wemba Traditional Owner group to consider lodging native title and/or Settlement Act claims. Further research work has been undertaken throughout 2019-20, and First Nations continues to hold Wamba Wemba Barapa Barapa working group and Traditional Owner group meetings to further progress the native title/Settlement Act matter, including by supporting the group to develop appropriate governance structures in preparation for submitting an application to become a Registered Aboriginal Party.

In addition to this, where instructed by the Traditional Owner group, First Nations has been undertaking a collaborative approach with Aboriginal Victoria's Strong Roots for Our Futures Program to progress the aspirations of the broader Wamba Wemba Barapa Barapa Traditional Owner group.

First Nations also continues to provide assistance and support to the Traditional Owner group in relation to future act matters.

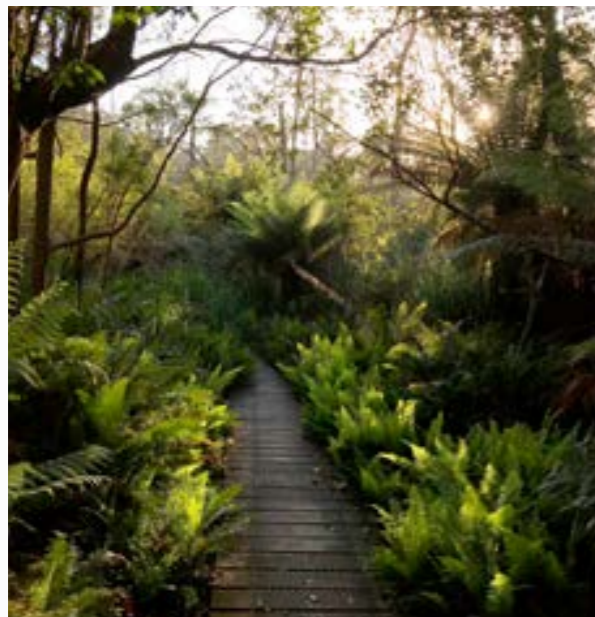


### Wadawurrung

First Nations has conducted significant research in this area with a view to supporting a native title and/or settlement claim, subject to instructions from the Traditional Owner group. The Wadawurrung Traditional Owners Aboriginal Corporation (WTOAC) has requested First Nations defer any attempt to progress a native title or settlement claim with the Wadawurrung until WTOAC has conducted its own research inquiries.



## Our Clients (continued)



### Wilson's Promontory

On 9 December 2014, the Gunaikurnai people lodged a native title determination application in the Federal Court over an area including the Wilsons Promontory National Park. Following a conference of experts in September 2018, the Federal Court ordered the Gunaikurnai and the indigenous respondents (representing Bunurong/Boon Wurrung) to undertake additional research and to participate in two further conferences of experts with the State. Upon the outcome of these conferences, a dispute resolution process with the other parties, the Applicant chose to discontinue the proceeding without adjudication on the merits and no order as to costs. This was granted by the Court on 10 September 2019.



### Wurundjeri/Woiwurrung

In late 2015, a Threshold Statement (Part A) was lodged with the State by the Wurundjeri/Woiwurrung Traditional Owner group over Melbourne and surrounds. Whilst First Nations has continued to work with the Wurundjeri/ Woiwurrung community to progress the acceptance of the Threshold Statement, substantive progress under the thresholds process has not occurred due to a number of research processes involving First Nations and other parties. One research process was concluded in 2019 and resolution of the outstanding research matter is expected in the next six months, which will then enable the group to consider next steps





# Our Governance

## Corporate Governance

First Nations' governance framework comprises the legislative framework governing the organisation, our constitution, Board of Directors, Board sub-committees, the CEO and the management team.

## The Management Team

The Chief Executive Officer leads First Nations through its day-to-day operations. During the reporting period he was assisted by the management team, who meet on a fortnightly basis, to plan, discuss and review operational performance. The management team is as follows:

- Tony Kelly, CEO;
- Dilruk Taylor, Chief Financial Officer
- Catherine Wilson, Principal Legal Officer
- Dr Michael O'Kane, Research Manager
- Ken Kennedy, Corporate Services Manager







### Tony Kelly, Chief Executive Officer

Tony has nearly four decades experience working with Traditional Owners across the country. He is passionately committed to ensuring Traditional Owners have their rights and interests respected and self-determination recognised. His ability to collaborate with people to find solutions to complex problems under rapidly shifting circumstances is second to none. Tony brings together a history of managerial and field experience that encompasses environmental science, community development and law. These are skills that combined with his emotional intelligence, empathy and professionalism perfectly combine in the role of CEO.



### Dilruk Taylor, Chief Financial Officer

Dilruk joined First Nations as an accountant in 2005 and has since moved into the role of Chief Financial Officer. Dilruk is a qualified accountant and a fellow of the Chartered Institute of Management Accountants UK. She has more than 30 years of experience in finance in not-for-profit and commercial sector organisations in Australia and Sri Lanka.

Dilruk holds a Master of Management (Monash University).



### Michael O'Kane

Dr Mick O'Kane is the Research Manager for First Nations Legal & Research Services. Prior to this, he was a Snr Anthropologist at NTSV/First Nations between 2011-2017 and has considerable experience in Native Title anthropology in Victoria and in the Pilbara region of Western Australia. In 2018, he was appointed Director of Research and Business Development/Snr Anthropologist at the NNTT before re-joining First Nations in 2019. Mick is an experienced field anthropologist who has worked extensively throughout Victoria and southern New South Wales, Central Australia, Northern Australia, and the Anangu Pitjantjatjara Yankunytjatjara Lands in South Australia. He has also conducted field research with environmentalists in the Republic of Ireland and with Dairy Farmers throughout Victoria. Mick is a published author and has held lecturing, tutoring and research positions variously at Monash University, Latrobe University, the University of Melbourne and Victoria University.



### Catherine Wilson, Principal Legal Officer

Catherine was admitted as an Australian legal practitioner in the Supreme Court of Victoria in 2009, and initially practised as a corporate and commercial lawyer in the Energy, Resources and Infrastructure team at K & L Gates (formerly Middletons). In addition to acting for a broad range of public and private sector clients, she had a strong pro bono practice focussed on advising not-for-profit and indigenous organisations in respect of their governance, funding and contractual arrangements. Prior to joining First Nations as a commercial lawyer in 2014, Catherine also worked to develop a shared equity co-ownership housing model for the Yawuru community in Broome.

Catherine brings over ten years of legal expertise to her role as Principal Legal Officer, and has a particular interest in how the native title and Settlement Act regimes interact with other legal frameworks. She is committed to using her diverse range of skills and experience to support Traditional Owners achieve land justice outcomes in Victoria and to build sustainable representative corporations.

Catherine holds a Bachelor of Laws (Honours), a Bachelor of Biomedical Science (Honours) and a Graduate Diploma in Tax Law from the University Melbourne.



### Ken Kennedy

Ken has worked at First Nations for 20 years. Over the years Ken has performed a diverse number of roles across the organisation. In January 2019 Ken joined the management team as Corporate Services Manager, and plays an integral role in the functioning of the organisation.

## Accountability

### External Auditor and Audit Committee

The annual audit of First Nations Legal & Research Services Ltd (First Nations) was carried out by PricewaterhouseCoopers. Their report accompanies the financial statements for 2019-2020 and is included on page 58.

The Audit and Risk Committee (ARC) was formed in May 2012 and the Board approved the Charter (revised in February 2017) under which the Committee operates. The role of the ARC is to assist the Board in First Nation's governance and exercising of due care, diligence and skill in relation to reporting financial information to users of financial reports. This includes consideration of accounting policies, financial management, internal control systems, risk management systems, protection of the company's assets and, acting as the Remuneration Committee to review the remuneration and performance of the CEO.

The Committee met on 12 September 2019, and 27 April 2020. Agenda items considered by the committee included review of the organisation restructure, regulatory compliance, CEO remuneration and performance and annual accounts. The Committee meets annually with the auditors to discuss the financial reports and other relevant issues.

ARC reports and makes recommendation to the Board after each meeting.

### National Indigenous Australians Agency (NIAA)

To perform the functions of native title service delivery in Victoria, First Nations has been entering into an agreement with NIAA.

The obligations of the funding agreement are detailed in the "Head Agreement for Indigenous Grants and "Project Agreement". They are comprehensive and hold to account First Nations Board and its management.

The reporting and acquittals framework ensure NIAA are apprised of our activities regularly. Half yearly reports – Operational Plan Performance Report and Financial Report as at 31 December and 30 June are tabled at relevant Board Meetings.

To the best of our knowledge we have met all our obligations under the funding agreement.

### Risk Management

Risk management is an integral part of effective corporate governance. It identifies and assesses risks and adopts appropriate practices to mitigate those risks. There were no matters of risk that presented a concern to First Nations in 2019-2020.

### Insurance

First Nations have comprehensive insurance cover for all assets and activities. This includes work cover, fire, burglary, money, public and products liability and general property, motor vehicle, professional indemnity and directors and officers insurance. There were no outstanding claims in 2019-2020 and we are not aware of any legal proceedings or material claims against us.

### Ethical Standards, Policies and Procedures

Our Board, Management and staff are guided in their actions and duties by First Nations Constitution and its policies and procedures, including Codes of Conduct. To ensure a fair and balanced prioritisation of our activities we have a well-documented internal review process.

We are pleased to report there were no breaches of our ethical standards, policies and procedures in 2019-2020.





# Our People

## Workforce Planning

The First Nations workplace is flexible, family friendly and incorporates regular social club events and team building days. Through various support mechanisms such as the Healing Informed Practice training we can continue to build and maintain a strong culture within First Nations.

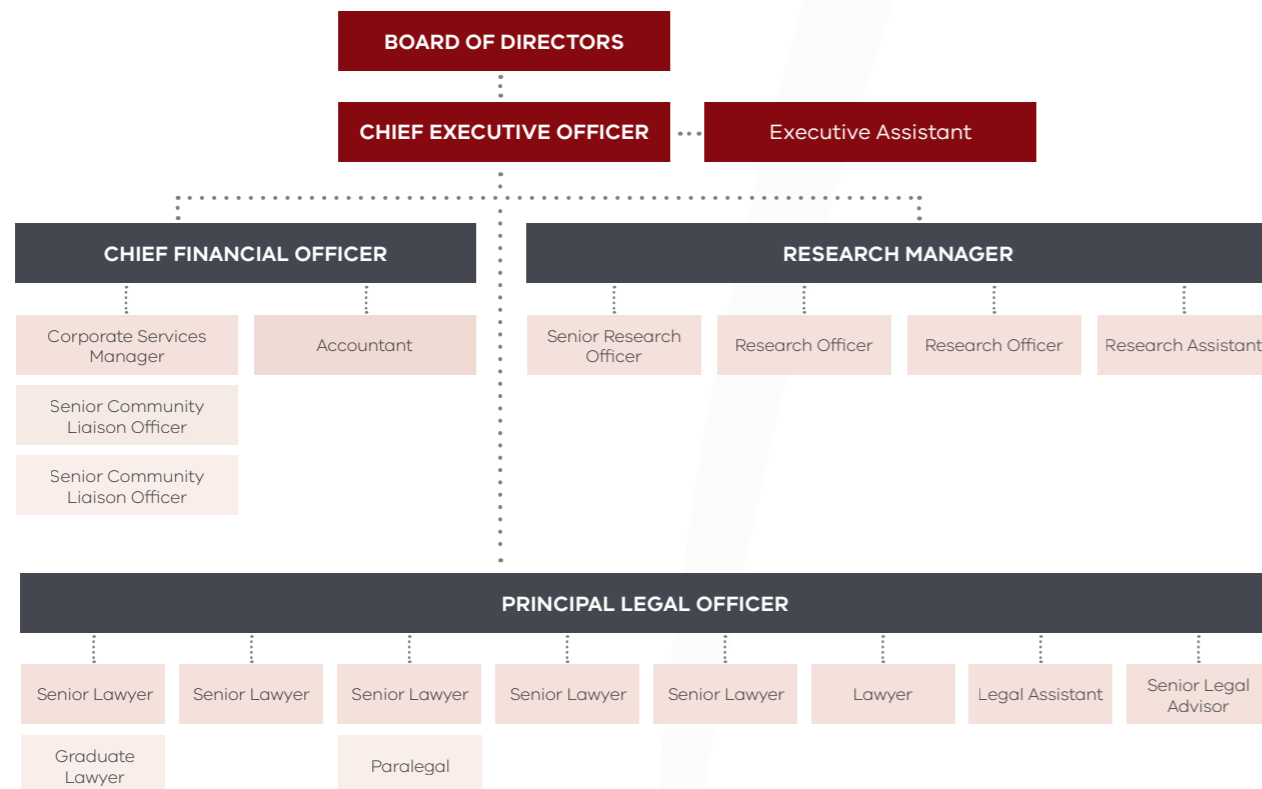
Staff professional development opportunities are valued highly and all staff are encouraged to learn and develop in their roles. First Nations also continues to provide access to salary sacrifice arrangements and tax benefits through our standing as a Public Benevolent Institution. First Nations is proud of its dedicated staff, and its policy when recruiting is to appoint Aboriginal people wherever possible.

## Professional Development

First Nations is an organisation that values professional development, and encourages its staff to plan, source and undertake relevant training on a regular basis throughout the year.

First Nations spent \$28,718 on professional development and training in the last financial year.

## Organisational Structure



## Staff Profile, Commencements and Departures

During the 2019-2020 financial year First Nations had 8 new starters and 4 departures.

STAFF	INDIGENOUS		NON-INDIGENOUS		TOTAL	
	2020	2019	2020	2019	2020	2019
Female	2	2	9	11	11	13
Male	3	3	12	12	15	15
<b>Total</b>	<b>5</b>	<b>5</b>	<b>21</b>	<b>23</b>	<b>26</b>	<b>28</b>

The above statistics are inclusive of full time, part time, contract and casual staff. The total number of 26 staff is a decrease from 28 in 2019.

## Enterprise Agreement

The First Nations Legal and Research Services and Federation of Victorian Traditional Owner Corporations Enterprise Agreement 2018-2021 was successfully implemented in July. The Enterprise Agreement continues to cover the terms and conditions of employment of all First Nations staff.

## Interns

First Nations continues to maintain and develop ongoing relationships with the Aurora Project, University of Melbourne and Charles Darwin University. Each year First Nations hosts a number of interns both from legal and research based disciplines. These interns are highly motivated and provide First Nations with high quality assistance and support as part of their professional development and on-the-ground work experience.

## Workplace Health and Safety

First Nations complies with the legislative requirements of the Occupational Health and Safety Act 2004. Our policies and procedures promote a safe and health work environment. In 2019-2020 there were no recorded injuries which required worker's compensation.

For most of 2020 our staff have been working from home during the pandemic. During this period all staff have completed a working from home checklist. This has enabled First Nations to best support staff during this difficult time.

Though staff travel has been limited in the past year we have had another incident free year and have maintained our good record of safe driving.

# Financial Statements

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These financial statements are the financial statements of First Nations Legal & Research Services Ltd as an individual entity. The financials are presented in Australian dollars (\$).

These financial statements were authorised for issue by the directors on 23 November 2020. The directors have the power to amend and reissue the financial statements.



# Directors' Report

Your directors present their report on the company for the financial year ended 30 June 2020

The following persons were directors of First Nations Legal & Research Services Ltd during the whole of the financial year and up to the date of this report:



Kenneth Stewart



Eileen Alberts



Paul Paton



Diane Kerr



Graham Atkinson



Drew Berick



Jesse Williams



Raylene Harradine



Stewart Taylor

## Information on Directors

### Kenneth Stewart

*Chairperson / Director*

Kenneth Stewart is a Wamba Wamba descendent, who has extensive experience in corporate governance, native title, cultural heritage and natural resource management. He is currently the Chairperson of Wiran Aboriginal Corporation and a member of the working group that established the Murray Lower Darling River Indigenous Network. He worked with the North West Clans Aboriginal Corporation and is the current Operation Development Officer at First People of the Millewa-Mallee Aboriginal Corporation.

### Paul Paton

*Deputy Chair / Director*

Paul Paton is a Traditional Owner from the Gunai & Monero tribes of south-eastern Australia. He is a Director at First Languages Australia and Ninde Ngujarn Monaro-Ngarigo Aboriginal Corporation. He is also a member of the Indigenous Names Committee-Victorian Geographic Names Panel. Paul is currently the CEO of the Federation of Victorian Traditional Owner Corporations.

### Eileen Alberts

Eileen is a Gunditjmara woman and respected Elder of the Koori Court. She is a director of the Gunditj Murring Traditional Owner Aboriginal Corporation. Eileen works as a mentor for Budj Bim Rangers and is employed by Winda Mara Aboriginal Corporation. She has many years' experience in Aboriginal health and education and is a former Community Liaison Officer with both Mirimbiak Nations Aboriginal Corporation and Native Title Services Victoria. Eileen has been a Board member since September 2009 and served as Deputy Chairperson.

### Drew Berick

*Director (appointed 29 November 2019)*

Drew is a proud Dja Dja Wurrung man who currently works across the Federation of Victorian Traditional Owner Corporations and First Nations as a Human Resources consultant. Drew brings over 10 years of experience working in the native title sector and almost 20 years working in the Victorian Aboriginal community.

### Jesse Williams

*Director (appointed 29 November 2019)*

Jesse is a proud Gunditjmara, Yorta Yorta and Wiradjuri man. Jesse works as an Engagement Officer with Aboriginal Victoria working extensively with local Aboriginal communities through the state to maintain their traditions, achieve their aspirations and become self-governing.

Being a local Aboriginal Traditional Owner of Victoria and working closely with Aboriginal communities for most of his life, Jesse has a deep connection and understanding with various communities across the state.

### Stewart Taylor

*Director (appointed 29 November 2019)*

Stewart is the current Chairperson of the Dandenong District Aborigines Cooperative and Werai Land and Water Aboriginal Corporation. Stewart is also an executive board member at Murray Lower Darling Rivers Indigenous Corporation, Deniliquin Land Council and Yarkuwa Indigenous Knowledge Centre.

Stewart has completed his Certificate IV in Governance at Victoria University and has previously run his own telecommunications business, Taylor Made Communications, for 11 years.

### Ron Briggs

Director (resigned 20 February 2020)

Ron is a proud Yorta Yorta and Wurundjeri Traditional owner who has many years' experience working in the Aboriginal community in health and justice. Over many years Ron has been involved in various committees in the health sector and is currently a Senior Aboriginal Consultant at Caraniche working with Aboriginal men in the justice system.

### Raylene Harradine

Director (appointed 3 February 2020)

Raylene is a proud Wotjabulluk and Latje Latje woman who has been the CEO of Bendigo Health & Districts Aboriginal Cooperative for the past 6 years.

Raylene brings a wealth of experience working in the Aboriginal community and sits on various executive boards and committees. Raylene was instrumental in leading the establishment of the first rural Victorian Authorisation of Children in Out of Home Care under Section 18 of the Child, Youth and family Act 2005 as Principal Officer. Raylene was awarded a Public Service Medal in 2006 for her outstanding work with Aboriginal communities

### Diane Kerr

Chairperson (resigned on 29 November 2019) / Director

Aunty Di Kerr is a well-known and well-respected Wurundjeri Elder. She is a member and former Director of the Dandenong Aboriginal Co-operative. She is the former Director of Narragol Housing (Koori Housing Loans) and former Field Officer in native title. In 2016, she was appointed to the Victorian Treaty Interim Working Group by the Minister of Aboriginal Affairs. Aunty Di is also the Chairperson of Indigenous Advisory Committee at the Royal Women's Hospital. She remains a member of the Consumer Advisory Committee at the Royal Women's Hospital and a member of the Indigenous Advisory Committee at the Victorian Museum Melbourne. Aunty Di is ambassador of the Indigenous Leadership Network Victoria.

### Graham Atkinson

(resigned 29 November 2019) / Director

Graham holds a Masters of Business Administration and a Bachelor of Art (Social Work). A director of the consultancy firm Atkinson Kerr and Associates he has long experience in senior management roles and in Indigenous affairs. Graham is a Dja Dja Wurrung and Yorta Yorta man. He was Chair of First Nations, formerly Native Title Services Victoria for 10 years and a previous Chair of the Dja Dja Wurrung Clans Aboriginal Corporation, and member of the Indigenous Land Council. Graham is also a director at the Federation of Victorian Traditional Owner Corporations Ltd, Federation Heritage Services Pty Ltd, Barpa Pty Ltd, Dja Dja Wurrung Clans Aboriginal Corporation.

### Marcus Stewart

Director (resigned 29 November 2019)

Marcus Stewart is a Nira illim bulluk man of the Taungurung Nation. Marcus is a CO-Chair of the First Peoples' Assembly of Victoria. He is a seasoned negotiator and strategist with more than 15 years' experience in Aboriginal Affairs. He has held several senior positions in management and possesses renowned experience across several levels of government. He has assisted in the implementation of a number of strategies and policies through senior roles in State Government, CEO of Taungurung Clans Aboriginal Corporation and CEO of the Federation of Victorian Traditional Owner Corporations..

His broad understanding of politics, policy and the challenges facing Traditional Owners gives Marcus the ability to lead and be a voice of change. He is a committed believer in ensuring Traditional Owners are at the forefront of the decision-making process for self-determination and in achieving economic independence. He remains passionate about forging new pathways to improve outcomes for Aboriginal families and communities.

### Meetings of Directors

The number of meetings of the company's board of directors and of each board committee held during the year ended 30 June 2019, and the number of meetings attended by each director were:

Schedule of Meetings FY 19/20:

1. 12 September 2019
2. 29 November 2020
3. 29 November 2020
4. 3 February 2020
5. 27 April 2020

DIRECTOR	NUMBER ELIGIBLE TO ATTEND	NUMBER ATTENDED
Kenneth Stewart	5	5
Paul Paton	5	4
Eileen Alberts	5	5
Drew Berick	3	2
Jesse Williams	3	3
Stewart Taylor	3	1
Raylene Harradine	2	2
Ron Briggs	2	2
Diane Kerr	2	1
Graham Atkinson	2	1
Marcus Stewart	3	2



# Financial Statements

First Nations Legal & Research Services Ltd  
Directors' report  
30 June 2020  
(continued)

## Objectives and strategies

The company's long-term objectives are to:

- (a) develop long term, sustainable and economic land bases for the Aboriginal peoples of Victoria
- (b) assist in the development of a united, informed Aboriginal community in Victoria

The company's short-term objectives are to provide sustainable native title and land justice solutions for traditional owners in Victoria.

To achieve these objectives, the company has adopted the following strategic themes and the respective strategies:

- (a) facilitate successful determinations, settlements and agreements
  - manage resource allocation to simultaneously settle priority claims and ready other claims to take on priority status
  - use cross-organisational project teams to progress activities on the Operational Plan
  - develop and implement a future acts assistance policy
  - develop and implement an external communications strategy
  - maintain collaborative relationships with all stakeholder agencies
- (b) influence policy and legislative reform
  - conduct a sustained and persuasive dialogue with relevant State Government Ministers
  - provide timely and relevant policy and strategic advice to the Federation of Victorian Traditional Owner Cooperation Limited
  - work with the Federation of Victorian Traditional Owner Cooperation Limited to clarify its future role and relationship with FNLRS.
  - strengthen the alignment of cultural heritage and native title processes
  - participate actively in the NNTC and contribute to its policy advocacy

First Nations Legal & Research Services Ltd  
Directors' report  
30 June 2020  
(continued)

## Objectives and strategies (continued)

- (c) support traditional owners to develop sustainable organisations
  - provide legal and strategic advice to PBC's and other post-settlement organisations on request
  - define FNLRS' role in developing sustainable traditional owner organisations
  - develop capacity building and agreement implementation support service model
  - develop and participate in initiatives to resolve inter/intra- group conflict, including the Right People for Country project
- (d) ensuring FNLRS strength, security and capability
  - broaden staff skills mix to improve service delivery
  - enhance FNLRS' financial administration and information management systems
  - enhance FNLRS' performance management systems
  - strengthen FNLRS' governance structure as necessary
  - develop and implement an Indigenous employment strategy
  - strengthen FNLRS' internal communications

## Performance measures

The company measures its performance by using the following success measures:

- the maximum number of positive native title outcomes, with the strongest possible recognition of rights and interests
- traditional owners shall have their land-related aspirations met
- traditional owners shall be recognised and respected throughout Victoria
- legislation/policy reformed to allow for just settlement of native title
- there shall be effective mechanisms for dispute resolution within traditional owner groups
- land justice outcomes shall maximise the number of strong incorporated organisations, with associated social improvements for traditional owners

## Members' liability

The company is a company limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute a maximum of \$1 (2019: \$1) each towards meeting any outstanding obligations of the company. As at 30 June 2020, the total amount that a member of the company is liable to contribute if the company is wound up is \$1 (2019: \$1).

## Significant changes in the state of affairs

The COVID-19 outbreak was declared a pandemic by the World Health Organisation in March 2020. The outbreak and the response of Governments in dealing with the pandemic is interfering with general activity levels within the community and the economy, particularly in Victoria where the company carries out its work. The company has continued its operations since March 2020 with all employees working remotely. The situation is unprecedented and management continues to consider the potential implications of COVID-19, which may include availability of employees and contractors, ongoing remote working arrangements and the availability and amount of government funding over the medium and long term. However, as at the date these financial statements were authorised, the company was not aware of any material adverse effects on the financial statements or future results as a result of the COVID-19.

There have been no other significant changes in the state of affairs of the company during the year.

## Event since the end of the financial year

Except as noted above, no other matter or circumstance has arisen since 30 June 2020 that has significantly affected the company's operations, results or state of affairs, or may do so in future years.

## Likely developments and expected results of operations

The directors expect that the company will continue to carry out its principal activities as detailed above. There are no other known or likely developments which the directors foresee which they wish to disclose at this time.

## Financial Statements (continued)

First Nations Legal & Research Services Ltd  
Directors' report  
30 June 2020  
(continued)

### Environmental regulation

The company is not affected by any significant environmental regulation in respect of its operations.

### Insurance of officers and indemnities

During the year, the company paid a premium which provides indemnity for the directors.

### Proceedings on behalf of the company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party, for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of the *Corporations Act 2001*.

### Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 60 - 40 of the *Australian Charities and Not-for-profit Commission (ACNC) Act 2012* is set out on page 7 and forms part of the Director's report.

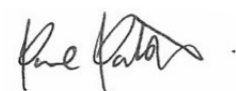
### Rounding of amounts

The company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with the instrument to the nearest dollar.

This report is made in accordance with a resolution of directors.



Kenneth Stewart  
Chairperson



Paul Paton  
Deputy Chairperson

Melbourne  
23 November 2020



### Auditor's Independence Declaration

As lead auditor for the audit of First Nations Legal & Research Services Ltd for the year ended 30 June 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.



David Kennett  
Partner  
PricewaterhouseCoopers

Melbourne  
23 November 2020

PricewaterhouseCoopers. ABN 52 780 433 757  
2 Riverside Quay, SOUTH BANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001  
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Financial Statements (continued)

**First Nations Legal & Research Services Ltd** ABN 27 105 885 149  
**Financial report - 30 June 2020**

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Federation of Victorian Traditional Owners Corporation Ltd is the sole member of First Nations Legal & Research Services Ltd. The sole member is domiciled in Australia.

These financial statements are the financial statements of First Nations Legal & Research Services Ltd as an individual entity. The financial statements are presented in the Australian dollar (\$).

The financial statements were authorised for issue by the directors on 23 November 2020. The directors have the power to amend and reissue the financial statements.

**First Nations Legal & Research Services Ltd**  
**Statement of comprehensive income**  
**For the year ended 30 June 2020**

	Notes	2020 \$	2019 \$
<b>Income</b>			
Revenue from government		3,217,018	4,527,971
Project income		550,124	259,423
Interest		1,884	4,200
Other income	4	382,281	286,205
		<u>4,151,307</u>	<u>5,077,799</u>
<b>Expenses</b>			
Employee benefits expense	5	(2,532,734)	(2,632,972)
Depreciation expense	5	(372,490)	(212,282)
Consultants		(373,340)	(664,850)
Leasehold property rental		(2,055)	(207,844)
Other occupancy expenses		(87,189)	(97,514)
Office expenses		(379,008)	(303,920)
Claimant meeting expenses		(342,149)	(651,085)
Motor vehicle expenses		(14,232)	(14,105)
Other expenses		(37,982)	(54,585)
Interest		(18,368)	-
		<u>(4,159,547)</u>	<u>(4,839,157)</u>
<b>(Deficit)/surplus for the year</b>		<u>(8,240)</u>	238,642
<b>Other comprehensive income for the year, net of tax</b>		-	-
<b>Total comprehensive (deficit)/surplus for the year</b>		<u>(8,240)</u>	238,642

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



Financial Statements (continued)

First Nations Legal & Research Services Ltd  
 Statement of financial position  
 As at 30 June 2020

	Notes	2020 \$	2019 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	2,358,911	1,168,171
Trade and other receivables	7	166,662	191,297
<b>Total current assets</b>		<b>2,525,573</b>	<b>1,359,468</b>
<b>Non-current assets</b>			
Property, plant and equipment	8	175,263	232,173
Right-of-use assets	9	1,063,298	-
<b>Total non-current assets</b>		<b>1,238,561</b>	<b>232,173</b>
<b>Total assets</b>		<b>3,764,134</b>	<b>1,591,641</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	10	402,597	374,168
Lease liabilities	9	249,002	-
Employee benefit obligations	12	456,448	386,291
Deferred income	11	1,407,171	335,042
<b>Total current liabilities</b>		<b>2,515,218</b>	<b>1,095,501</b>
<b>Non-current liabilities</b>			
Lease liabilities	9	747,707	-
Employee benefit obligations	13	70,653	57,344
<b>Total non-current liabilities</b>		<b>818,360</b>	<b>57,344</b>
<b>Total liabilities</b>		<b>3,333,578</b>	<b>1,152,845</b>
<b>Net assets</b>		<b>430,556</b>	<b>438,796</b>
<b>EQUITY</b>			
Accumulated surplus	14	430,556	438,796
<b>Total equity</b>		<b>430,556</b>	<b>438,796</b>

The above statement of financial position should be read in conjunction with the accompanying notes.

First Nations Legal & Research Services Ltd  
 Statement of changes in equity  
 For the year ended 30 June 2020

	Accumulated surplus \$	Total equity \$
<b>Balance at 1 July 2018</b>	200,154	200,154
Surplus for the year	238,642	238,642
<b>Total comprehensive surplus for the year</b>	<b>238,642</b>	<b>238,642</b>
<b>Balance at 30 June 2019</b>	<b>438,796</b>	<b>438,796</b>
<b>Balance at 1 July 2019</b>	438,796	438,796
Change in accounting policy	-	-
<b>Restated total equity at 1 July 2019</b>	<b>438,796</b>	<b>438,796</b>
Deficit for the year	(8,240)	(8,240)
<b>Total comprehensive deficit for the year</b>	<b>(8,240)</b>	<b>(8,240)</b>
<b>Balance at 30 June 2020</b>	<b>430,556</b>	<b>430,556</b>

The above statement of changes in equity should be read in conjunction with the accompanying notes.



Financial Statements (continued)

First Nations Legal & Research Services Ltd  
 Statement of cash flows  
 For the year ended 30 June 2020

	Notes	2020 \$	2019 \$
<b>Cash flows from operating activities</b>			
Receipts from course of operations		5,240,620	5,415,317
Payments to suppliers and employees		(3,741,765)	(4,671,295)
		1,498,855	744,022
Interest received		1,884	4,200
Interest paid		(16,887)	-
<b>Net cash inflow from operating activities</b>		<b>1,483,852</b>	<b>748,222</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(54,094)	(154,946)
<b>Net cash (outflow) from investing activities</b>		<b>(54,094)</b>	<b>(154,946)</b>
<b>Cash flows from financing activities</b>			
Principal elements of lease payments		(239,018)	-
<b>Net cash (outflow) from financing activities</b>		<b>(239,018)</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>		<b>1,190,740</b>	<b>593,276</b>
Cash and cash equivalents at the beginning of the financial year		1,168,171	574,895
<b>Cash and cash equivalents at the end of the financial year</b>	6	<b>2,358,911</b>	<b>1,168,171</b>

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

First Nations Legal & Research Services Ltd  
 Notes to the financial statements  
 30 June 2020

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## Financial Statements (continued)

First Nations Legal & Research Services Ltd  
Notes to the financial statements  
30 June 2020  
(continued)

### 1 Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements to the extent they have not already been disclosed in the other notes below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the First Nations Legal & Research Services Ltd.

#### (a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards Reduced Disclosure Requirements, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Australian Charities and Not-for-Profits Commission Act 2012*. First Nations Legal & Research Services Ltd is a not-for-profit entity for the purpose of preparing the financial statements.

First Nations Legal & Research Services Ltd is a public company limited by guarantee, incorporated and domiciled in Australia. The sole member of the company is Federation of Victorian Traditional Owner Corporations Ltd.

#### (i) Compliance with Australian Accounting Standards - Reduced Disclosure Requirements

The financial statements of the First Nations Legal & Research Services Ltd comply with Australian Accounting Standards - Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board (AASB).

#### (ii) Historical cost convention

These financial statements have been prepared under the historical cost basis.

#### (iii) New and amended standards adopted by the company

The company has applied the following standards and amendments for the first time in their annual reporting year commencing 1 July 2019:

- AASB 16 *Leases*
- AASB 15 *Revenue from Contracts with Customers*
- AASB 1058 *Income of Not-for-Profit Entities*

The company also elected to adopt the following amendments early:

- AASB 2020-4 *Amendments to Australian Accounting Standards - Covid-19-Related Rent Concessions*

The company had to change its accounting policies as a result of adopting AASB 15, AASB 16 and AASB 1058. There was an impact from the change to AASB 15 and AASB 1058. For AASB 16, the company elected to adopt the new rules retrospectively but recognised the cumulative effect of initially applying the new standard on 1 July 2019. This is disclosed in note 2. The other amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

#### (iv) Critical accounting estimates and assumption

The directors evaluate estimates and judgements 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 company.

#### (b) Revenue recognition

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described below. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities using the methods outlined below.

First Nations Legal & Research Services Ltd  
Notes to the financial statements  
30 June 2020  
(continued)

### 1 Summary of significant accounting policies (continued)

#### (b) Revenue recognition (continued)

##### Government grants

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

##### Project income

Project income is recognised when the right to receive the revenue has been established and control of the underlying service has passed.

##### Interest income

Interest income is recognised using the effective interest method. When a receivable is impaired, the company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

##### Other income

Other income consists of various, miscellaneous and one-off items, including bookkeeping service fees, legal fees and cost reimbursements.

#### (c) Income tax

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

#### (d) Leases

As explained in note 1(a) above, the company has changed its accounting policy for leases where the company is the lessee. The impact of the change is described in note 2.

Until 30 June 2019, leases in which a significant portion of the risks and rewards of ownership were not transferred to the company as lessee were classified as operating leases (note 16). Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the year of the lease. From 1 July 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the company.

Contracts may contain both lease and non-lease components. The company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable,
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date,
- amounts expected to be payable by the company under residual value guarantees,



## Financial Statements (continued)

**First Nations Legal & Research Services Ltd**  
**Notes to the financial statements**  
**30 June 2020**  
 (continued)

### 1 Summary of significant accounting policies (continued)

#### (d) Leases (continued)

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received,
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by First Nations Legal & Research Services Ltd, which does not have recent third party financing, and
- makes adjustments specific to the lease, eg term, country, currency and security.

The company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

#### (e) Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting year.

#### (f) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**First Nations Legal & Research Services Ltd**  
**Notes to the financial statements**  
**30 June 2020**  
 (continued)

### 1 Summary of significant accounting policies (continued)

#### (g) Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current.

The company holds trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less provision for impairment. The company applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

#### (h) Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting year in which they are incurred.

Depreciation is calculated using the straight-line method to allocate the cost or revalued amounts of the assets, net of their residual values, over their estimated useful lives as follows:

Class of fixed asset	Depreciation rate
• Office fit out	20%
• Computers	40%
• Plant and equipment	20%
• Motor vehicles	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting year.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(e)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

#### (i) Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

#### (j) Employee benefits

##### (i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statement of financial position.

## Financial Statements (continued)

**First Nations Legal & Research Services Ltd**  
**Notes to the financial statements**  
**30 June 2020**  
 (continued)

### 1 Summary of significant accounting policies (continued)

#### (j) Employee benefits (continued)

##### (ii) Other long-term employee benefit obligations

The company also has liabilities for long service leave and annual leave that are not expected to be settled wholly within 12 months after the end of the year in which the employees render the related service. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting year using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and years of service. Expected future payments are discounted using market yields at the end of the reporting year of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

#### (k) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

#### (l) Rounding of amounts

The company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with the instrument to the nearest dollar.

#### (m) Deferred income

The liability for deferred income is the unutilised amounts of grants reearned on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided on the conditions usually fulfilled within 12 months of receipt of the grant.

### 2 Changes in accounting policies

This note explains the impact of the adoption of AASB 16 *Leases* on the company's financial statements.

As indicated in note 1(a) above, the company has adopted AASB 16 *Leases* retrospectively from 1 July 2019, but has not restated comparatives for the 2019 reporting year, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 July 2019. The new accounting policies are disclosed in note 1(d).

On adoption of AASB 16, the company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of AASB 117 *Leases*. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 July 2019.

**First Nations Legal & Research Services Ltd**  
**Notes to the financial statements**  
**30 June 2020**  
 (continued)

### 2 Changes in accounting policies (continued)

#### (i) Practical expedients applied

In applying AASB 16 for the first time, the company has used the following practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics,
- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review - there were no onerous contracts as at 1 July 2019,
- accounting for operating leases with a remaining lease term of less than 12 months as at 1 July 2019 as short-term leases,
- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The company has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the company relied on its assessment made applying AASB 117 and Interpretation 4 *Determining whether an Arrangement contains a Lease*.

#### (ii) Measurement of lease liabilities

	2020
	\$
Operating lease commitments disclosed as at 30 June 2019	1,270,416
Discounted using the lessee's incremental borrowing rate of at the date of initial application	1,235,727
<b>Lease liability recognised as at 1 July 2019</b>	<b>1,235,727</b>

Of which are:

Current lease liabilities	239,018
Non-current lease liabilities	996,709
	<u>1,235,727</u>

### 3 Financial risk management

The entity's activities exposes it to a variety of financial risk; foreign exchange risk, credit risk and liquidity risk. The entity's overall risk management and strategy and framework recognises the unpredictability of financial markets and seeks to minimise the potential adverse effects on the financial performance and future financial security of the entity.

#### (a) Market risk

##### Foreign exchange risk

The company receives funding in Australian Dollars (AUD) and all the program commitments are in AUD hence, there is no foreign currency risk.



## Financial Statements (continued)

**First Nations Legal & Research Services Ltd**  
**Notes to the financial statements**  
**30 June 2020**  
(continued)

### 3 Financial risk management (continued)

#### (b) Credit risk

Management assesses the risks arising from trade and other receivables in order to ensure that the company's cash flows are not adversely impacted by credit risk.

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the entity. The company's risk related to trade receivables is managed by credit control assessing the credit worthiness of customers on an individual customer basis.

There is no significant concentration of credit risk that management believes presents a significant risk to the company's operational income.

Carrying value of trade and other receivables reflect their fair value.

#### Impairment of financial assets

- Receivables - Trade receivables
- Receivables - Receivables from related parties
- Cash and cash equivalents

There was no material impairment loss recognised on receivables from related parties or cash and cash equivalents.

#### Trade receivables

The company applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

#### (c) Liquidity risk

Liquidity risk arises from the financial liabilities of the entity and its ability to meet its obligations to repay these liabilities as and when they fall due. The company manages its liquidity risk by monitoring total cash inflows and outflows expected on a monthly basis and maintaining sufficient cash and liquid investments to meet its operating requirements.

### 4 Other income

	2020	2019
	\$	\$
Other income	382,281	286,205

**First Nations Legal & Research Services Ltd**  
**Notes to the financial statements**  
**30 June 2020**  
(continued)

### 5 Expenses

	2020	2019
	\$	\$
<i>Employee costs</i>		
Wages and salaries	2,190,114	1,875,911
Redundancies	50,876	518,567
Superannuation	258,704	178,659
Other	33,040	59,835
	2,532,734	2,632,972
<i>Depreciation</i>		
Plant and equipment	111,004	212,282
Right of use assets	261,486	-
	372,490	212,282

### 6 Current assets - Cash and cash equivalents

	2020	2019
	\$	\$
Cash at bank	2,358,911	1,168,171

### 7 Current assets - Trade and other receivables

	2020	2019
	\$	\$
Trade receivables	135,429	161,943
Receivables from other third parties	-	204
Other receivables	352	5,528
Prepayments	30,881	23,622
	166,662	191,297

## Financial Statements (continued)

First Nations Legal & Research Services Ltd  
Notes to the financial statements  
30 June 2020  
(continued)

### 8 Non-current assets - Property, plant and equipment

Non-current	Office fit out \$	Motor vehicles \$	Computers \$	Work in progress \$	Total \$
<b>At 30 June 2019</b>					
Cost	17,699	90,509	644,902	108,543	861,653
Accumulated depreciation	-	(39,105)	(590,375)	-	(629,480)
Net book amount	17,699	51,404	54,527	108,543	232,173
<b>Year ended 30 June 2020</b>					
Opening net book amount	17,699	51,404	54,527	108,543	232,173
Additions	-	-	54,091	-	54,091
Transfers	-	-	108,543	(108,543)	-
Depreciation charge	(17,699)	(25,090)	(68,212)	-	(111,001)
Closing net book amount	-	26,314	148,949	-	175,263
<b>At 30 June 2020</b>					
Cost	-	90,509	209,041	-	299,550
Accumulated depreciation	-	(64,195)	(60,092)	-	(124,287)
Net book amount	-	26,314	148,949	-	175,263

### 9 Leases

This note provides information for leases where the company is a lessee.

#### (a) Amounts recognised in the statement of financial position

The statement of financial position shows the following amounts relating to leases:

	2020 \$	30 June 2019 \$
<b>Right-of-use assets</b>		
Buildings	1,063,298	1,235,727
	<u>1,063,298</u>	<u>1,235,727</u>
<b>Lease liabilities</b>		
Current	249,002	239,018
Non-current	747,707	996,709
	<u>996,709</u>	<u>1,235,727</u>

Additions to the right-of-use assets during the 2020 financial year were \$nil.

First Nations Legal & Research Services Ltd  
Notes to the financial statements  
30 June 2020  
(continued)

### 9 Leases (continued)

#### (b) Amounts recognised in the statement of comprehensive income

The statement of comprehensive income shows the following amounts relating to leases:

	Notes	2020 \$	2019 \$
<b>Depreciation charge of right-of-use assets</b>			
Buildings	5	261,486	-
		<u>261,486</u>	-
Interest expense		18,368	-

The total cash outflow for leases in 2020 was \$255,905.

#### 10 Current liabilities - Trade and other payables

	2020 \$	2019 \$
Trade payables	205,590	314,906
Sundry creditors and accruals	197,007	59,262
	<u>402,597</u>	<u>374,168</u>

#### 11 Current liabilities - Deferred income - unexpended grants

	2020 \$	2019 \$
Unexpended grants - Federal	633,721	326,592
Unexpended grants - State	773,450	8,450
	<u>1,407,171</u>	<u>335,042</u>

#### 12 Current liabilities - Employee benefit obligations

	2020 \$	2019 \$
Leave obligations	456,448	386,291

#### Leave obligations

The leave obligations cover the company's liabilities for long service leave and annual leave which are classified as either other long-term benefits or short-term benefits, as explained in note 1(j).



Financial Statements (continued)

First Nations Legal & Research Services Ltd  
 Notes to the financial statements  
 30 June 2020  
 (continued)

**13 Non-current liabilities - Employee benefit obligations**

	2020	2019
	\$	\$
Leave obligations	<u>70,653</u>	57,344

**Leave obligations**

The leave obligations cover the company's liabilities for long service leave and annual leave which are classified as either other long-term benefits or short-term benefits, as explained in note 1(j).

**14 Accumulated surplus**

Movements in accumulated surplus were as follows:

	2020	2019
	\$	\$
Balance 1 July	438,796	200,154
Net surplus for the year	<u>(8,240)</u>	238,642
Balance 30 June	430,556	438,796

**15 Contingencies**

The company had no contingent liabilities at 30 June 2020 (2019: nil).

**16 Commitments**

**Lease commitments: group as lessee**

*Non-cancellable operating leases*

From 1 July 2019, the company has recognised right-of-use assets for these leases, except for short-term and low-value leases, see note 2 and note 9 for further information.

	2020	2019
	\$	\$
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	-	252,997
Later than one year but not later than five years	<u>-</u>	<u>1,017,419</u>
	-	1,270,416

First Nations Legal & Research Services Ltd  
 Notes to the financial statements  
 30 June 2020  
 (continued)

**17 Related party transactions**

**(a) Key management personnel compensation**

	2020	2019
	\$	\$
Total compensation	<u>718,346</u>	653,705

**(b) Transactions with other related parties**

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

The company also holds money for Wauthurong, Wotjobaluk, Wadi Wamba Barapa (refer to note 20).

The following transactions occurred with related parties:

	30 June 2020	30 June 2019
	\$	\$
<i>Revenue and reimbursement received</i>		
Admin and overhead recovery charged to Federation of Victoria Traditional Owner Corporation Ltd	279,348	154,000
Rent charged to Federation Enterprises Pty Ltd	-	10,000

*Expense and charges incurred*

Consultant fees paid to Federation of Victoria Traditional Owner Corporation Ltd	75,000	375,000
--	--------	---------

**(c) Outstanding balances**

The following balances are outstanding at the end of the reporting year in relation to transactions with related parties:

	2020	2019
	\$	\$
Amounts receivable from other related entities	42,074	55,007

Financial Statements (continued)

**First Nations Legal & Research Services Ltd**  
**Notes to the financial statements**  
**30 June 2020**  
 (continued)

**18 COVID-19 impact**

The COVID-19 outbreak was declared a pandemic by the World Health Organisation in March 2020. The outbreak and the response of Governments in dealing with the pandemic is interfering with general activity levels within the community and the economy, particularly in Victoria where the company carries out its work. The company has continued its operations since March 2020 with all employees working remotely. The situation is unprecedented and management continues to consider the potential implications of COVID-19, which may include availability of employees and contractors, ongoing remote working arrangements and the availability and amount of government funding over the medium and long term.

The company's FY19/20 federal government funding grant has been extended through FY21 and its state government funding grant is in place for FY21 and FY22 with the full amount already received. The company expects to renew its federal government grant for FY22/23 in the second half of FY21. Management's forecasts, which assumes the continuation of federal funding (including scenarios where funding levels are reduced moderately), indicates the company will be able to continue to meet its obligations and pay its debts as and when they fall due for at least the next 12 months. As such, the financial statements have been prepared on a going concern basis.

**19 Events occurring after the reporting period**

Except as disclosed in note 18, no other matters or circumstances have occurred subsequent to year end that has significantly affected, or may significantly affect, the operations of the company, the results of those operations or the state of affairs of the company or economic entity in subsequent financial years.

**20 Financial assets held in trust**

The organisation holds cash on deposit for a number of third parties in trust. These assets are not recognised in the statement of financial position as in substance they are owned by third parties. The amounts held in trust on behalf of these third parties are as follows:

	2020	2019
	\$	\$
Liability to third parties	<u>732,357</u>	<u>565,183</u>
Represented by:		
Term deposits	723,040	565,387
Net transactions entered into by First Nations Legal & Research Services Ltd on behalf of the third parties	-	(204)
Cash and cash equivalents	<u>9,317</u>	<u>-</u>
	<u>732,357</u>	<u>565,183</u>

**First Nations Legal & Research Services Ltd**  
**Directors' declaration**  
**30 June 2020**


**In the directors' opinion:**

- (a) the financial statements and notes set out on pages 8 to 26 are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:
  - (i) complying with Accounting Standards - Reduced Disclosure Requirements, and
  - (ii) giving a true and fair view of the company's financial position as at 30 June 2020 and of its performance for the financial year ended on that date, and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



Kenneth Stewart  
 Chairperson



Paul Paton  
 Deputy Chairperson

Melbourne  
 23 November 2020



## Financial Statements (continued)



### Independent auditor's report

To the members of First Nations Legal & Research Services Ltd

#### Our opinion

In our opinion:

The accompanying financial report of First Nations Legal & Research Services Ltd (the Company) is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2020 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

#### What we have audited

The financial report comprises:

- the statement of financial position as at 30 June 2020
- the statement of comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- the notes to the financial statements, which include a summary of significant accounting policies
- the directors' declaration.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

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

#### Independence

We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

#### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2020, including the director's report, but does not include the financial report and our auditor's report thereon.

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### Independent auditor's report (continued)

To the members of First Nations Legal & Research Services Ltd (continued)

#### Other information (continued)

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of the directors for the financial report

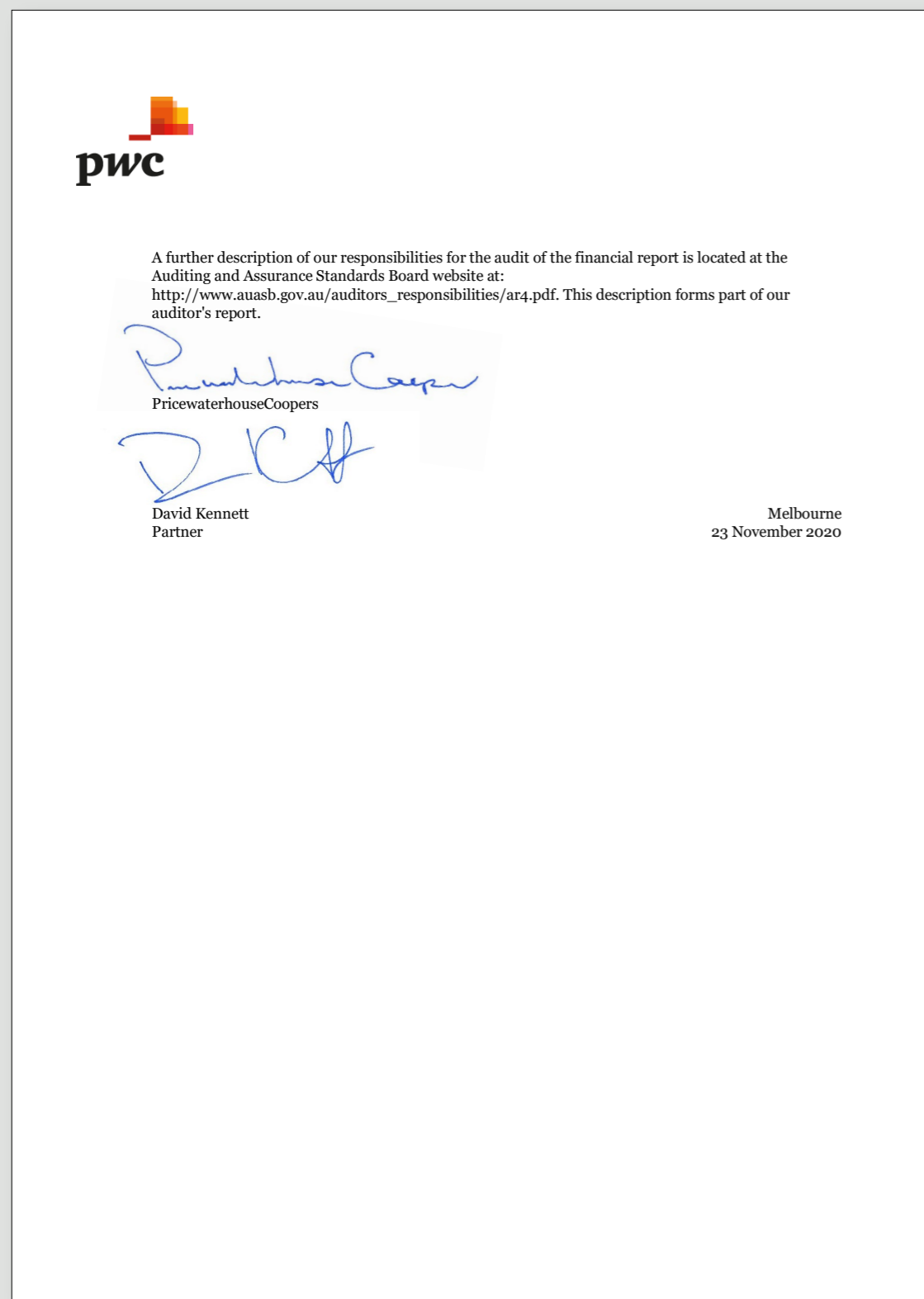
The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

Financial Statements (continued)



# Glossary

ACNC	Australian Charities & Not-For Profit Commission
ALRAR	Australian Lawyers for Remote Aboriginal Rights
ARC	Audit and Risk Committee
BGLC	Barengi Gadjin Land Council Aboriginal Corporation
Board	The Board of First Nations Legal & Research Services Ltd
CEO	Chief Executive Officer
Cth	Commonwealth
DDWCAC	Dja Dja Wurrung Clans Aboriginal Corporation
EMAC	Eastern Maar Aboriginal Corporation
FCPA	Fellow Certified Practising Accountant
Federation	The Federation of Victorian Traditional Owner Corporations
First Nations	First Nations Legal & Research Services
FPMM	First Peoples of the Millewa-Mallee
GLaWAC	Gunaikurnai Land and Waters Aboriginal Corporation
GMTOAC	Gunditj Mirring Traditional Owner Aboriginal Corporation
ILUA	Indigenous Land Use Agreement
LUAA	Land Use Activity Agreement
Native	Title Act Native Title Act 1993 (Cth)
NNTC	National Native Title Council
NNTT	National Native Title Tribunal
NRM	Natural Resource Management
PBC	Prescribed Body Corporate
PM&C	Department of Prime Minister & Cabinet
RAP	Reconciliation Action Plan



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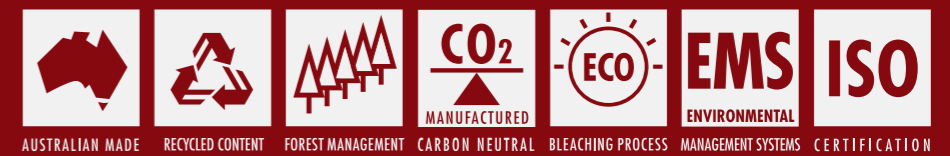
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