



Annual Report 2020-21

Indigenous Land and Sea Corporation




Australian Government

Indigenous Land and Sea Corporation



The ILSC GROUP

PEOPLE. COUNTRY. OPPORTUNITY.

A close-up photograph of a branch with several clusters of small, bright yellow and green flowers. The flowers have a textured, almost fuzzy appearance. The background is dark and out of focus, showing more branches and foliage.

People. Country. Opportunity.

In all our activities the ILSC pays respect to the Traditional Owners and Custodians of the lands and waters on which we work. We honour the resilience and continuing connection to country, culture and community of all Aboriginal and Torres Strait Islander people across Australia. We recognise the decisions we make today will impact the lives of generations to come.

Aboriginal and Torres Strait Islander readers are advised that this publication may contain the names or images of people who have passed away.





Australian Government

Indigenous Land and Sea Corporation



The ILSC GROUP

PEOPLE. COUNTRY. OPPORTUNITY.

September 2021

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The ILSC's Annual Reports are available electronically on the Publications page of the ILSC website www.ilsc.gov.au

The ILSC respects Indigenous cultures and has taken all reasonable steps to ensure that the contents of this publication do not offend Aboriginal and Torres Strait Islander people.

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Cover Image: Cullunghutti Mountain on Jerrinja country, Shoalhaven, NSW



Australian Government
Indigenous Land and Sea Corporation

20 September 2021

The Hon Ken Wyatt AM, MP
Minister for Indigenous Australians
Parliament House
Canberra ACT 2600

Dear Minister Wyatt

On behalf of the Board of the Indigenous Land and Sea Corporation (ILSC) I am pleased to present our Annual Report for the financial year ended 30 June 2021.

The Board is responsible for the preparation of the Annual Report and presenting it to you in accordance with a resolution of Directors dated 23 September 2020 in accordance with section 46 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

The report includes the ILSC's annual performance statements and audited consolidated financial statements in accordance with paragraph 39(1) (b) of the PGPA Act and section 16F of the Public Governance, Performance and Accountability Rule 2014.

I am satisfied that the ILSC has prepared a fraud risk assessment and fraud control plan and has in place appropriate fraud prevention, detection, investigation and reporting and data collection procedures and processes that meet the ILSC's needs and comply with section 10 of the PGPA Rule 2014.

I commend this report to you as a record of our achievements and compliance.

Yours sincerely

A handwritten signature in black ink that reads "Edward Fry".

Edward Fry
Chairperson

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Foreword from the ILSC Chair

On behalf of the ILSC Board, I am pleased to present the ILSC's 2020-21 Annual Report.

This report presents an enhanced performance reporting framework, following changes to our systems and methodology, that improve the line of sight between the ILSC's strategic intent and our activities. This provides the foundation for connecting the ILSC's public-facing documents: our Corporate Plan, National Indigenous Land and Sea Strategy, Annual Report and Portfolio Budget Statements (see page IX).

These key strategic and planning documents provide our partners and stakeholders with certainty about *what we will do and why*; they guide our decision making – *how we do things*; and ensure that we gather the information we need from our projects and programs to enable us to report *how we went*.

Together, they ensure accountability for our funding, meeting our legislated purpose and working towards unlocking the Indigenous Estate in pursuit of our vision that Indigenous people *enjoy the rightful entitlements, opportunities and benefit that the return of country and its management brings*.

Reflecting how our stakeholders and partners describe change and identify outcomes, we can more effectively demonstrate our contribution to the ILSC's 'four pathways of change' (page 18-19) and the new Value for Money assessment results (page 80).

The success of ILSC activities generates and builds economic, social, cultural and environmental capital, growing the Indigenous Estate and securing a better future for our customers and clients that also benefits wider Australia.

It is timely to acknowledge the many challenges over the past 12 months and the prodigious efforts and commitment to maintain momentum during these tumultuous times. Testing the resilience of our partners and our people and seeking to maintain our passion and professionalism, we continually search for opportunities and innovative ways to assist Indigenous Australians. Our sustained focus on our mandate and remaining fit for purpose, has meant we were able to meet – even exceed – most of our targets and key performance indicators for the year.

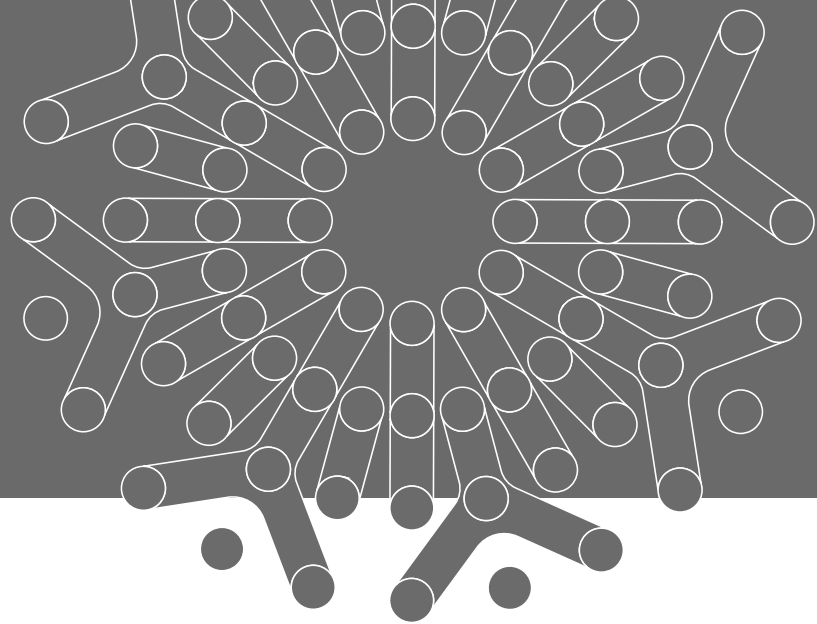
In addition to the continuing impacts of COVID-19, we sadly witnessed the devastation of significant flooding which affected many parts of eastern and central Australia in March 2021. The ILSC established an emergency response grant to be available to assist directly affected Indigenous corporations.

Despite continual challenges and the restrictions, our Annual Performance Statement (page 13) will show that we continued to deliver land and water-based projects and acquire land-based assets, returning land to the Indigenous Estate; contributing to training and employment for Indigenous Australians; and supporting Indigenous businesses and enterprises.

Through our focus on partnerships, we have leveraged \$24 million investment in projects under the *Our Country Our Future* program to realise over \$61.2 million commitment to investment into the Indigenous Estate¹.

¹ Inclusive of proponent contribution. Refer to page 49 for analysis.





Our strengthened strategic platform has laid a firm foundation for our new Group CEO, Mr Joe Morrison, who we welcomed to the ILSC in January 2021. Joe has brought a wealth of knowledge and experience of the Indigenous Estate and is committed to deep, continual engagement with our clients and stakeholders to lead the ILSC through our next phase of growth.

The ILSC Board extend our appreciation to Ms Tricia Stroud as Acting CEO during the first half of 2020-21 and Mr Joe Morrison for their valued contributions. We also acknowledge and thank the ILSC staff for their continued energy, professionalism and commitment to our growth and strategic vision. Together we look forward to building and consolidating even stronger relationships with our stakeholders as we continue to work towards our vision.

As I reflect on the Board's work throughout 2020-21, I am immensely grateful for everyone's ongoing inputs, strategic insight and stewardship into the many Board meetings. This has ensured the ILSC adopted a more robust focus, awareness and engagement with risk matters in our complex, multi-layered environment; responded rapidly to pressing issues; and enabled the progress of some major strategic projects. Conducting our decision-making based on the best available information, and adapting rapidly saw us continue our forward focus to a stronger sustainable future, despite the year's challenges.

We sincerely thank outgoing Director Daniel Tucker AM, for providing his experienced business counsel to our strategies as we navigated the toughest financial period for the ILSC. His contribution cannot be underestimated and our best wishes go with him.

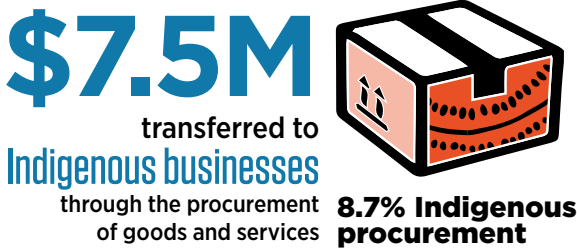
The ILSC is on a strong and steady footing and can look forward to an even brighter year ahead. Our continued commitment to our vision, and our confidence in the resilience and sustainability of the Indigenous Estate hold firm.

Finally, to our customers, stakeholders, partners and our co-investors, on behalf of the ILSC Board of Directors, we sincerely thank you for working with the ILSC. Our unified investment into the Indigenous Estate continues to excite passionate people to assist Indigenous individuals and communities to achieve economic, cultural, social and environmental benefits.

The Board applaud you for your ongoing dedication and commitment to creating a stronger Australia.

Edward Fry
ILSC Chairperson
October 2021

ILSC by the numbers 2020-21





2 **tourism businesses**
Ayers Rock Resort
Mossman Gorge Centre



216 **land and water-based PROJECTS**
Acquisition and management




1x SOCIAL ENTERPRISE
NATIONAL CENTRE OF INDIGENOUS EXCELLENCE

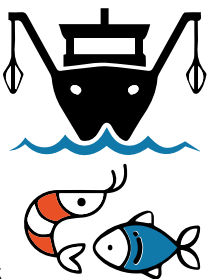
578 **Indigenous jobs**
CREATED ACROSS
the ILSC Group



353 **Indigenous jobs**
CREATED THROUGH
ILSC Group
FUNDED PROJECTS



104 **Indigenous enterprises**
ASSISTED THROUGH
ILSC PROJECTS



Our strategic framework

ILSC Purpose

ATSI Act

To assist Indigenous people to acquire land and water rights and to manage land and water so as to provide economic, environmental, social or cultural benefits

ILSC Vision

Indigenous people enjoy the rightful entitlements, opportunities and benefits that the return of country and its management brings

What the ILSC does

- > We acquire and divest land and water-related rights to Indigenous people
- > We support Indigenous people to preserve and protect culture through reconnection with country
- > We build the capacity and capability of Indigenous people to sustainably manage and protect country
- > We partner with Indigenous people to drive and influence opportunities for their country

ILSC Pathways of Change

(The long-term outcomes we hope to achieve)

INDIGENOUS PEOPLE ARE:

- > growing the value and productivity of country
- > owning and managing country sustainably
- > influencing policy and opportunity for country
- > preserving and protecting culture through reconnection to country

Enabled by

- > Aboriginal and Torres Strait Islander Land and Sea Future Fund
- > Social and human capital, staff, stakeholders, expertise, partnerships, relationships and knowledge

Legislated Performance Standards

PGPA ACT

Guides the ILSC's governance, planning, accountability and reporting

Strategic documents

Statutory strategies, plans, reports and frameworks for achieving our purposes and measuring our success

- > NILSS, RILSS, Corporate Plan, Portfolio Budget Statement, Performance Framework, Annual Report (Annual Performance Statement)

Our strategic documents

National Indigenous Land and Sea Strategy

ATSI Act

Our broad strategic focus areas (5 years)

- > Chief policy document setting the ILSC's strategic direction and guiding our performance and functions
- > Defines focus areas for ILSC investment which present Indigenous Australians with opportunities and/or competitive advantage

Regional Indigenous Land and Sea Strategy

ATSI Act

Our regional strategic focus areas (5 years)

- > Highlight regional opportunities aligned with the focus areas outlined in the NILSS

Corporate Plan

PGPA Act

What we will do, where, why and how

- > Primary planning document providing more detail on implementing the NILSS direction
- > Includes operating context, key activities, performance measures, subsidiary operations, partnerships, funding and program structure, people and capability, and risk management

Performance Framework

PGPA Act

Our monitoring and evaluation approach

- > A combination of plans, measures, methods and reporting
- > Enables assessment of the extent to which we are achieving Our Purpose

Portfolio Budget Statements (Prime Minister and Cabinet)

PGPA Act

What targets we expect to achieve with our funding

- > Annual statement setting out how the ILSC's funding will be expended over four years and how the impact of that expenditure will be measured

Annual Report

PGPA Act

What we did and how we went

- > Summary of actual performance against planned performance forecast in the Corporate Plan and Portfolio Budget Statement
- > Summary of performance against ILSC Pathways of Change (long-term outcomes)
- > Financial and non-financial performance statements and reports

PGPA Act - Public Governance, Performance and Accountability Act 2013

ATSI Act - Aboriginal and Torres Strait Islander Act 2005





Part One:
Overview



Wanna Mar Stehr tuna fishing,
Port Lincoln, SA



Uluru, NT



Welcome

to our 2021 Annual Report, a review of our performance over the past financial year and a snapshot of who we are, how we work with our strategic partners, our people and culture and our commitment to our values.



Artefacts from
Esperance Nyungar country, WA

What we do and why

The ILSC's long-term vision is for Indigenous people to enjoy the rightful entitlements, opportunities and benefits that the return of country and its management brings.

Achieving this requires us to 'unlock the Indigenous Estate' and to position Indigenous Australians to be agents of their own land and sea country – growing its value, productivity and sustainability and being the drivers of opportunity.

The 'Indigenous Estate' refers to the tangible and intangible aspects of Indigenous Australia collectively held by Indigenous Australians. Physically, this refers to land under the care and control of Indigenous Australians, alongside fresh and saltwater country over which there are recognised Indigenous interests. Less tangibly, it refers to the cultural assets, cultural knowledge and intellectual property collectively held by Indigenous Australians and associated with their country.

In unlocking the Indigenous Estate, Indigenous Australians are generating and growing the economic, environmental, social and cultural capital inherent in their country.

The ILSC is proud of the role it plays in unlocking the Indigenous Estate and the opportunities and benefits it can bring.

We contribute to this by:

- > acquiring and returning land and water-related rights and assets to Indigenous people
- > supporting Indigenous people to preserve and protect cultural and environmental sites and traditional knowledge through reconnection with country
- > building the capacity and capability of Indigenous people to sustainably manage and protect country
- > partnering with Indigenous people to lead and influence opportunities for their country.

Established to redress the dispossession of Indigenous Australians through colonisation we provide for the contemporary and future land and water needs of Indigenous Australians, particularly those unlikely to benefit from Native Title or Land Rights. From cities and towns, to regional and remote areas, we work in partnership with Indigenous Australians across culturally and biologically diverse landscapes and demographics, with our activities – see ILSC by the Numbers (page VI-VII) – providing greater opportunities for a more prosperous and culturally-centred future for Indigenous Australians. Aligned with our purpose under the *Aboriginal and Torres Strait Islander Act 2005* we have identified a series of medium to long-term outcomes (or changes) that Indigenous Australians are expected to accrue from involvement in our activities.

We call these outcomes our four pathways of change:

- > Indigenous people are growing the value and productivity of country
- > Indigenous people are owning and managing country sustainably
- > Indigenous people are influencing policy and opportunity for country
- > Indigenous people are preserving and protecting culture through reconnection to country.

In addition to reporting against our Deliverables and Key Performance Indicators (KPIs) the 2020-21 Performance Statement (page 13) is furnished with an infographic showing the ILSC's 2020-21 contribution to our four 'pathways of change' and case studies showcasing the range of changes (outcomes) Indigenous people have experienced as a result of involvement in ILSC projects and activities. This reflects our ongoing work to transition our approach from activities to outcomes reporting.

ILSC funding

The ILSC is funded by the Aboriginal and Torres Strait Islander Land and Sea Future Fund (ATSILSFF). The ILSC received \$54.8 million in 2020-21, equivalent to the legislated annual allocation of \$45 million (in 2010 values). A full account of ILSC finances is provided in Part Seven.

Achieving the ILSC's purpose

The ILSC's purpose, as defined in section 191B of the amended *Aboriginal and Torres Strait Islander Act 2005* (ATSI Act), is to assist Aboriginal persons and Torres Strait Islanders:

- > to acquire land and water-related rights; and
- > to manage Indigenous-held land and Indigenous waters;

so as to provide economic, environmental, social or cultural benefits for Aboriginal and Torres Strait Islander people.

ILSC strategic documents

The ILSC's strategic framework is underpinned by a series of plans, strategies and reports required under the PGPA Act and ATSI Act - see VIII-IX. These documents, which connect 'who we are' to 'why we are', 'what we do' and 'how we went', are also the key external-facing expressions of the ILSC Performance Framework, collectively reflecting the continuous improvement cycle of 'plan - deliver - monitor - review'.

They can be accessed at: www.ilsc.gov.au

Legislative, governance and strategic context

The ILSC is a corporate Commonwealth entity under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) which first commenced as the Indigenous Land Corporation (ILC) on 1 June 1995.

It was established by the ATSI Act in response to the High Court's Mabo judgement (1992) and as such complements the *Native Title Act 1993* in recognising common law native title rights to land.

In 2019, the ILC became the Indigenous Land and Sea Corporation (ILSC) with the Aboriginal and Torres Strait Islander Amendment (Indigenous Land Corporation) Act 2018 extending the corporation's remit to include water-based interests (salt and fresh).

The ILSC's primary decision-making body is its seven-member Board appointed by the Minister for Indigenous Australians. The Board is responsible for the proper and efficient performance (see Part Five Governance) and setting the strategic direction (see the ILSC's full strategic framework on page VIII).

ILSC operations

ILSC operations are delivered via three main mechanisms.

Our Country Our Future funding program

The ILSC's principal funding program, *Our Country Our Future*, enables the development and delivery of new land and water acquisition and management projects with Indigenous groups. Indigenous groups bring forward and work up project ideas collaboratively with the ILSC, benefiting from the ILSC's expertise, investment and ability to attract project partners across the government, non-government and private sectors.

Prospective projects are subject to due diligence and assessed on their merits (namely value for money, sustainability and expected Indigenous benefits), relative to other projects in assessment and in the context of resources available in the ILSC.

The program is delivered from the ILSC's three divisional offices: Western (Perth), Central (Adelaide) and Eastern (Brisbane).

Subsidiaries

The ILSC's subsidiaries are specifically structured to generate outcomes by operating commercially in industry sectors in which Indigenous people may hold a competitive advantage.

Voyages Indigenous Tourism Australia Pty Ltd

Owns and manages Ayers Rock Resort in the NT, and manages the Mossman Gorge Centre in Far North Qld on behalf of the ILSC.

National Centre of Indigenous Excellence Ltd

An ILSC-developed social enterprise based in Redfern, Sydney, NSW.

Primary Partners Pty Ltd

Employs labour on a number of ILSC held properties and oversees the ILSC's eight agribusiness operations (at 30 June 2021), mainly in the north Australian beef industry.

Yamanah Investments Pty Ltd

Established January 2020 as a pilot program seeking to identify and accelerate ILSC partnership opportunities in the Murray-Darling Basin region of NSW.

See Part Four ILSC Group Subsidiaries for a full account of 2020-21 subsidiary activities as well as within individual sections.

Funded land management programs

The ILSC is involved in a variety of land management projects and programs which leverage our specific skills, scope and scale.

Real Jobs Program, NT

Since 2007, the ILSC has received funding from the Federal Budget to administer the Real Jobs Program in the NT. This provides work-based training and employment for unemployed Indigenous people to build their capacity and assist their transition into jobs in the land management, tourism and agribusiness sectors.

Savanna Fire Management Program, NT

The ILSC manages the Northern Territory Savanna Fire Management Program which enables Indigenous groups, often with few alternative business development and employment options, to commence a carbon business. The program is resourced by INPEX Operations Australia on behalf of Ichthys LNG joint venture partners as a voluntary offset program. At year end, the program held agreements with six projects covering a total of 3.6 million hectares of Indigenous land to support the delivery of fire management for generating carbon credits and other environmental and cultural benefits; funded four full time Indigenous ranger positions; enabled 45 participants to undertake training in fire-fighting, aerial incendiary training and operational leadership; and generated temporary employment for over 125 Indigenous participants. In collaboration with stakeholders and despite the challenges of COVID-19, most of the fire management activities were completed, improving access to and management of country.

A five-year review indicated positive feedback from engaged parties and recommended that over the next three years the program refines delivery of its objectives.

North West Indigenous Pastoral Program, SA

In 2020-21 the ILSC delivered the final phase of the North West Indigenous Pastoral Program (NWIPP) in partnership with six Indigenous-owned pastoral stations in far north-west SA and the SA Department of Primary Industries and Regions.

The ILSC contribution to the NWIPP focused on delivering an intensive Business Management Advisory Program that empowered Indigenous landowners in the sustainable management of their pastoral country and to look to alternative business partnerships and revenue streams, such as biodiversity offsets and carbon, to underpin commercial viability. Over the final 12 months of the program the NWIPP enabled the employment of seven Indigenous staff in the pastoral sector.

Reef Trust Project, Qld

In 2017, the ILSC commenced a gully erosion remediation project on ILSC's Crocodile-Welcome Station in northern Queensland. The project was awarded \$2 million by the Australian Government Reef Trust and is co-funded through the ILSC's *Our Country Our Future* program. Gully erosion in the area is a significant source of fine sediments washing into the Great Barrier Reef Lagoon. In the lagoon this can smother corals and interfere with fish and other animal life. Recent activities include gully shaping and stabilisation, reducing cattle numbers in riparian areas, and monitoring soil cover. During 2020-21, the project employed four Indigenous crew members to undertake on-ground activities.



Other programs and packages

ILSC Agribusiness Investment program

In 2020-21, the ILSC's Agribusiness Investment program supported new and existing Indigenous agribusinesses pursuing commercial arrangements to maximise the value and yield of their land and water assets. Support provided under the program has included due diligence and planning; identification and selection of agribusiness industry partners; facilitation and negotiation of joint ventures and offtake agreements; and the provision of interest free loans to build the equity of Indigenous corporations. Projects have been supported in the horticulture, aquaculture, pastoral and native foods sectors in various locations across Australia.

In 2020-21, in collaboration with *Our Country Our Future*, four new projects were supported by the ILSC Agribusiness Investment program.

New Harvest and Warrigundu Station will undertake strategic analysis of ILSC-held and granted properties to identify potential enhancements of existing agricultural enterprises. Baldivis Farm Greenhouse will result in Indigenous ownership of a horticulture supply chain and Djanaba Farm seeks to further develop an existing native food production business that will also offer workshops and experiences to showcase regenerative agricultural practices and traditional land management practises.

Launched in January 2019 to test alternative approaches to the ILSC's traditional grant funding function, from 1 July 2021 the program will be integrated into *Our Country Our Future* (OCOF) to consolidate the ILSC's agribusiness support offerings. The learnings gathered during the program will be incorporated into OCOF program arrangements to provides Indigenous corporations seeking to enter the agribusiness sector with flexible and industry specific products and services.

Emergency Response Grants

Following its Bushfire Emergency Response Grants Program of 2019-20, the ILSC has undertaken to make tailored grants programs available to Indigenous property holders impacted by declared natural disasters or states of emergency.

Adopting the rapid response model employed in response to the 2019-20 bushfire season, the ILSC offered streamlined access to support for Indigenous corporations with property immediately affected by Australia's March 2021 east coast floods. While the ILSC received four enquiries in relation to the program, there were no eligible applications

Murray-Darling Basin Aboriginal Water Entitlement Program, regional

Throughout 2020-21 the ILSC maintained a watching brief on the arrangements for the delivery of the Murray-Darling Basin Aboriginal Water Entitlement Program. As at June 30, no formal arrangement for the delivery of the program had been determined.

Australian Government COVID-19 Support Package to ILSC

In response to the impact of COVID-19 on key Indigenous Portfolio Bodies, including the ILSC, the Australian Government, through the National Indigenous Australians Agency (NIAA), has provided funding support.

As a Portfolio Body impacted by COVID-19, the ILSC received \$37.7 million in financial relief to help subsidiary businesses, Voyages and the National Centre of Indigenous Excellence (NCIE) survive the impacts of the pandemic and associated restrictions, better positioning them to make a rapid recovery as restrictions are lifted and protecting the underlying assets for the future divestment and benefit to Indigenous groups.

Both NCIE and Voyages are significant employers. The funding provides for the retention of employees and assists in meeting fixed operational costs for the duration of the grant period (to March 2021).

The ILSC continues to report on the outcomes of this grant to NIAA under the terms of its funding agreement.

Urgent Health and Safety Program

The ILSC continued to administer its ongoing Urgent Health and Safety funding stream, where grants are offered to remedy situations posing immediate risk to human or animal safety on Indigenous-held land. In 2020-21 the ILSC supported no new projects via this funding.



Alignment with Australian Government priorities

The ILSC has committed to perform its functions to support Australian Government priorities in Indigenous Affairs (to the extent allowed by its legislation) including:

- > The *National Agreement on Closing the Gap*, and particularly target 15 which aspires to increase Indigenous people's ownership of Australia's land and sea by 15 per cent
- > The *Indigenous Advancement Strategy* managed by the National Indigenous Australians Agency, complemented by the ILSC's acquisition and management activities
- > The ILSC's Portfolio Budget Statement 2020-21 (Prime Minister and Cabinet Portfolio) and specifically Outcome 1: 'Enhanced socio-economic development, maintenance of cultural identity and protection of the environment by Indigenous Australians through the acquisition and management of land, water and water-related rights'.

2020-21 focus areas

As set out in the National Indigenous Land and Sea Strategy 2019-22, in 2020-21 the ILSC Board continued its focus on supporting six key sectors of the economy that present opportunities for Indigenous landholders: conservation and healthy country; urban investment; agribusiness; tourism; niche Indigenous products; and water-based activities.

The following sections provide an overview of how new projects relate to each focus area, noting that many projects indirectly or directly encompass multiple priority areas. For example, the acquisition and grant of a commercial property in the town of Esperance in southern WA (case study, page 68) aligns with three focus areas – conservation and healthy country; tourism; and niche Indigenous products. It will enable a permanent base for administration along with a range of existing and future business enterprises including native title and land management services; a cultural interpretive centre; gift shop; and art gallery.

Conservation and healthy country

Conservation and healthy country relates to cultural and environmental protection and the development of enterprises based on the delivery of ecosystem services. As a focus area, it reflects the requirement of the ATSI Act

that the ILSC prioritise the delivery of cultural and social benefits. The ILSC actively leverages the opportunities presented by this sector to facilitate the multiple benefit streams generated through working on country; for example, ranger-type activities which look after land and water, reconnect Indigenous people to country and also provide economic benefits in payment for ecosystem services.

Since 2010, the ILSC has also been supporting Indigenous participation in the carbon economy based on reinstating and promoting traditional Indigenous burning practices. Known as savanna fire abatement, the practice of early dry season burning harnesses traditional ecological knowledge to reduce carbon emissions through the avoidance of uncontrolled late season wildfire. Savanna fire abatement is the principal emissions-reduction methodology available to land managers in northern Australia. These projects result in a flow of additional benefits for land managers, including employment and income for Indigenous communities from carbon credit trade and reconnection with country.

In total, 15 new projects aligned with the conservation and healthy country focus area. Of these, several – ABC On Country Carbon, Community Scale Renewable Energy Opportunities, Cape York Fire Program, Banatjarl Sustainable Power and Water, Environmental Plantings, BIMA Solar (case study, page 78) – are related to uptake of renewable energy, Indigenous fire management and/or participation in the carbon economy resulting in significant improvements in enterprise productivity, efficiency and/or resilience through reducing costs and/or diversifying income sources.

For some projects – Kathleen Buzzacott Arts, Banatjarl Sustainable Power and Water, Wuthathi Ranger Base, Lungtalanana and Chappell Island Infrastructure Repair (case study, page 70) – funding generated from improved infrastructure will be invested into on-country management, cultural activities, cultural knowledge sharing, and health and wellbeing programs. Other projects – Yamatji Nation ILUA, ALFA Fire Training, Cullunghutti Mountain (case study, page 64) – will undertake capability building activities and/or works related to environmental remediation; the protection of significant cultural and ecological sites; and the provision of commercial land management services.

Urban investment

The ILSC continues to prioritise strategic acquisitions in urban and regional centres as well as providing management support to enhance commercial, cultural and/or social uses for existing Indigenous urban assets.

This focus serves to bring geographical balance to the ILSC's investments and to acknowledge that most of the Indigenous population lives in urban or large regional centres. Activities supported under this focus area seek to expand the Indigenous physical and cultural footprint in urban areas, providing meeting places, supporting culturally-appropriate service provision, and raising the profile of Indigenous culture in the surrounding community. In 2020-21 10 new projects align with the urban investment focus area, each focusing on establishing culturally appropriate services to meet the needs of surrounding Indigenous communities.

Located in urban and regional centres in SA (Adelaide and Coober Pedy), NT (Katherine), WA (Roebourne, Esperance, Kalgoorlie), Qld (Bundaberg) and NSW (Wyong, Terara and Lismore), these projects involve planning, redevelopment or construction of enterprises for the delivery of a diversity of goods and services. Two of these projects – Ganallil Centre Redevelopment and Yerin Planning Project – will develop feasibility plans, one for a new purpose-built Indigenous community health building; and the second for an Indigenous centre redevelopment that will include a gallery, artist's studio and residency.

Other projects involve construction of an Indigenous elders village (Warriparinga); a central administrative and interpretive centre (Esperance); a water quality lab and equipment (Bundaberg); upgrade of an existing centre for social programs and community garden (Waminda); and construction of a new dialysis clinic to service renal patients in a remote area, removing the need for patients to relocate for treatment (Hutchison Street – Purple House case study, page 74).

The ILSC also continued to progress the divestment of two of its most significant urban assets, the National Centre of Indigenous Excellence in Sydney, NSW and the Clontarf Campus in Perth, WA, with a view to increasing their viability and ultimately achieving divestment of these properties to an Indigenous corporation.

Agribusiness

In addition to the ILSC Agribusiness Investment program and the ILSC Group's own agribusiness operations under the management of Primary Partners Pty Ltd (page 91), four projects this year focused on developing or enhancing agribusiness operations. Two of these (New Harvest Investment Managers Landholding Assessment and Warrigundu Station Business Operations Review) will undertake strategic analysis of ILSC-held and granted properties to identify potential

enhancements of existing agricultural enterprises; another (Baldivis Farm Greenhouse) will result in Indigenous ownership of a horticulture supply chain and one (Djanaba Farm) seeks to further develop an existing native food production business that will also offer workshops and experiences to showcase regenerative agricultural practices and traditional land management practises.

Tourism

The tourism sector has continued to be severely impacted by the COVID-19 pandemic and the restrictions on movement and gathering implemented to mitigate its spread into 2020-21. In addition to working with its own subsidiaries to minimise losses, support business continuity and expedite recovery, the ILSC has maintained its active watch on the support needs of Indigenous tourism operators to ensure the resilience and recovery of these enterprises and to prevent the stranding of assets as a result of the pandemic. The ILSC Group has continued to engage directly in the tourism sector through its existing operations at Ayers Rock Resort and Mossman Gorge and through investing in other tourism enterprises across the Indigenous Estate.

Three new projects were primarily aligned with the tourism focus area this year, with funding provided to enable completion of a new gallery and retail space in Jabiru, NT (Marrawuddi Gallery). The second – Minjerribah Cultural Centre – will develop a centre for art and cultural artefacts, provide spaces for performance and offer a cultural education for visitors. Finally, an ecotourism retreat (Nature Bank Eco-Tourism Retreat) will be supported to undertake feasibility planning and develop a business case.

Niche Indigenous products

The ILSC continues to work with partners to develop products and industries based on Australian flora and fauna which build on traditional cultural and ecological knowledge and connections to country. The niche Indigenous product industry leverages growing consumer understanding and interest in the value and properties of these products and continues to present a growth opportunity for the Indigenous Estate.

In 2020-21 one new project (Native Secrets – Yamanah) aligned with this focus area. During its first year, stage one of a feasibility study into a commercial production of Indigenous oils for use in a natural and organic skincare range was completed, and the process of securing Intellectual Property rights for the range commenced.



Our Values

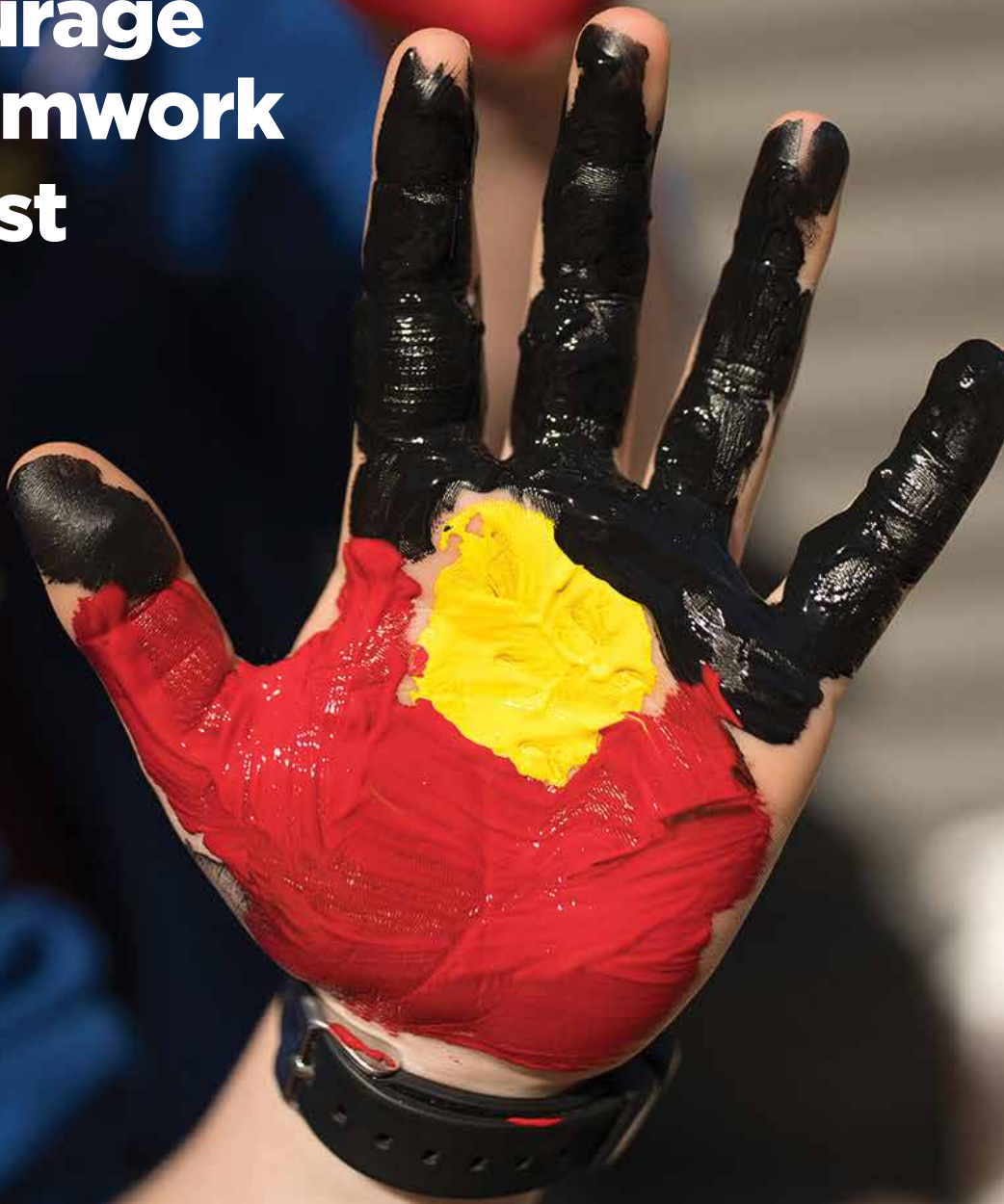
Responsibility

Respect

Courage

Teamwork

Trust







Part Two:
**ILSC Group
Performance**



Mossman Gorge on Kuku Yalanji
country in Far North Qld



School children learning about Esperance Nyungar native plants in WA



I, Edward Fry, as Chairperson of the Board of the Indigenous Land and Sea Corporation (ILSC) (the Accountable Authority) present the 2020-21 Annual Performance Statement for the ILSC as required under paragraph 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

In my opinion, this Annual Performance Statement accurately presents the corporation's performance in the reporting period and complies with subsection 39(2) of the PGPA Act.

Edward Fry
Chairperson
20 September 2021



Home Valley Station on Balanggarra and Wilinggin country, Kimberley, WA
Photo: Tania Malkin

ILSC Group performance in 2020-21

Welcome to the ILSC's Performance Statement for 2020-21.

This statement provides:

- > an overarching summary of 2020-21 ILSC performance against its performance targets and contribution to the ILSC's four 'pathways of change'
- > summaries against each performance target set out in the Portfolio Budget Statements (PBS) 2020-21 and the ILSC Corporate Plan 2020-21

It is also supported by case studies (Part Three) mapped to the ILSC's four 'pathways of change' to showcase the range of outcomes Indigenous people have experienced as a result of involvement in ILSC projects and activities.

Ongoing work to mature the ILSC's performance measures, systems and reporting has meant that for this year's statement:

- > there is currently some overlap between the ILSC Corporate Plan 2020-21 targets and PBS 2020-21 KPIs and Deliverables with work underway to align these.
- > results against some of the Corporate Plan targets are preliminary given that this is the first year of data collection; where results are preliminary, this is clearly noted in the narrative describing that target.

Additional background on the ILSC Performance Framework and ongoing work occurring within the ILSC and that influences the 2020-21 Performance Statement is provided on page 54.



Overall ILSC performance

Table 1 provides a summary of the ILSC's performance against its Corporate Plan and PBS 2020-21 targets.

Overall, while our data shows a slight decline from recent years, the ILSC has met (or exceeded) a total of six of nine of its targets for Deliverables and KPIs set out under the PBS 2020-21.

The ILSC is very proud of its progress in 2020-21 in building on the successful attainment of our key acquisition and divestment targets – **Deliverable 1** and **Deliverable 2** – in both 2018-19 and 2019-20.

We maintained our pursuit of these targets – a sustained growth outlook sought by the ILSC Board – despite the continued impacts of COVID-19 on the global and domestic economy and society. And while we fell just short of the targets in 2020-21, through our partnerships with Indigenous corporations we achieved the acquisition of six land-based assets and the return of 3869 hectares of land, comprising seven titles.

We consider the return of these assets to Indigenous control a great success which demonstrates the effectiveness with which the ILSC adapted its business approach to COVID-19 disruptions.

It also reflects the resilience and capability of enterprises across the Indigenous Estate to respond to emerging challenges while progressing the aspirations of Indigenous Australians.

KPIs 1 and 2 – the ILSC's Performance Targets for training and employment outcomes – were adjusted downward in 2020-21 to reflect the anticipated impact of COVID-19 on the ability of our partner organisations to generate these outcomes through 'on-ground' activities.

Both targets have been exceeded, as has **KPI 3** for the number of Indigenous enterprises supported by our activities.

KPI 4 and **KPI 5** were both amended in 2020-21 to better reflect the outcomes of the year in review, rather than legacy activities. Of these targets, KPI 4 was exceeded and KPI 5 was not met. Achievement against KPI 5 is influenced by some reporting and practice issues resulting

from internal system changes and the ILSC is confident that its actual performance against this measure represents an improvement on 2019-20 performance.

It is also worth noting that **KPI 2b**, **KPI 3** and **KPI 4** were exceeded at levels commensurate with pre-COVID-19 achievements.

Meanwhile, the eight targets from the ILSC's Corporate Plan 2020-21, which are in addition to the PBS targets, have been introduced for the first time in the 2020-21 Performance Statement. Of these, two were achieved; one is a longer-term cumulative target that is on track for achievement by 2024; one has had a baseline established this year for the first time; three will be measured and reported for the first time in 2021-22; and one was not achieved. The latter has been influenced by reporting and practice issues resulting from internal system changes and is expected to improve in future years.

The ILSC is satisfied that its 2020-21 outcomes represent continued strong performance against our purpose and progress toward our vision for

'Indigenous Australians to enjoy the rightful entitlements, opportunities and benefits that the return of country and its management brings'.

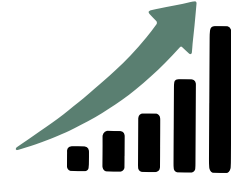
This progress is documented on page 18-19 as the contribution of the ILSC's activities to our four 'pathways of change' which describe the medium to long-term outcomes that we expect to see accruing to the Indigenous Estate through our activities –

- > Indigenous people are growing the value and productivity of country
- > Indigenous people are owning and managing country sustainably
- > Indigenous people are driving and influencing policy and opportunity for country
- > Indigenous people are preserving and protecting culture through reconnection to country

– which map our trajectory from inputs to impact for Indigenous Australians.

2020-21 contribution to the four Outcomes / Pathways of Change

Indigenous people are growing the value and productivity of country



Expanded the Indigenous Estate

- > **6** properties acquired (**149,218** hectares)
- > **7** properties returned to Indigenous Australians (**3,869** hectares)

Developed new enterprises

- > **8** new enterprises focusing on tourism, land management, carbon, pastoral, bush food and medicine, tree farm and horticulture

Improved enterprise efficiency

- > **5** enterprises with improved efficiency
- > **41** enterprises with improved productivity by building workforce capability and/or capacity, upgrading infrastructure, plant and/or equipment, and/or improving system or process

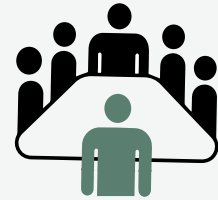
Improved enterprise resilience

- > **3** enterprises improving resilience through income stream diversification
- > **20** enterprises improving strategic and operational strength through planning activities, involving **259** Indigenous participants

How our partners describe change

- > *Having a nice, new greenhouse has increased the pride and happiness for the staff working here. It feels world-class. They want to take care of it, and they are proud when visitors come.*
- > *Properties are now functioning on a positive commercial basis - infrastructure is being progressed with a focus on production efficiencies. This is allowing for an increase in paid employment and skills-based training opportunities for Indigenous local people.*
- > *This first income from carbon has driven the establishment of basic business functionality and will allow the corporation to self-fund right-way fire operations into the future.*
- > *Community members are continually connecting and talking about the potential this property has and the opportunities that will come in the future as a result.*

Indigenous people are driving and influencing policy and opportunity for country



Policy and opportunity

- > **9** projects networking to increase Indigenous representation in the SA tuna fishing industry; expansion of service networks in regional and remote locations; strategy protecting Indigenous traditional knowledge; joint venture assessment framework; carbon abatement projects; and Indigenous-led training program for registered savanna burning

Developed and leveraged partnerships

- > **16** projects supported by **22** external partners contributing **\$31 million** funding (local, state and federal government agencies; and the banking sector)
- > **2** projects with in-kind capability assistance provided
- > **\$1.2 million** contributed by project proponents

Participated in partnerships and networks

- > **28** networking and knowledge sharing events, conferences, forums and other meetings attended by ILSC to drive opportunity and policy on behalf of Indigenous Australians

How our partners describe change

- > *Rangers were actively involved in presenting at the Indigenous Carbon Industry Network's Northern Australia Savanna Fire Forum.*
- > *The workshop connected participants from more than 12 different native title groups and a range of commercial tourism enterprises to discuss opportunities and issues, share expertise and network.*
- > *Improved collaboration between government and Indigenous fire management practitioners have enabled improved mapping and consideration of cultural sites and infrastructure to conduct cool, early season burns and avoid impact.*
- > *Our IPA is vast and highly diverse. The new governance structure will facilitate greater flexibility, more localised decision making and will form a strong and powerful voice from country and provide space for collective decision making. These changes will have significant flow on benefits.*

Indigenous people are preserving and protecting culture through reconnection with country



Improved access to country

- > **1902** additional Indigenous Australians with improved access to country and/or cultural sites

Improved participation in cultural activity

- > **208** cultural events held
 - > **2,693** Indigenous participants
 - > **686** non-Indigenous participants
- In healthy country programs, painting methods, language, knowledge sharing, collecting materials on country, maintaining the tradition of telling cultural stories to ensure they are passed down to future generations

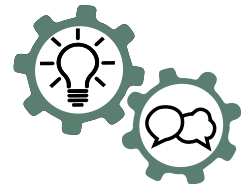
Improved access to culturally appropriate services

- > **16 projects** commenced or expanded culturally appropriate services and activities in health, recreation, wellbeing, legal services, elders social gatherings, exercise and education
- > **6388** Indigenous Australians accessed these services

How our partners describe change

- > *People are finding their voice during the planning processes, with some speaking publicly in the context of large group meetings for the first time.*
- > *Children are all kitted out for school and sport activities, so they don't feel marginalised by not having the same uniforms as other children.*
- > *Children are becoming more resilient and able to confide in community members and/or workers about issues affecting them personally.*
- > *Parents are seeking more supports from services prior to it becoming a major issue.*
- > *Our womens group involves activities such as arts, crafts, shared meals and cooking. It allows women of all ages to come together, have a yarn, and connect together in a safe and welcoming venue.*

Indigenous people are owning and managing country sustainably



Built Indigenous capability and knowledge-sharing

- > **4282** Indigenous people participated overall
- > **611** people completed a training course
- > **586** undertook accredited training
- > **182** trainees
- > **459** participated in planning activities
- > **604** participated in cultural knowledge sharing through **33** events

Improved management of country (planning)

- > **20** projects undertaking planning to improve management of country and/or enterprise (healthy country plans, property management, feasibility studies, enterprise, community garden and team and program planning)

Improved management of country (on-ground)

- > **65** projects involved on-ground management activities
- > **303** events
- > **130** sites / **17.5 million** hectares of works to maintain or improve condition of cultural sites, ecosystem and/or productive country (fencing, weed management, tree planting, erosion control, nursery management, water infrastructure, fire management, ecological surveys)

How our partners describe change

- > *The cultural fire workshop helped the community understand the benefits and use of Indigenous fire practises and helped to pass on the knowledge needed to keep the country healthy.*
- > *Indigenous directors have improved their skills and understanding of the various internal and external factors that contribute towards the long-term success of a commercial enterprise. Governance has improved through better strategic planning and oversight.*
- > *Carbon workshop outcomes include greater autonomy and understanding in relation to the operation of a carbon project.*
- > *These knowledge changes are working towards a more engaged and empowered workforce.*
- > *Capacity of staff is increasing which facilitates a stronger work relationship with clients.*

Table 1 Overall ILSC performance against Corporate Plan and Portfolio Budget Statement targets

Outcome / pathway of change	Corporate Plan and PBS targets	2020-21 target	2020-21 actual	Performance summary	Page reference
Indigenous people are growing the value and productivity of country	Corporate Plan target By 2024, the ILSC will have acquired 297 and returned 236 land or water-based interests to the Indigenous Estate since inception	272	271	<i>On track</i>	Page 24
		222	221	<i>On track</i>	Page 24
	PBS target				
	Deliverable 1 Properties acquired	7	6	<i>Not achieved</i>	Page 22
	Deliverable 2 Properties granted	8	7	<i>Not achieved</i>	Page 24
	Deliverable 3 Active projects	100	216	<i>Achieved</i>	Page 28
	KPI 1a Indigenous staff directly employed by the ILSC Group	450	578	<i>Achieved</i>	Page 39
	KPI 1b Indigenous employees indirectly employed (enabled through projects)	250	353	<i>Achieved</i>	Page 40
	KPI 3 Indigenous enterprises assisted by active ILSC Group projects	70	104	<i>Achieved</i>	Page 45
Indigenous people are owning and managing country sustainably	Corporate Plan targets The proportion of ILSC granted assets returned to the ILSC and/or lost to the Indigenous Estate is decreasing year on year	<13%	12.6%	<i>Achieved</i>	Page 24
	Proportion of projects achieving all projected deliverables*	80%	n/a	<i>To be reported 2021-22</i>	n/a
	The extent of Indigenous participation in capability building activities related to ownership and/or management of country and/or enterprise	n/a	4282	<i>Baseline year</i>	Page 41
	PBS targets				
	KPI 2a Indigenous trainees hosted	150	182	<i>Achieved</i>	Page 42
	KPI 2b Indigenous people training completions	800	1593	<i>Achieved</i>	Page 43
	KPI 5 New ILSC projects with contribution from third party	60%	39%	<i>Not achieved</i>	Page 48

Outcome / pathway of change	Corporate Plan and PBS targets	2020-21 target	2020-21 actual	Performance summary	Page reference
Indigenous people are preserving and protecting culture through reconnection with country	Corporate Plan targets Indigenous Australians are supported to: <ul style="list-style-type: none"> - experience improved access to country and significant cultural sites - gain access to culturally safe services and activities - participate in events and activities which strengthen and maintain culture* 	n/a	n/a	<i>To be reported 2021-22</i>	n/a
	Proportion of new active projects during 2021-24 that contribute to raising the profile of Indigenous communities and their achievements in the broader community	20%	48.7%	<i>Achieved</i>	Page 46
	PBS target KPI 4 Proportion of new projects enhancing Indigenous culture, heritage and the environment	50%	58.5%	<i>Achieved</i>	Page 46
Indigenous people are driving and influencing policy and opportunity for country	Corporate Plan targets The number of Indigenous people and/or corporations established in decision-making structures across geography, industry or sector leadership bodies assisted by ILSC*	n/a	n/a	<i>To be reported 2021-22</i>	n/a
	Extent of formal partnerships and informal collaboration	60%	39%	<i>Not achieved (as per KPI 5)</i>	Page 48
	PBS target KPI 5 Proportion of new projects involving a contribution to from third parties	60%	39%	<i>Not achieved</i>	Page 48
	PBS target KPI 6 ILSC Group contribution to the Indigenous Estate	Qualitative			Page 50

* Due to data limitations, these targets will be reported for the first time in 2021-22

Deliverable 1 Interests in land and water/waters acquired

Deliverable 1 reports achievement towards the ILSC's core land and water acquisition functions and is a progress indicator associated with the following outcomes / pathways of change and associated activities, objectives and targets from the ILSC Corporate Plan:

1: Indigenous people are growing the value and productivity of country

Results

Table 2 Performance against Deliverable 1 Interests in land and water/waters acquired

Performance target	Definition	2019-20 targets	2019-20 achieved	2020-21 targets	2020-21 achieved
PBS Target Deliverable 1	Interests in land and water/waters acquired	5	9	7	6
Corporate Plan target	By 2024, the ILSC will have acquired 297 land or water-based interests on behalf of the Indigenous Estate since inception	n/a	265	272	271

Analysis

The target for Deliverable 1 was not achieved in 2020-21 (Table 2) with the acquisition of six locations against a target of seven.

However, with one other acquisition approved during 2020-21 that was not quite completed in time for inclusion in this report, this shortfall is not considered material. Acquisitions involve numerous complex and time-consuming transactions with multiple stakeholders and the ILSC is not in control of all elements. This year, the ILSC experienced delays on the final expected settlement (a simultaneous acquisition and grant) as a result of a vendor being placed into administration. It is hoped the delayed settlement will occur in the 2021/22 year.

The ILSC did not reduce its acquisition target for 2020-21, maintaining the growth outlook pursued by the ILSC Board over recent years. In the context of the ongoing COVID-19 pandemic, the ILSC considers that the achievement of six acquisitions represent a highly successful year of engagement with the Indigenous Estate.

This achievement demonstrates the robustness of ILSC program processes and the resilience and capability of Indigenous Corporations to pursue outcomes despite significant disruption.

The six acquired interests – all land-based – represent over 149,216 hectares returned to the Indigenous Estate.

The ILSC prioritises the acquisition of land and water-related interests that are capable of sustaining and growing benefits to landholders, and which can attract co-investment (see KPI 5 for more information on co-investment) to ensure that the intrinsic and economic value of the Indigenous Estate is increasing.

Table 3 provides an overview of each acquisition completed during 2020-21.

Table 3 Interests in land and water acquired, 2020-21

Property name	Location	Size (ha)	Date acquired	Acquired to:
Baldivis Farm Greenhouse	Baldivis WA	21.78	05.08.2020	Establish a commercial partnership that creates an Indigenous-led and managed horticultural business covering the entire supply chain
Cullunghutti Mountain	Coolangatta NSW	53.38	19.04.2021	Enable access to and protection of a culturally significant property that includes Cullunghutti Mountain – the most spiritually significant site in the region to the Jerrinja people – and to develop training and employment programs to ensure sustainable ownership
Esperance Tjaltjraak Administration and Services Building	Chadwick WA	0.12	30.04.2021	Establish a permanent base for administration, business enterprises, native title and land management service, and potential for future use as a visitor centre
Kondaparinga	Mount Mulligan Qld	149,142	06.05.2021	Enable access to and protection of a culturally and ecologically significant property, with potential for a range of commercially viable business opportunities
Waminda Community Garden	Terara NSW	0.36	4.06.2021	Secure the sustainability of an existing community garden, and to contribute to the expansion of social enterprises on the property
Hutchison Street (Purple House)	Coober Pedy SA	0.35	11.06.2021	Construct a new dialysis clinic to service renal patients within the region to reduce the need for relocation of Indigenous patients to continue treatment

Deliverable 2 Interests in land and water/waters granted

Deliverable 2 reports achievements towards the ILSC's core land and water divestment functions and is an outcome indicator across the following ILSC outcomes / pathways of change and associated Corporate Plan activities, objectives and targets:

1: Indigenous people are growing the value and productivity of country

2: Indigenous people are owning and managing country sustainably

Results

Table 4 Deliverable 2 Interests in land and water/waters granted

Performance target	Definition	2019-20 targets	2019-20 achieved	2020-21 targets	2020-21 achieved
PBS target Deliverable 2	Interests in land and water/waters granted	8	8	8	7
Corporate Plan targets	By 2024, the ILSC will have granted 236 land or water-based interests to the Indigenous Estate since inception	n/a	214	222	221
	The proportion of ILSC granted assets returned to the ILSC and/or lost from the Indigenous Estate is decreasing year on year*	n/a	13%	<13%	12.6%

* total losses/reacquisitions as a proportion of the total number of grants since the inception of the ILSC: TL/TGx100

Analysis

The ILSC has a statutory obligation to divest or grant all acquired land and/or water interests to Indigenous corporations, and prioritises acquisitions that can be immediately divested to enable the most immediate and efficient flow of benefits to Indigenous people.

This approach recognises that ownership provides greater opportunities than leasehold or other tenure arrangements to generate more significant long-term benefits, including the development of an economic base, provision of training and jobs, managing and protecting culturally and/or environmentally significant country, or securing/expanding the delivery of culturally safe services.

The target to grant eight land or water-based interests for Deliverable 2 was not met this

year (Table 4). Of the seven grants achieved, four were acquired and immediately granted. All grants this year were of interests in land, encompassing over 3,869 hectares, and were valued collectively at \$12,290,753². As with Deliverable 1, the achievement of seven grants in a period so significantly impacted by COVID-19 reflects the effectiveness of the ILSC's processes and partnership approach and the resilience of Indigenous corporations to enable the continued delivery of key outcomes to Indigenous Australians.

Two new measures were introduced from the ILSC's Corporate Plan 2020-21 (Table 4). The first identifies that 221 of the 271 properties acquired in total since the ILSC's inception have been granted (81 per cent).

² Independent valuations are obtained by the ILSC at the time of grant

The second new measure relates to the proportion of granted assets returned to the ILSC and/or lost from the Indigenous Estate. Since inception, a total of 28 properties of the total of 271 properties acquired by the ILSC have either been returned to the ILSC (15 properties) or lost from the Indigenous Estate (13 properties have been sold on the open market).

In the 2020-21 year, zero properties were re-acquired by the ILSC and zero were lost from the Indigenous Estate.

The ILSC maintains a watching brief on the properties it has divested to Indigenous

landholders, to ensure that benefits for Indigenous Australians continue to be generated from the use of the property and the property is not at risk of being lost from the Indigenous Estate. If a group becomes insolvent and is subsequently liquidated, a property can be reacquired by the ILSC and may be divested to a different group in due course, assuming they are able to demonstrate the delivery of Indigenous benefits, good governance, capability and a sound financial situation.

Table 5 provides more information on each of the interests granted.

Table 5 Interests in land and water granted, 2020-21

Property name	Location	Size (ha)	Date granted	Title-holding body
Jinchilla Gardens	Dubbo NSW	12.09	28.08.2020	Tubba Gah (Maing) Wiradjuri Aboriginal Corporation
Mimosa	North Burnett Qld	3,803.00	11.01.2021	Kulali Aboriginal and Torres Strait Islander Corporation
Cullunghutti Mountain	Coolangatta NSW	53.38	19.04.2021	Jerrinja Local Aboriginal Land Council
Esperance Tjaltjraak Administration and Services Building	Chadwick WA	0.12	30.04.2021	Esperance Tjaltjraak Native Title Aboriginal Corporation Registered Native Title Body Corporate
Waminda Community Garden	Terara NSW	0.36	4.06.2021	South Coast Women's Health and Welfare Aboriginal Corporation
Hutchison Street (Purple House)	Cooper Pedy SA	0.35	11.06.2021	Western Desert Nganampa Walytja Palyantjaku Tjutaku Aboriginal Corporation
Dick Ward Drive	Coconut Grove NT	0.37	22.06.2021	Larrakia Nation Aboriginal Corporation

Additional grants of interests in land and water approved in 2020-21

The ILSC aims to minimise the time between acquisition and grant while maintaining high expectations of ownership and requirements to ensure the generation of long-term benefits for Indigenous Australians.

If required, additional assistance is provided to prospective titleholders during an initial leasehold period to provide opportunity to build experience and demonstrate capability and expertise in managing the complexities of sustainably owning interests in land and water.

The ILSC develops a plan in partnership with prospective titleholders that sets out a clear pathway that is actively monitored for compliance before the grant is finalised. In total, four projects are currently well progressed along this divestment pathway (Table 6). Two of these were approved for grant during 2020-21 by the ILSC Board; two have been carried over from previous years; and all have been carried into 2021-22.

Table 6 Properties approved for grant and awaiting transfer

Property name	Location	Size (ha)	Board approval date	Prospective Title-holding Body
88 Renwick St	Redfern NSW	0.01	October 2015* (delayed - carried into 21-22)	Aboriginal Dance Theatre Redfern
Old Pooncarie	Pooncarie NSW	249.30	August 2019 (delayed - carried into 21-22)	Barkandji Native Title Group Aboriginal Corporation
Panatana	Budehaven Tas	234.88	August 2020 (delayed - carried into 21-22)	Six Rivers Aboriginal Corporation
Black Theatre Site, Ground Floor	Redfern NSW	0.10	May 2021 (delayed - carried into 21-22)	Tribal Warrior Aboriginal Corporation

* Protracted negotiations between the ILSC and the grant recipient have delayed the transfer of the property

The ILSC retains ownership of properties for a longer period in circumstances where a suitable land-holding entity is yet to be identified; where the prospective land-holding group is building its capacity; or where the land itself (quality or scale) is unable to immediately meet its operational costs or support sustainable activities. Where possible, the ILSC collaborates with prospective land-holding corporations to develop strategies for viability prior to divestment approval.

Other dealings in land

Related to its land acquisition and grant functions (Deliverables 1 and 2), the ILSC has continuing responsibilities for land that originate from Deed of Grant conditions, as well as interests in properties transferred to the ILSC from organisations such as the former Aboriginal and Torres Strait Islander Commission.

One ILSC-held property – Weilmoringle Station, NSW – has received consent to the change of Western Division Road Lands to Western Lands Leases.

The ATSI Act sets out that a landholder cannot dispose of or mortgage an ILSC-divested property without ILSC consent. The caveats placed on the titles of properties divested help to ensure that the land continues to deliver benefits for Indigenous people, remains under Indigenous control and is used for the beneficial purposes for which it was acquired. As such caveats serve to secure sustained beneficial land ownership for future generations. The ILSC's caveat does not affect an Indigenous corporation's normal use and enjoyment of their property or their full ownership of the land or water.

The ILSC occasionally receives requests to dispose of or mortgage property from Indigenous corporations pursuing expanded economic development opportunities or seeking to change their focus or reduce organisational risk. Each case is considered on its merit.

During 2020-21, the ILSC approved five requests from Indigenous landholders (Table 7), including one land disposal; two consents to approve a new lease; one conditional consent to lease a portion of land; and one consent to a material change of land use.

Table 7 Approved requests from Indigenous landholders

Group	State	Request
Brisbane Indigenous Media Association	Qld	Consent to approve a new lease
Walhallow Murri Enterprises Aboriginal Corporation	NSW	Consent to approve a new lease
Nambucca Heads LALC	NSW	Consent to a material change of use
Bonalbo Aboriginal Corporation	NSW	Consent to the disposal of land
Whongi Ahrah Aboriginal Corporation	SA	Conditional Consent was provided to lease portions of Waterfall



Jack Johncock and Paul Vandenberg
on Barngarla country, Port Lincoln, SA

Deliverable 3 Active projects

Deliverable 3 provides insight into the overall activity across the land acquisition and management functions and is used to determine projects in scope for reporting against KPIs 1b, 2b, 3, 4 and 5. Deliverable 3 is an activity indicator across the following ILSC outcomes / pathways of change and associated Corporate Plan activities and objectives:

- 1: Indigenous people are growing the value and productivity of country
- 2: Indigenous people are owning and managing country sustainably
- 3: Indigenous people are driving and influencing policy and opportunity for country
- 4: Indigenous people are preserving and protecting culture through reconnection to country.

Results

Table 8 Deliverable 3 Number of active acquisition and management projects

Performance target	Definition	2019-20 targets	2019-20 achieved	2020-21 targets	2020-21 achieved
PBS target Deliverable 3	Number of active acquisition and management projects	110	208	100	216

Table 9 Total active projects for 2020-21 by ILSC Group (by program/subsidiary)

Type	Number
<i>Our Country Our Future</i> projects	181
Projects managed by Voyages	2
Projects managed by National Centre of Indigenous Excellence	1
Projects managed by ILSC Agribusiness*	32
Total	216

* Includes projects managed by Agribusiness Investment Program and Primary Partners

Analysis

ILSC projects are typically implemented over at least two financial years, often longer depending on their nature and complexity. Some projects extend over multiple years where there are ongoing administrative and ILSC operational activities, beyond the span of 'on-ground' project activities. All projects are selected with a view to maximising the generation of benefits for Indigenous Australians, while sustaining and growing cultural and environmental benefits.

Indigenous applicants are encouraged to participate in industry and other networks, and to adopt suitable risk measures to mitigate and/or adapt to climate change and other impacts to country, heritage sites or cultural sites. The overarching aim is to support Indigenous landholders in whatever ways are required to support their aspirations as well as ensuring sustainable management and ownership of country and associated enterprises.



Kakadu plum (Gubinge) powder

For annual reporting purposes, the ILSC defines 'active' projects as meeting one or more of the following four criteria:

- > Project has been in the 'implementation' stage at any time during the financial year
- > Project relates to a land/water holding or interest acquired within three years
- > Project relates to a land/water holding or interest divested or granted during the financial year
- > There is an expectation that the land/water holding or interest that the project relates to will be divested or granted within 12 months of the financial year.

Table 8 shows that the ILSC Group significantly exceeded its target of 100 for Deliverable 3 with 216 active projects in 2020-21; 40 were projects commencing in 2020-21 while 176 projects were continuing from previous years.

The ILSC has identified that this reported figure potentially overstates the number of active projects for the 2020-21 period. The figure is the result of a systematised report, drawn from Sensei IQ³ - the ILSC's new project management system - and based on the definitions of 'active' set out above. These definitions require that projects be actively monitored and transitioned 'out of' an active status in a timely manner.

With the introduction of Sensei IQ, the ILSC is better placed to accurately identify completed and/or terminated projects and to action their closure. In addition, the enhanced reporting capability of Sensei IQ will allow the ILSC to refine its report definitions to mitigate any ongoing practice concerns.

The ILSC expects to report a significantly lower achievement figure against this target in the next reporting period.

Table 9 provides more detailed information on contributions by the ILSC and its subsidiaries towards Deliverable 3.

At the end of June 2021, an additional 48 potential projects were being assessed in the *Our Country Our Future* 'pipeline', with a value of just over \$28.97 million. This includes 14 proposals for acquisition valued at \$15.25 million and 34 management proposals valued at \$13.71 million.

Table 10 (A-D) sets out more detailed information about each of the new land acquisition and land management projects approved for funding in 2020-21, noting those projects with ILSC funding of \$100,000 or more, and/or where funding has been carried over to 2021-22. New acquisition projects are also highlighted, and details of project partners are provided where relevant.

³ For more detail on the ILSC's project management system transition refer to page 55

ILSC Group Projects In 2020-21 Northern Region

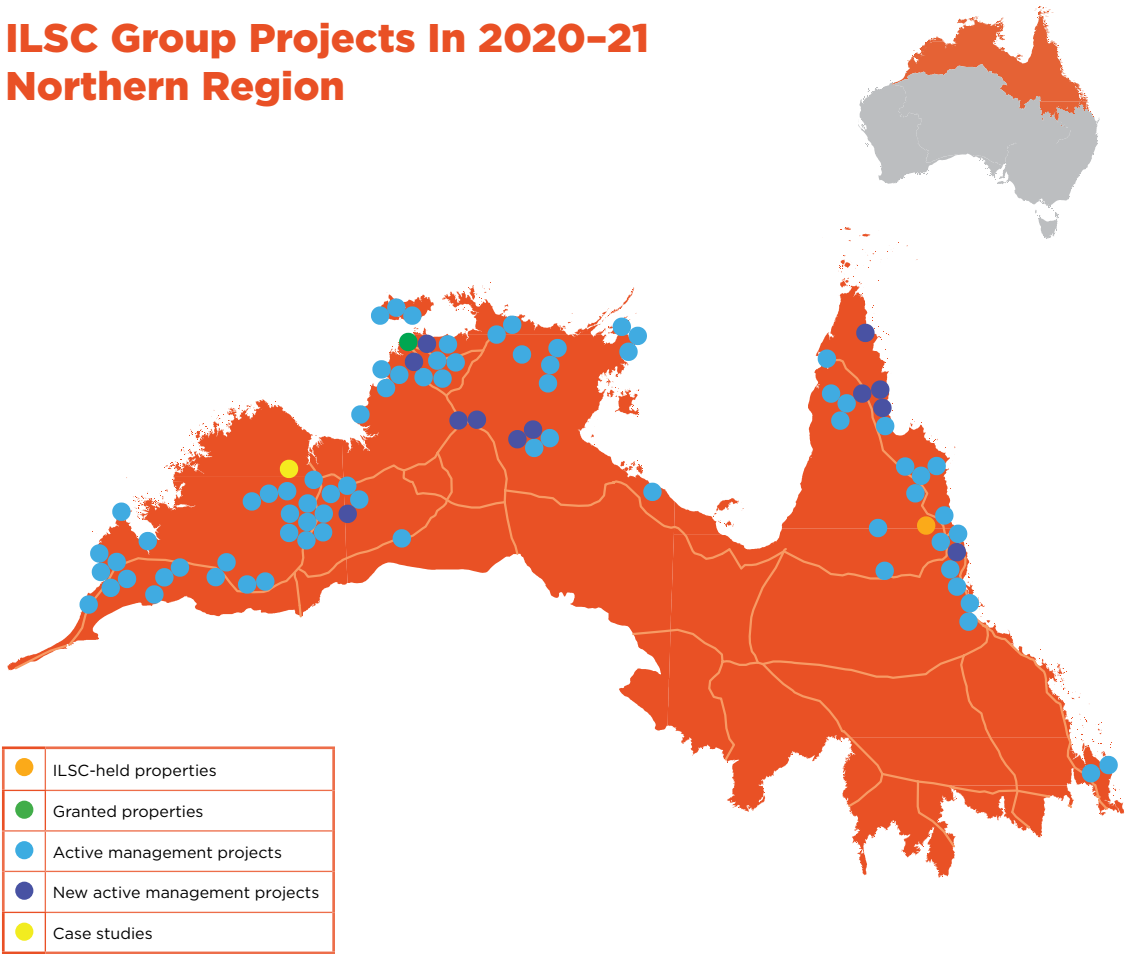


Table 10A ILSC funded acquisition and management projects commencing ‘active’ status in 2020-21

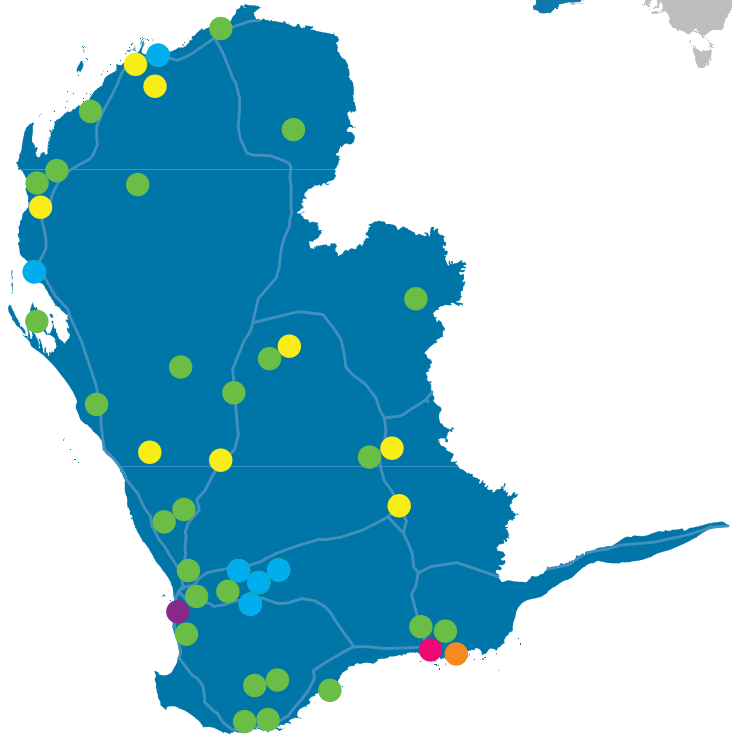
Project name, proponent, location and partners	Description
Project Name Marrawuddi Gallery Retail Fitout [§] Proponent Gundjeihmi Aboriginal Corporation State NT	Co-investment to undertake a bespoke fit out on a new gallery in Jabiru
Project Name Banatjarl Sustainable Power and Water [§] Proponent Jawoyn Association Aboriginal Corporation State NT Partner Department of Industry Tourism and Trade (NT Government)	Support for the provision of culturally centred family, youth and community healing programs, and fee-for service cultural immersion and cross-cultural training program

[§] ILSC funding of \$100,000 or more; [#] Land acquisition project; ^{*}Funding to be released next financial year

Project name, proponent, location and partners	Description
<p>Project Name ALFA Fire Training[§]</p> <p>Proponent Arnhem Land Fire Abatement (NT) Limited</p> <p>State NT</p>	<p>Development of nationally accredited fire training to support the Savanna Fire Carbon Abatement industry across the nine partner groups of the Arnhem Land Fire Abatement Project, and across Northern Australia at a later stage</p>
<p>Project Name Purnululu School Solar Power Project[§]</p> <p>Proponent Purnululu Aboriginal Corporation</p> <p>State WA</p>	<p>Assistance for the installation of two 27kW of Solar PV on the rooftops of new school buildings</p>
<p>Project Name Post-grant assistance to review Namul Namul sublease[*]</p> <p>Proponent Namul-Numal Aboriginal Corporation C/- NLC</p> <p>State NT</p>	<p>Review and renegotiation of proposed sublease extension to update the terms and bring the sub-lease into line with current market rates</p>
<p>Project Name Bama Plant and Equipment[§]</p> <p>Proponent Bama Facilities Maintenance Pty Ltd</p> <p>State Qld</p> <p>Partner Westpac Foundation</p>	<p>Purchase of plant and equipment for delivery of works contracts on Indigenous held land and other properties in Far North Qld</p>
<p>Project Name NAAJA Katherine Office Fit Out & Asset Management Plan[§]</p> <p>Proponent North Australian Aboriginal Justice Agency</p> <p>State NT</p>	<p>Property renovation for conversion into central office, and development of an Asset Management Plan for its entire property portfolio</p>
<p>Project Name Wuthathi Ranger Base</p> <p>Proponent Wuthathi Aboriginal Corporation RNTBC[§]</p> <p>State Qld</p> <p>Partner Department of Environment and Science</p>	<p>Assistance to construct a land and sea ranger base on its freehold land at Shelburne Bay on the Cape York Peninsula, which will reduce travel time and costs, freeing up resources for investment into the ranger program</p>
<p>Project Name Cape York Fire Program[§]</p> <p>Proponent ILSC</p> <p>State Qld</p>	<p>Undertake processes for the registration of multiple projects funded through the Landcare Restoration Fund</p>
<p>Project Name Warrigundu Station business options review</p> <p>Proponent ILSC</p> <p>State NT</p>	<p>Review past performance of the Warrigundu Station business and explore options for future business arrangements</p>

[§] ILSC funding of \$100,000 or more; [#] Land acquisition project; ^{*} Funding to be released next financial year

ILSC Group Projects In 2020-21 South-West Australia Region



●	ILSC-held properties
●	Granted properties
●	Active management projects
●	New active management projects
●	Case studies

Table 10B ILSC funded acquisition and management projects commencing ‘active’ status in 2020-21

Project name, proponent, location and partners	Description
<p>Project Name Esperance Tjaltjraak Administration and Services Building^{#§*}</p> <p>Proponent Esperance Tjaltjraak Native Title Aboriginal Corporation Registered Native Title Body Corporate^{#§}</p> <p>State WA</p>	<p>Establish a permanent base for administration, business enterprises, native title and land management service, and potential for future use as a visitor centre</p>
<p>Project Name ABC On Country Carbon Project^{§*}</p> <p>Proponent ABC Foundation Ltd</p> <p>State WA</p>	<p>Undertake a two-stage process developing support for carbon projects on Indigenous pastoral leases, starting with feasibility and remediation scoping, followed by development of a business model for Aboriginal-controlled carbon farming service to manage/support Indigenous carbon projects</p>

[§] ILSC funding of \$100,000 or more; [#] Land acquisition project; ^{*}Funding to be released next financial year



Project name, proponent, location and partners	Description
<p>Project Name Coral Bay Planning Project[§]</p> <p>Proponent BAC Village Pty Ltd</p> <p>State WA</p>	<p>Completion of a business planning study for a proposed property development in Coral Bay</p>
<p>Project Name Baldivis Farm Greenhouse^{§#}</p> <p>Proponent South West Aboriginal Land and Sea Council</p> <p>State WA</p>	<p>Establish a commercial partnership that creates an Indigenous-led and managed horticultural business covering the entire supply chain</p>
<p>Project Name Bega Garnbirringu Health Service Building Redevelopment^{§*}</p> <p>Proponent Bega Garnbirringu Health Services Incorporated</p> <p>State WA</p> <p>Partners Lottery West</p>	<p>Support for the redevelopment of 12-14 MacDonald Street, Kalgoorlie to accommodate current and future workforce</p>
<p>Project Name Ganalili Centre Redevelopment</p> <p>Proponent Yindjibarndi Aboriginal Corporation RNTBC</p> <p>State WA</p> <p>Partner Lottery West</p>	<p>Conduct a stage 3 feasibility study of a gallery, artist studio and residency that will complete the Ganalili Centre redevelopment</p>
<p>Project Name Nature Bank Eco-Tourism Retreat Planning</p> <p>Proponent Yindjibarndi Aboriginal Corporation RNTBC[*]</p> <p>State WA</p> <p>Partner Department of Primary Industries & Regional Development</p>	<p>Completion of a detailed business case, including a full site review to determine whether the proposed Millstream Chichester National Park eco-tourism resort will progress</p>
<p>Project Name Yamatji Nation Indigenous Land Use Agreement</p> <p>Proponent Yamatji Southern Regional Corporation Ltd^{§*}</p> <p>State WA</p> <p>Partner National Indigenous Australians Agency</p>	<p>Assistance with the management and development of significant assets received under the Yamatji Nation Indigenous Land Use Agreement</p>

[§] ILSC funding of \$100,000 or more; [#] Land acquisition project; ^{*}Funding to be released next financial year

ILSC Group Projects In 2020-21 South-East Australia Region

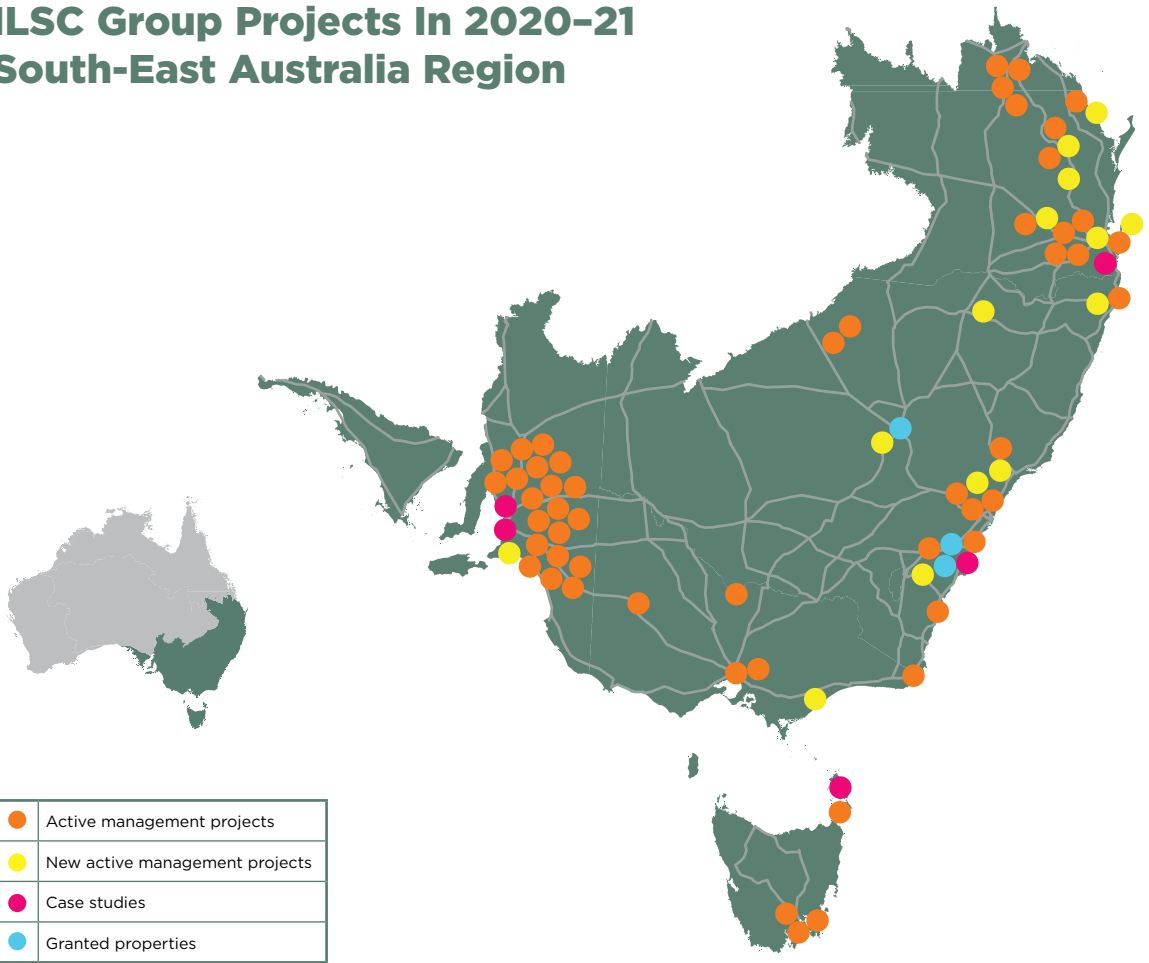


Table 10C ILSC funded acquisition and management projects commencing ‘active’ status in 2020-21

Project name, proponent, location and partners	Description
<p>Project Name Waminda Community Garden^{#§*}</p> <p>Proponent South Coast Women’s Health and Welfare Aboriginal Corporation</p> <p>State NSW</p>	Support to purchase property for a community garden, and contribute to the expansion of social enterprises
<p>Project Name Cullunghutti Mountain^{#§*}</p> <p>Proponent Jerrinja Local Aboriginal Land Council</p> <p>State NSW</p> <p>Partner NSW Aboriginal Land Council</p>	Enabled access to and protection of a culturally significant property that includes Cullunghutti Mountain – the most spiritually significant site in the region to the Jerrinja people – and to develop training and employment programs to ensure sustainable ownership

[§] ILSC funding of \$100,000 or more; [#] Land acquisition project; ^{*}Funding to be released next financial year

Project name, proponent, location and partners	Description
Project Name Illaroo Bridge Reinstatement [§] Proponent Mia Mia Properties Incorporated State Qld	Assistance to reinstate an access bridge to Illaroo Farm after it was destroyed during recent floods in the region
Project Name Yerin AMS Planning Project Proponent Yerin Aboriginal Health Services Limited State NSW	Development of a comprehensive building needs assessment and accommodation plan with the intent of designing a new purpose-built facility on Indigenous held land from which to base its services
Project Name Warriparinga Elders Village ^{§#} Proponent Aboriginal Community Housing Limited State SA	Construction of 40 single-bedroom units to support independent living of Aboriginal and Torres Strait Islander Elders
Project Name BIMA Solar ^{§*} Proponent Brisbane Indigenous Media Association Inc, trading as 989fm State Qld	Installation of solar panels on its radio station in West End, Qld with costs savings to be used to employ a trainer
Project Name Native Secrets – Yamanah Consultancy Work [*] Proponent 4R Family Group Pty Ltd trading as Native Secrets State NSW	Provision of Business Development and Mentoring Services to Native Secrets
Project Name Environmental Plantings in the Burnett Catchment Proponent Samflodai ATSI Corporation State Qld	Carbon farming project (reforestation by environmental plantings – FullCAM) on Mimosa Station (Land Restoration Fund)
Project Name Ramahyuck Solar Farm [§] Proponent Ramahyuck District Aboriginal Corporation State Vic Partner National Indigenous Australians Agency	Support to develop a 4.9 MW solar farm on a property to generate income that will be used to expand social programs to improve the health of the local Aboriginal community
Project Name QYAC Minjerribah Cultural Centre [§] Proponent Quandamooka Yoolooburrabee Aboriginal Corporation RNTBC State Qld Partners Qld Department of Innovation, Tourism Industry Development and the Commonwealth Games; Australia Council for the Arts	Development of a centre for art and cultural artefacts; and to provide spaces for performance; cultural education for visitors; and a place where the Quandamooka people can connect with country
Project Name Jarjum Centre Lismore [§] Proponent Jarjum Centre Inc State NSW	Assistance for landscaping, outdoor storage and playground equipment for a new purpose-built early childhood centre in Lismore, NSW

[§] ILSC funding of \$100,000 or more; [#] Land acquisition project; ^{*}Funding to be released next financial year

Project name, proponent, location and partners	Description
<p>Project Name Djanaba Farm Permaculture Planning</p> <p>Proponent Jocelyn King</p> <p>State NSW</p>	<p>Development of a property plan for a small-scale native food production business at Djanaba Farm in the Hunter Valley NSW, which will offer workshops and experiences that showcase regenerative agricultural practices and traditional land management practises</p>
<p>Project Name Gidarjil Water Quality Lab[§]</p> <p>Proponent Gidarjil Development Corporation Limited</p> <p>State Qld</p>	<p>Construction of a water quality lab at the port of Bundaberg, and purchase plant and equipment</p>
<p>Project Name Cherbourg Recycling Ai</p> <p>Proponent Cherbourg Aboriginal Shire Council[*]</p> <p>State Qld</p> <p>Partner Commonwealth Bank of Australia; NSW Department of Aboriginal Affairs</p>	<p>Explore the potential for using artificial intelligence technology to improve the profitability and community impact of the Cherbourg Material Recovery Facility</p>
<p>Project Name Moree LALC - Nardoola Quarry Planning Project[*]</p> <p>Proponent Moree Local Aboriginal Land Council</p> <p>State NSW</p>	<p>A geotechnical survey of a potential quarry site to identify possible development options and likely social and economic outcomes for the local Indigenous community</p>
<p>Project Name Lungtalanana and Chappell Island Infrastructure Repair[§]</p> <p>Proponent Tasmanian Aboriginal Corporation</p> <p>State Tas</p>	<p>Repair Damaged Wharf at Lungtalanana (Clarke Island) and Chappell Island to meet safety standards, and upgrade on-island accommodation to enable people to return to the island to protect cultural sites and middens</p>
<p>Project Name Community Scale Renewable Energy Opportunities on Indigenous Held Land[§]</p> <p>Proponent ILSC</p> <p>State Multi-state</p>	<p>Feasibility and business planning work for community-owned solar farms with potential to generate income on Indigenous-held land</p>
<p>Project Name Conditions for success - an evidence-based approach to evaluate Joint Ventures</p> <p>Proponent ILSC</p> <p>State Multi-state</p>	<p>Develop and embed an evidence-based approach for effective evaluation and management of joint venture projects for optimal return on mandate</p>
<p>Project Name New Harvest Investment Managers[§]</p> <p>Proponent ILSC</p> <p>State Multi-state</p>	<p>Assessment of ILSC-held or divested landholdings for agriculture potential, as well as economic and social performance; and investigation into the potential of regional support hubs to facilitate the highest and best use of participating properties</p>

[§] ILSC funding of \$100,000 or more; [#] Land acquisition project; ^{*}Funding to be released next financial year



ILSC Group Projects In 2020-21 Australian Desert Region

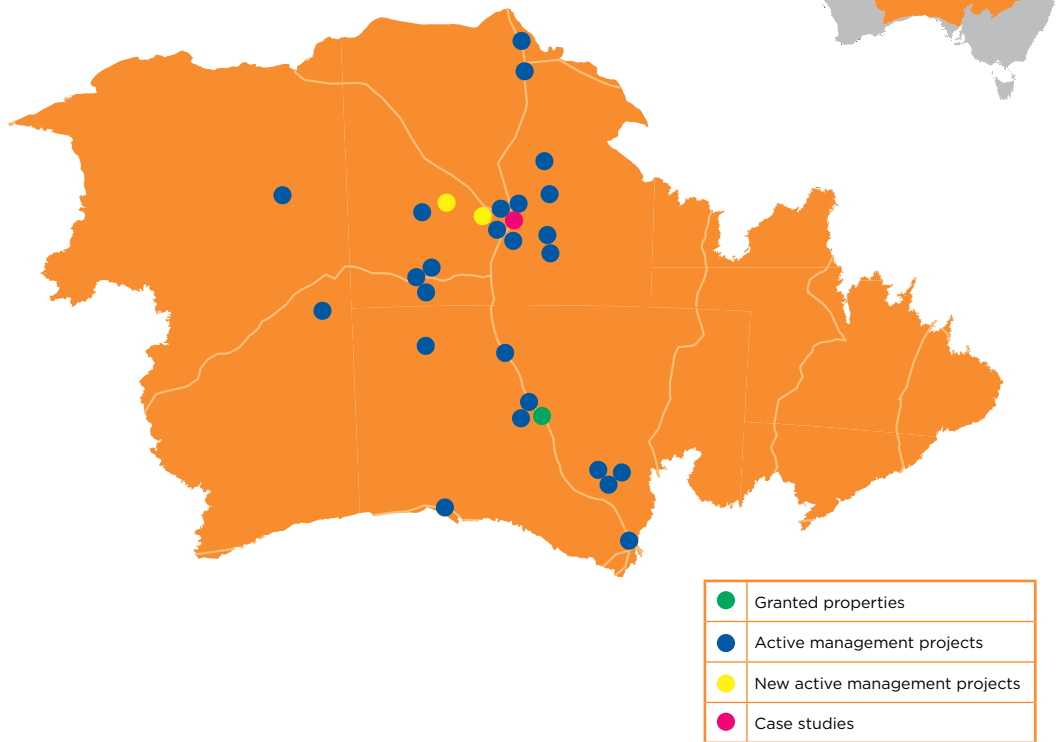


Table 10D ILSC funded acquisition and management projects commencing 'active' status in 2020-21

Project name, proponent, location and partners	Description
<p>Project Name Hutchison Street (Purple House) #[§]* Proponent Western Desert Nganampa Walytja Palyantjaku Tjutaku Aboriginal Corporation State SA Partner SA Government</p>	Construct a new dialysis clinic to service renal patients within the region to reduce the need for relocation of Indigenous patients to continue treatment
<p>Project Name Kathleen Buzzacott Arts - Tractor Proponent Kathleen Buzzacott State NT</p>	Purchase of tractor and slasher for the homelands to allow year-round access for tourists
<p>Project Name Papunya Tjupi - Troop Carrier and Trailer Proponent Papunya Tjupi Arts Aboriginal Corporation State NT</p>	An all-terrain vehicle and purpose-built trailer to generate economic, social and cultural benefits by providing Indigenous peoples with access to practise traditional cultural activities and meaningful employment opportunities on Country

[§] ILSC funding of \$100,000 or more; # Land acquisition project; *Funding to be released next financial year

KPI 1 Indigenous employment

KPI 1 measures the ILSC contribution to economic outcomes on the Indigenous Estate and reflect the ILSC Board and Australian Government commitment to economic empowerment and independence. Employment outcomes are a progress indicator across the following ILSC outcomes / pathways of change:

1: Indigenous people are growing the value and productivity of country

The ILSC reports achievement against both *direct* and *enabled* employment. In this context, *direct* refers to employment that is directly funded by the ILSC, while *enabled* refers to employment that is enabled as a result of a funding partnership between Indigenous groups and the ILSC (and potentially other agencies/ organisations).

Direct Indigenous employment, including investment in ongoing career development, is prioritised across the whole ILSC Group, and its performance is aggregated here for KPI 1a⁴. Further information about employment for the ILSC and each of its subsidiaries is provided in Part Four and Part Six of the Annual Report.

Enabled Indigenous employment refers to employees engaged by external parties – Indigenous corporations, landholders, service delivery agencies and enterprises – and is achieved through the ILSC’s acquisition and management projects.

The ILSC proactively identifies third parties for strategic partnerships in a commercial setting to maximise employment and enterprise opportunities for Indigenous Australians.

Results

Table 11 KPI 1 Indigenous employment

Performance target	Definition	2019-20 targets	2019-20 achieved	2020-21 targets	2020-21 achieved
PBS target KPI 1a	Indigenous employment – direct	550	695	450	578
PBS target KPI 1b	Indigenous employment – enabled	550	425	250	353

Analysis

During 2020-21, both KPI 1a and KPI 1b were significantly exceeded (Table 11). This is particularly impressive considering the ongoing impacts of COVID-19 on overall economic activity, travel restrictions and changed working arrangements. The ILSC Group’s ability to maintain jobs through the pandemic, including Indigenous jobs, has been supported by the Australian Government’s COVID-19 ILSC Subsidiary Support Package.

⁴ ‘Flow data’ is used to calculate the number of employment opportunities provided through ILSC funding (both direct and enabled) rather than a year end (30 June) ‘point in time’ head count. This choice references the seasonal nature of work and employment across the key sectors (agribusiness and tourism) in which ILSC employment occurs.



KPI 1a Direct Indigenous employment

The following section provides an overview of how the ILSC Group contributed to KPI 1a – direct employment. Additional information relating to Indigenous employment is provided in Part Four and Part Six of the Annual Report.

ILSC

The ILSC directly employs Indigenous staff for its program delivery and corporate sections. This year, the ILSC employed 28 Indigenous people over the year (flow data); a slight decrease from 31 during 2019-20.

At 30 June 2021 the proportion of Indigenous employees within the ILSC was 19 per cent, a reduction from 24 per cent in 2019-20.

Primary Partners

Primary Partners aims to increase Indigenous people representation at all levels and support the progression of aspiring Indigenous workers by building their capability from entry-level positions on pastoral properties through to agribusiness manager or similar roles.

During 2020-21, Primary Partners employed a total of 152 Indigenous people (flow data) who were fulfilling roles across that part of the business. This is a significant decrease from 205 in 2019-20. This reduction of direct employment of Indigenous people is consistent with the ILSC's reduction in its property holdings as it transitions from being the direct manager of agribusinesses on Indigenous held land.

At 30 June 2021 the proportion of Indigenous employees within Primary Partners was 67.2 per cent, a slight reduction compared with 69.5 per cent in 2019-20.

Voyages

This year Voyages employed a total of 332 (flow data) Indigenous people who were fulfilling roles across Voyages' two tourism properties and the corporate office in Sydney. This reduction from 398 Indigenous people employed during 2019-20 is consistent with the impacts of the COVID-19 pandemic on Voyages' operations.

At 30 June 2021, 291 Indigenous people (head count) were employed by Voyages, compared with 289 in 2019-20, an increase of two people.

Indigenous people represented 38.6 per cent of the total Voyages workforce at year end, maintained at the same level since 2019-20.

Ayers Rock Resort provided the greatest number of opportunities with its workforce of 252 Indigenous employees representing 40.9 per cent of the Resort's workforce, an increase from 2019-20 when 243 Indigenous employees represented 30 per cent of the Resort's workforce.

National Centre of Indigenous Excellence

Over 2020-21, the National Centre of Indigenous Excellence employed 66 Indigenous people (flow data), a slight increase from 64 during 2019-20.

At 30 June 2021, the proportion of Indigenous employees was 40 per cent compared with 46.4 per cent during 2019-20.

KPI 1b Enabled employment in ILSC-funded projects

The following information identifies the contribution towards KPI 1b by the ILSC and its subsidiaries.

ILSC

Enabled employment data is collected from all active projects (Deliverable 3), including third party projects enabled by ILSC subsidiaries.

During 2020-21 the target for KPI 1b was reduced (250 in 2020-21 compared to 550 in 2019-20). This occurred in anticipation of COVID-19 lockdowns and social distancing measures leading to significantly reduced economic activity across Australia and specifically the ability of Indigenous corporations to generate employment outcomes through land and water-based enterprise.

During 2020-21, 353 Indigenous employees were engaged through these projects, significantly exceeding the target.

Of these, 13 employees were engaged through projects operating from assets held by the ILSC Group; these comprise nine through the National Centre of Indigenous Excellence and four employed through Voyages' Artists in Residence program at Ayers Rock Resort.

The ILSC is pleased to observe the ability of partner enterprises to meet their employment targets despite the disruptions of COVID-19. However, this measure does not capture the nature or term of employment. This means that the ILSC cannot estimate the extent to which the economic and other benefits expected to flow to Indigenous Australians through ILSC project-associated employment outcomes were achieved.

Real Jobs Program

The Real Jobs Program, managed by the ILSC on behalf of the Australian Government, places unemployed Indigenous people in employment in the land management, tourism and agribusiness (pastoral and horticulture) sectors. The program objective is to employ and train Indigenous people and to build individual capacity to take up employment outside the program.

In 2020-21, the program expended \$8.8 million supporting employment and associated training activities. The supported employment represented 44 per cent of KPI 1b employment target, enabling 159 Indigenous people to take up employment across 130 Full Time Equivalent (FTE) positions.

In the healthy country/conservation sector, 74 FTE ranger positions were funded with eight organisations.

In the agribusiness sector, the ILSC supported employment in the pastoral and horticulture sector, including 27 positions contracted to the Northern Territory Cattlemen's Association and ILSC Agribusiness to develop career opportunities for young Indigenous people in the pastoral industry.

In the horticultural industry, the program supported six full FTE positions at Tiwi Enterprises Pty Ltd. In the tourism sector, 23 positions were contracted to Kakadu Tourism, Nitmiluk Tours Pty Ltd, Adina Vibe Hotel Darwin Waterfront, and the ILSC subsidiary Voyages.

During the year, in addition to employment and training benefits the program supported 55 cultural events attended by 460 Indigenous people and enabled improved access to country for 264 Indigenous people. The program also supported on-ground management activities at 50 sites on Indigenous held land, including protecting gravesites, clearing water holes, biodiversity monitoring, late season fire control, pest plant management and feral animal control.



KPI 2 Indigenous training

KPI 2 measures the ILSC contribution to capability outcomes on the Indigenous Estate. It reflects the ILSC Board and Australian Government commitment to capability building that leads to economic empowerment and independence. Training outcomes are a progress indicator across the following ILSC outcomes / pathways of change:

2: Indigenous people are owning and managing country sustainably

The ILSC prioritises formal Indigenous training across the ILSC Group and invests in ongoing career-development opportunities. It also provides funding support for projects that enable training outcomes to be delivered by external parties: Indigenous corporations, landholders, service-delivery agencies and enterprises.

Knowledge-sharing activities such as participatory planning, networking, and working with partners play an important role in increasing the knowledge, skills and other capabilities to sustainably own and manage country. This is reflected in a new measure introduced in the ILSC Corporate Plan 2020-21 relating to the full extent of capability activities undertaken as a result of ILSC investments.

For KPI 2, the ILSC reports achievement against trainees hosted or employed by the ILSC Group (KPI 2a) and enabled training (KPI 2b) that arises due to collaboration between project proponents and the ILSC (and potentially other agencies/ organisations). Enabled training counts only completions, not commencements.

Indigenous network development and use is also considered a significant additional capability indicator that is not currently measured; this is a priority for future years.

Results

Table 12 KPI 2 Indigenous training

Performance target	Definition	2019-20 targets	2019-20 achieved	2020-21 targets	2020-21 achieved
PBS target KPI 2a	Number of Indigenous trainees directly hosted /employed across the group	140	188	150	182
PBS target KPI 2b	Number of Indigenous training completions enabled by active projects	1,100	1,167	800	1,593
Corporate Plan target	Number of Indigenous participants in capability building activities related to ownership and/or management of country and/or enterprise	n/a	n/a	n/a	4,282

Analysis

In 2020-21, both KPI 2 training targets were exceeded (Table 12). The total extent of Indigenous participation in capability building activities across the ILSC Group has involved 4,282 people.

More information on direct (KPI 2a) and enabled (KPI 2b) training is provided.

KPI 2a Indigenous trainees hosted/employed by the ILSC Group (direct)

In total, 182 trainees were directly hosted/employed by the ILSC Group; more detail is provided below.

ILSC

The ILSC engaged one Indigenous trainee who was hosted internally.

Voyages

Voyages had a total of 159 Indigenous trainees in 2020-21 of whom 80 were newly engaged. This includes 150 trainees who undertook accredited, industry-driven, enterprise-based training in Hospitality, Tourism, Horticulture and Retail at the National Indigenous Training Academy (NITA) at Ayers Rock Resort. In addition, Voyages employed nine Indigenous apprentices across chef and trade roles in 2020-21.

Voyages continued to focus on Indigenous career progression and maintained the Indigenous Future Leaders Program at Ayers Rock Resort.

Mossman Gorge Centre also hosted NITA trainees and provided a range of training programs, including its Employment Pathway Program supporting Indigenous job seekers with foundation skills to transition into traineeships and jobs. The centre also offers a Pathway to Cookery program leading to chef apprenticeships.

National Centre of Indigenous Excellence

The National Centre of Indigenous Excellence provides Indigenous training and education and hosts a range of Indigenous service providers. The centre contributed two trainees during 2020-21.

Primary Partners

Primary Partners hosted 20 trainees through agricultural operations in 2020-21. Primary Partners seeks to provide opportunities for career progression through the agribusiness sector and promotes the continued learning and development of Indigenous employees.



KPI 2b Indigenous training completions enabled by active projects

Data on enabled training completions is collected from all recipients of ILSC assistance with projects defined as currently active (Deliverable 3).

Training participants may undertake a variety of accredited and non-accredited courses, of varying duration, detailed below. Only training completions are included in the reporting against KPI 2b.

During 2020-21, 1,593 Indigenous training completions were achieved through 28 active projects. This result significantly exceeded the ILSC's target which had been reduced in anticipation of COVID-19 impacts preventing face-to-face training. The positive result may have been due to the rapid uptake of online learning and an increased focus on undertaking online capability building activities during a period when other planned project activities cannot be progressed.

Real Jobs Program

As stated earlier (page 40), the Real Jobs Program core objective is to employ and train Indigenous people and to build individual capacity to take up employment outside the program.

During 2020-21, 367 Indigenous training completions were enabled with 171 of these completing accredited training courses. This represents 23 per cent of the total for KPI 2b.

Training courses were short, medium and long-term, and included industry-specific, management of country, and health and wellbeing training types. Specific courses included tourism, security, landscaping, working with chemicals, chainsaw operation, business, life skills, mentoring, chemical handling, duty manager training, GENIE, barista, fire and emergency, first aid, CPR, commercial cookery, bobcat, aerial incendiary operations, heavy machinery and equipment, personal and professional development, and WHS.

National Centre of Indigenous Excellence

This year the National Centre of Indigenous Excellence contribution to enabled Indigenous training completions represented 63 per cent of the total achieved against KPI 2b. This includes a total of 1,016 training completions through the Talking About Tobacco Use program, Indigenous Digital Excellence program, Job Ready, and Blak Impact.

Our Country Our Future

During 2020-21, 210 Indigenous people were enabled to complete training through *Our Country Our Future* (OCOF) funded projects with 85 of these completing accredited training courses. This represents 13 per cent of the total for KPI 2b.

Training courses were primarily short and medium-term, with just one long-term course, and included professional development, industry-specific and management of country training. Specific courses included lateral violence, community service case management, WHS, first aid, Pipi harvesting, marine radio, boat license, coxswain, GIS mapping, Infoscope land management system, crocodile harpooning, oyster surveying, business edge, heavy truck license, art, hospitality and incendiary training.

In addition, 1,444 Indigenous people participated in multiple training courses relating to professional development, country management, WHS, and industry-specific training (e.g. Justice Group, wildlife monitoring, crocodile trapping, evaluation, nursery skills, fuel and gas safety) and made progress towards accredited long-term certificates, diplomas and post-graduate research (e.g. aquaculture, maritime training, conservation land management, sea grass management). These were not marked as 'completions' and so are not included in the total for KPI 2 (Table 12).

Also, for the first time, information on Indigenous participation in planning activities and cultural knowledge sharing activities enabled through OCOF projects has been assessed as a key capability and knowledge building exercise.

In total 459 Indigenous people, through 20 projects, participated in the development of property management, enterprise feasibility, healthy country and strategic enterprise plans.

Thirty-three events involving Indigenous cultural knowledge sharing were held; about half of these were internal to the group, half open to the public, and one by invitation only. Collectively, these events involved 604 Indigenous participants and 37 non-Indigenous participants.

They involved cultural knowledge sharing on permissions, native fish and harvesting techniques between elders and ranger groups; hunting for traditional celebratory food for NAIDOC week; cultural mapping; managing bush tucker harvests; cooking Indigenous food; sharing culture with tourists; and sharing knowledge of fire management practises with other Indigenous communities.

These cultural knowledge sharing activities represent less than one third of the events projected for delivery during 2020-21; this reflects COVID-19 associated cancellations due to social distancing and travel restrictions.



Elders at the opening of Talaroo hot springs on Ewamian country, Qld

KPI 3 Indigenous business development

KPI 3 measures the ILSC contribution to economic outcomes on the Indigenous Estate through the provision of support to the creation and improvement of Indigenous enterprises. It reflects the commitment of the ILSC Board and Australian Government to economic empowerment and independence. Enterprise outcomes are a progress indicator across the following ILSC outcomes / pathways of change, and associated Corporate Plan activities and objectives:

- 1: *Indigenous people are growing the value and productivity of country*
- 2: *Indigenous people are owning and managing country sustainably*

Performance against KPI 3 is intended to reflect the Board's focus on economic empowerment as a driver for Indigenous self-determination and intergenerational wealth, and considers economic outcomes are frequently a precursor for the achievement of cultural and environmental outcomes. This view also aligns with the broader Australian Government's policy priority of Indigenous business development as expressed in its Indigenous Business Sector Strategy (February 2018). KPI 3 includes all Indigenous majority-owned commercial enterprises that have been created, improved and/or have resulted in increased income for Indigenous Australians through ILSC funding. Commencing this year, additional descriptive elements have been introduced to the enterprise performance measures as part of the revised ILSC Performance Framework. This includes categorising improvements in the productivity, efficiency and/or resilience of the enterprise, and the type of improvement implemented. More information is provided in the analysis.

Results

Table 13 KPI 3 Indigenous business development

Performance target	Definition	2019-20 targets	2019-20 achieved	2020-21 targets	2020-21 achieved
PBS target KPI 3	Number of Indigenous enterprises assisted by active ILSC Group projects	66	147	70	104

Analysis

During 2020-21, 104 enterprises were assisted, through 28 projects, representing a significant over-achievement against this KPI (Table 13). Despite being exceeded in 2019-20 (147 achieved against a target of 66 enterprises), the 2020-21 target was only slightly raised in anticipation of COVID-19 related impacts. However, it was again significantly exceeded (104 achieved against a target of 70 enterprises). This reflects the ILSC's commitment to supporting economic development and Indigenous financial independence through successful commercial country-based enterprises, and the resilience of Indigenous enterprises.

Of these, the National Centre of Indigenous Excellence supported the development of 40 enterprises, primarily through the operations of its fitness and café enterprises and Blak Markets; Voyages supported seven through its retail venues; and the Real Jobs Program supported 10 enterprises.

The remaining 57 enterprises were assisted through *Our Country Our Future* projects. Of these, seven were new enterprises, focusing on tourism, horticulture or Indigenous products; four enterprises improved operational efficiency through upgraded infrastructure, systems or processes; two improved enterprise resilience through creation of an additional income stream; and 38 enterprises improved productivity by upgrading plant, equipment and/or infrastructure, or by expanding the capacity and/or capability of the workforce.

KPI 4 Protection of Indigenous culture, heritage and the environment

KPI 4 provides insight into the proportion of projects commenced in the current financial year that reflect the contribution of the ILSC Group towards its core purpose of maintaining and enhancing cultural and environmental values relating to Indigenous communities and Indigenous-held land. Performance against this target is an indicator for the following ILSC outcomes / pathways of change and associated Corporate Plan activities, objectives and targets:

3: Indigenous people are preserving and protecting culture through reconnection with country

4: Indigenous people are driving and influencing policy and opportunity for country

KPI 4 is a composite measure that incorporates a range of indicators relating to the maintenance, protection and enhancement of cultural practise and environment values. It reflects the ATSI Act, and the ILSC Board commitment to supporting projects that foster and strengthen

Indigenous cultural practises, and to raise the profile of Indigenous culture across the broader community. The ILSC's acquisition and grant activities in particular result in significantly increased opportunity for Indigenous people to access country and cultural sites, to practise culture, language and traditional and conventional knowledge-sharing. The ILSC also supports the development of viable Indigenous-owned enterprises delivering culturally-appropriate, safe services and activities that can holistically meet the needs of the growing Indigenous population.

These aims are reflected in two new targets that have been introduced from the ILSC Corporate Plan 2020-21 relating to raising the profile of Indigenous culture and increasing Indigenous representation in decision-making at all levels.

KPI 4 has been redefined this year to include only the proportion of active projects (as identified in Deliverable 3) that *commenced* in the current financial year with *either* planned *or* actual achieved outcomes against relevant indicators. This will improve the ILSC's ability to track its success in prioritising projects that contribute towards these outcomes.



Results

Table 14 KPI 4 Protection of Indigenous culture, heritage and the environment

Performance target	Definition	2019-20 targets	2019-20 achieved	2020-21 targets	2020-21 achieved
PBS target KPI 4	Proportion of ILSC Group projects commenced in the current financial year that maintained or protected Indigenous culture, heritage and/or the environment	50%	28%*	50%	58.5%
Corporate Plan targets	20% of new active projects during 2021-24 will contribute to raising the profile of Indigenous communities and their achievements in the broader community	n/a	n/a	20%	48.7%
	Indigenous Australians are supported to: - experience improved access to country and significant cultural sites - gain access to culturally safe services and activities - participate in events and activities which strengthen and maintain culture**	n/a	n/a	n/a	n/a
	The number of Indigenous people and/or corporations established in decision-making structures across geography, industry or sector leadership bodies assisted by ILSC investment is increasing year on year*	n/a	n/a	n/a	n/a

* Note 2019-20 reported as a proportion of all active projects

** Due to data limitations, these two new Corporate Plan targets will be reported for the first time in 2021-22

Analysis

In 2020-21, the target for KPI 4 was achieved, with 58.6 per cent of new active projects including cultural and environmental heritage aspects (Table 14). Indicators relating to cultural and environmental heritage associated with new projects are summarised below:

- > Improved access to country for 188 Indigenous Australians
- > Traditional fire management practises undertaken on country by 14 Indigenous people representing six ranger groups
- > Cultural activity and revitalisation activities, delivered through 17 events, one cultural camp, and 847 Indigenous people participating in healthy country programs, painting methods, language, collecting materials on country, and maintaining the tradition of telling cultural stories to ensure they are passed down to future generations
- > On-ground management activities intended to maintain or improve the condition of cultural heritage sites and/or ecosystem condition influencing three properties, 53 hectares, through 16 events and involving 390 Indigenous participants. Activities included environmental protection works, installation of solar panel water supply upgrades, and an irrigation upgrade to bush medicine garden.

The ILSC Corporate Plan 2020-21 target of 20 per cent of new projects contributing to improving the profile of Indigenous culture has been significantly exceeded at 48.7 per cent. Relevant project activities include development of high profile, centrally located cultural tourism enterprises; an Indigenous football club conducting cultural activities, concerts and events for players and broader community; development of centrally located cultural hubs and service centres (renal unit, schools, aged care, legal services); Indigenous control of a horticulture supply chain; Indigenous ranger groups participating in broader ranger networks; and showcasing native foods garden and products.

KPI 5 Collaboration

KPI 5 identifies the overall proportion of projects commenced in the reporting period that actively collaborate with other agencies and organisations. This is a key strategy to ensure ILSC funding can reach the greatest number of stakeholders and deliver maximum benefit to the Indigenous Estate. Achievement against this measure contributes to the following ILSC outcomes / pathways of change and associated Corporate Plan activities, objectives and targets:

- 1: Indigenous people are growing the value and productivity of country*
- 2: Indigenous people are owning and managing country sustainably*
- 3: Indigenous people are preserving and protecting culture through reconnection with country.*
- 4: Indigenous people are driving and influencing policy and opportunity for country*

Collaboration through effective partnerships is an important priority of the current ILSC Board. Leveraging its funding and strategic position to extend employment and enterprise opportunities for Indigenous Australians is key to maximising outcomes for the Indigenous Estate.

Partnerships that contribute funding and/or in-kind assistance can add significant value to the ILSC's own funding and expertise, as well as that of the proponent. Effective collaboration between public and private organisations strongly contributes towards improved capacity, capability and policy outcomes for all involved, including ILSC staff, project proponents and beneficiaries.

KPI 5 has been adjusted this year to include only the proportion of active projects (identified in Deliverable 3) *that commenced being active* in the current financial year that involve collaboration with partners (in addition to the project proponent), including government and non-government. This will enable the ILSC to report more fully on partnership contributions and to track its success in prioritising projects with committed partnerships in place.

Not all ILSC-leveraged collaborations are captured by this KPI. For example, it does not include:

- > the many proponents that contribute significantly to project value either financially or in-kind (all ILSC projects involve collaboration with the project proponent, proponent engagement being one of the project assessment criteria)
- > the collaboration that underpins all National Centre of Indigenous Excellence operations as a social enterprise engaging government and corporate partners.

Collaborative projects also make a considerable contribution towards all other KPIs.

In line with the broader review of the ILSC's Performance Framework, the ILSC will develop additional metrics on the value and impact of partnerships for reporting in future years to continue improving its ability to fully capture its commitment to collaboration and leveraging co-contributions.



Results

Table 15 KPI 5 Collaboration

Performance target	Definition	2019-20 targets	2019-20 achieved	2020-21 targets	2020-21 achieved
PBS target KPI 5 (also Corporate Plan target)	Proportion of ILSC Group projects commenced in the financial year that involved contributions from third parties (beyond immediate beneficiary group)	60%	38%*	60%	39%

* Note 2019-20 reported as a proportion of all active projects

Analysis

In 2020-21, 16 new projects involved collaborations, representing 39 per cent of new active projects (Table 15). Collectively, these projects attracted just over \$31 million contributed by the Australian Government, State and Territory Government (NT, NSW, Qld, WA and SA) and the Westpac Foundation, plus in-kind capability assistance offered by two additional partners (Arup Pty Ltd and NSW Government).

The ILSC has identified and validated an additional seven projects that should have contributed towards this performance measure (bringing the proportion of projects to 56%) with partners committed to contributing over \$5 million that had not been properly recorded into the database⁵.

There are an additional 15 projects with partner contributions of over \$5.5 million that have not yet been fully committed. This can occur at times, because some potential funding partners prefer to delay their commitment to a project until after approval of other funding has been attracted, to maximise project viability.

Finally, the Indigenous proponents of eight projects contributed a total of \$1.2 million to supplement the ILSC and third party funding contribution to their projects.

In summary, for a total ILSC project budget of just over \$24 million, a total of \$42.7 million funding was leveraged from proponents and external partners; \$37.2 million committed, and \$5.5 million not yet committed.

⁵ The ILSC launched a replacement project management system in June 2021 (page 55). While significant training and support was provided to operational staff the practice change associated with this particular measure was not effectively adopted, leading to an under-reporting of partnerships.

KPI 6 ILSC Group contribution to the Indigenous Estate

KPI 6 is a qualitative target relating to the corporation's overall contribution towards maintaining, protecting and/or enhancing the Indigenous Estate, in addition to the quantitative contribution discussed above for each of the Deliverables and KPIs. Activities highlighted under this KPI directly contribute to the following ILSC outcomes / pathways of change and associated Corporate Plan activities:

- 1: Indigenous people are growing the value and productivity of country*
- 2: Indigenous people are owning and managing country sustainably*
- 4: Indigenous people are driving and influencing policy and opportunity for country*

KPI 6 provides a space to articulate the ILSC's diverse activities that work towards developing the Indigenous Estate. This includes facilitation, negotiation and advocacy to remove barriers and maximise opportunities for Indigenous Australians, and to assist with the development of connections to markets and industries. The aim is to raise the profile and representation of Indigenous Australians, ensuring representation and participation in policy, research and decision-making in any sectors relevant to their lives and interests and/or that drive opportunities for country.

The Indigenous Estate is a central concept in the ILSC Board strategy; it comprises tangible assets including land and water and the resources located on or within them (to the extent allowed by Australian law), and intangible assets such as Indigenous people and their cultural knowledge.

The ILSC proactively seeks strategic commercial opportunities across geographies, markets and industry sectors and leads the development of collaborative projects to benefit Indigenous Australians. This includes pursuing and growing co-investment from the corporate and private sector (KPI 5) and leveraging the value and impact of the ILSC's investment to assist Indigenous Australians meet their own aspirations.

In 2020-21, for the first time, the ILSC has also collected descriptive information about aspects of projects it considers to be very important drivers of positive change, but that are very difficult to directly measure. One is related to the following outcome / pathway of change - *Indigenous people are driving and influencing policy and opportunity for country* - and the other describes broader transformative elements of projects that are related to all outcomes / pathways of change.



Results

Table 16 KPI 6 ILSC Group contribution to the Indigenous Estate

Project name, proponent and location	Description	RILSS region
Project Name Cape York Fire Program [§] Proponent ILSC State Qld	Undertake processes for the registration of multiple projects funded through the Landcare Restoration Fund	Northern
Project Name Warrigundu Station business options review Proponent ILSC State NT	Review past performance of the Warrigundu Station business, and explore options for future business arrangements	Northern
Project Name Community Scale Renewable Energy Opportunities on Indigenous Held Land [§] Proponent ILSC State Multi-state	Feasibility and business planning work for community-owned solar farms with potential to generate income on Indigenous-held land	South-east
Project Name Conditions for success – an evidence-based approach to evaluate Joint Ventures Proponent ILSC State Multi-state	Develop and embed an evidence-based approach for effective evaluation and management of joint venture projects for optimal return on mandate	South-east
Project Name New Harvest Investment Managers [§] Proponent ILSC State Multi-state	Assessment of ILSC-held or divested landholdings for agriculture potential, as well as economic and social performance; and investigation into the potential of regional support hubs to facilitate the highest and best use of participating properties	South-east

Analysis

In 2020-21 the ILSC initiated five projects focused on the development of sector strategies, supply chain maturation and protection of Indigenous intellectual property (Table 16). These activities directly contribute to positioning Indigenous people and organisations at the forefront of development of the Indigenous Estate.

Projects that drive policy and opportunity

Identifying projects that drive the development of policy and legislation and/or opportunities that are advantageous to the interests of Indigenous Australians is a priority for the ILSC.

This year nine projects involved activities that could leave a lasting influence on the lives of Indigenous Australians well beyond the footprint of the project. This includes industry and government networking to increase Indigenous representation in the SA tuna fishing industry; expansion of service networks in a remote location; development of a strategy to protect Indigenous traditional knowledge, products and services in a commercial setting; several significant carbon abatement projects on Indigenous-held land; the development of a joint venture assessment framework to ensure maximised outcomes; and development of the first holistic curriculum and training program that is building the capability of Aboriginal rangers engaged in registered savanna burning.

Projects that involve transformative activities

Similarly, the ILSC prioritises projects that have a transformative element that will drive planned and ongoing changes in the trajectory of the enterprises, country and/or lives of proponents or broader Indigenous beneficiaries.

This year, 28 projects involved transformative activities including project/s that:

- > returned country to Indigenous corporations providing the secure tenure required to expand and develop programs
- > involved significant partnerships to enable ongoing development and delivery of Indigenous employment and training opportunities in remote communities
- > involved significant capability building activities that can transform personal and professional skillsets that may lead ultimately to meaningful employment opportunities
- > trialled and shared research data to contribute to feral cat management knowledge bases
- > supported the transition from a declining industry to a sustainable future that rests on a foundation of culture
- > developed combined cultural and land management assessment reporting processes and templates to maximise knowledge sharing, consent and activation of assets to achieve outcomes
- > installed solar panels, significantly reducing ongoing costs and freeing funding for reinvestment into community development.



Kamis Johnson and Marcus Laurie on Gunbalanya station, Kunwinjku country, West Arnhem Land, NT
Photo: Pam Daniell

Participation in policy, industry and Indigenous forums

In recent years the ILSC has actively built stakeholder awareness of the ILSC purpose and its strategic approaches through formal consultation and involvement in industry and government events and conferences. ILSC officers at various levels attended the following events in 2020-21:

Date	Forum/conferences	Location
August 2020	National Livestock Methane Program 2, Meat and Livestock Australia	Virtual
October 2020	Demystifying Carbon webinar	Virtual
November 2020	HIR Carbon Farming Information Session	Geraldton
November 2020	Territory NRM Conference	Darwin
November 2020	Social Enterprise Summit for Northern Australia Conference	Virtual
February 2021	2021 North Australian Savanna Fire Forum	Virtual
February 2021	Aboriginal Health Council of WA CEO Network Forum	Perth
February 2021	North Australia Savanna Fire Forum	Virtual
February 2021	Far North Carbon Farming Forum, SA Government	Port Augusta
February 2021	North Australian Savanna Fire Forum, Indigenous Carbon Industry Network	Virtual
March 2021	Basin Climate Summit	Virtual
March 2021	National First Peoples Gathering on Climate Change, NESP	Cairns
April 2021	Reimagining Climate Adaptation Summit	Virtual
May 2021	Society for Ecological Restoration Conference, Darwin	Virtual
May 2021	Business of Managing Pastoral Country, SA Government	Cooper Pedy
May 2021	Policy Roadmap Indigenous workshop, Australian Land Conservation Alliance	Virtual
May 2021	Traditional Ecological Knowledge and Stewardship of Nature Group, Biodiversity Sub-Working Group, DAWE	Virtual
May 2021	Northern Territory Indigenous Export Strategy, NT Government	Virtual
June 2021	GAP Summit	Virtual
June 2021	Ocean Decade Stakeholder Briefing	Virtual
June 2021	Minter Ellison's National Reconciliation Week event 'Challenges Facing Aboriginal Businesses'	Perth
June 2021	AIATSIS Native Title Conference - panel session 'NT consent in carbon projects'	Adelaide
June 2021	Protected Area Strategy Workshop, SA Department for Environment and Water	Adelaide
June 2021	Stakeholder strategy session, Protected Areas Collaboration	Virtual
Regular meetings	Steering Committee, Indigenous Carbon Industry Network	Virtual
Regular meetings	Project Phoenix; External Steering Committee (Bushfire recovery - plant seed industry development)	Virtual
Regular meetings	Various working groups, Carbon Market Institute	Virtual



Home Valley Station on Balangarra and Wilinggin country, Kimberley, WA

Measuring performance at the ILSC

A requirement under the *Public Governance Performance and Accountability Act 2013* (PGPA Act), the ILSC's Annual Performance Statement is influenced by various internal ILSC processes and ongoing work to improve performance monitoring, evaluation and reporting methods.

In recent years the ILSC has been maturing the way it measures its performance, transitioning away from counting and measuring our activities to an enhanced focus on the outcomes for Indigenous Australians that result from these activities. In 2020-21, the ILSC invested heavily in the systems, processes and frameworks required to align, capture and report on the information needed to enable this transition.

A summary of these ongoing efforts along with underpinning concepts supporting our performance evaluation and reporting – Figure 1 and 2 – is provided here.

Performance measures

The ILSC currently maintains a combination of qualitative and quantitative performance measures linked to its revised Performance Framework and Program Logic (Figure 1).

These reflect the extent to which our activities and investments have generated the ILSC's desired outcomes for Indigenous Australians, and so the extent to which we have delivered against our 'pathways of change'.

Deliverables and KPIs

The 2020-21 Portfolio Budget Statements (PBS) commit the ILSC to achieving targets against three Deliverables and six Key Performance Indicators (KPIs) which collectively contribute to the ILSC's PBS outcome:

Enhanced socio-economic development, maintenance of cultural identity and protection of the environment by Indigenous Australians through the acquisition and management of land, water and water-related interests.

As set out in Figure 2, the ILSC's Deliverables and KPIs have been aligned to the ILSC Program Logic where they represent a combination of progress and outcome indicators along the 'pathways of change'.

Corporate Plan targets

The ILSC's Corporate Plan 2020-21 comprises additional targets intended to complement its contribution to the PBS (see Table 1).

Data sources

To report performance against its performance measures, information is collated on all active projects related to the acquisition and/or management of land and water-related rights and interests, as well as relevant internal achievements generated across the ILSC Group during 2020-21.

The ILSC draws on the following sources of information:

- > Corporate databases (HR and training data from the ILSC Group)
- > Data supplied by ILSC subsidiaries (data on benefits achieved by subsidiary activities)
- > Progress reports provided by recipients of ILSC assistance (data on benefits achieved by funding recipients) and entered into Sensei IQ, the ILSC's new project management system.

Where data is collected from external sources, every effort is made to verify the accuracy of the data as it is received; however, exactness cannot be guaranteed. Further information on data sources is shown in Figure 2.

Internal audit

The ILSC's Internal Audit program – conducted by KPMG for 2020-21 – includes an annual review of the process by which data for the Annual Performance Statement is extracted, analysed and reported is assessed. The scope of work includes:

- > a review of ILSC's requirements as described in the PBS and Corporate Plan, as required by both the ATSI Act and PGPA Act and in accordance with the Australian Government's Resource Management Guide 134 and the 'Enhanced Commonwealth Performance Framework'
- > understanding the processes related to the reporting and calculating of the Performance Statement measures, and considering the risks and controls at each stage of the process
- > a review of the appropriateness of the current processes and controls used to develop the 2020-21 Annual Performance Statement
- > Consideration of opportunities for the introduction of better practice and process improvements.

Only data that has been systematically extracted and verified as 'in scope' by the internal audit program is used when reporting against our PBS targets.

In this performance statement, we have included additional information about achievements and projects that have not been included in our systematised reporting due to practice issues relating to the transition to Sensei IQ (see System change below). Where this information has been added it is clearly noted and only included where the ILSC has internally reviewed evidence supporting its inclusion.

Revised indicators

In implementing the new Performance Framework, the ILSC has made revisions to its project and program scale indicators. These revised indicators:

- > better reflect the diversity of our engagement with the Indigenous Estate through the *Our Country Our Future* program
- > retain clear links to previous measures to provide for data continuity, enabling the ILSC to leverage its history of working with Indigenous corporations to realise their aspirations for country.

System change

In 2020-21, as part of a broader Digital Transformation Project, the ILSC replaced its existing project management system – the Land Acquisition and Management Information and Reporting System (LAMIRS) – with Sensei IQ. LAMIRS was a custom, built on-premises application which has been used to manage ILSC acquisition and management projects for over 10 years but had reached the end of its capability to adapt to process improvements. Sensei IQ:

- > provides a pre-configured, best practice Project and Portfolio Management solution compliant with PMI® industry standards
- > leverages the Microsoft Office 365 Power Platform
- > utilises Model-Driven Apps, Power Automate Flows, Business Process Flows, and Power BI to deliver wide ranging functionality to users.

Once fully adopted Sensei IQ will provide the ILSC with:

- > a new modern user interface that will enable ILSC staff to easily manage the full project lifecycle and input of project performance data
- > more active portfolio management, which will support enhanced client experiences and more effective performance reporting.

Sensei IQ was launched in June 2021 with the successful migration of projects and data from LAMIRS. Some immediate practice issues associated with the transition have impacted the ability of its systematised reporting processes to generate a complete account of ILSC activities and achievements in 2020-21. These practice issues relate to:

- > The transitioning of projects to an appropriate status under the new system workflow to trigger their inclusion/exclusion from Deliverable 3 under the ILSC's contribution to the PBS
- > The identification of collaborative funding to trigger inclusion in KPI 5 under the PBS.

The ILSC has reviewed performance against these measures and provided additional narrative of achievement where we have evidence of achievement of results.

Looking ahead

In 2021-22 and beyond the ILSC will:

- > continue alignment of the Corporate Plan and PBS KPIs and Deliverables to reflect the ILSC's revised Performance Framework
- > establish efficiency measures to complement the ILSC's performance story
- > progress the alignment of the revised ILSC Performance Framework with the recently released Productivity Commission's Indigenous Evaluation Strategy⁶
- > implement continuous improvement activities to improve staff practises, system features and reporting processes.

⁶ Productivity Commission 2020 Indigenous Evaluation Strategy, Australian Government, available online at: <https://www.pc.gov.au/inquiries/completed/indigenous-evaluation/strategy>



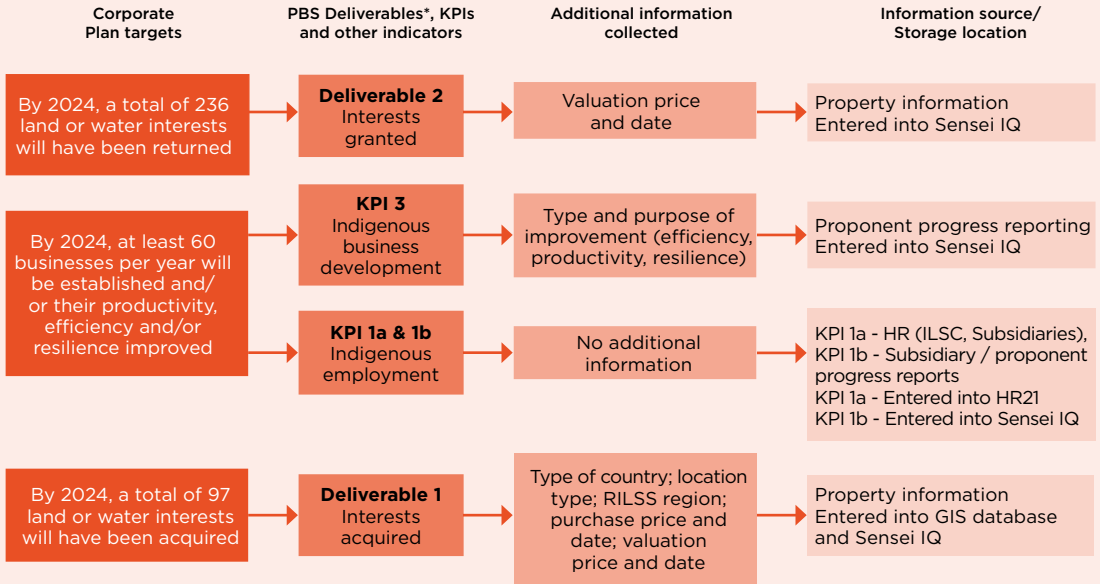
Figure 1 The ILSC Program Logic



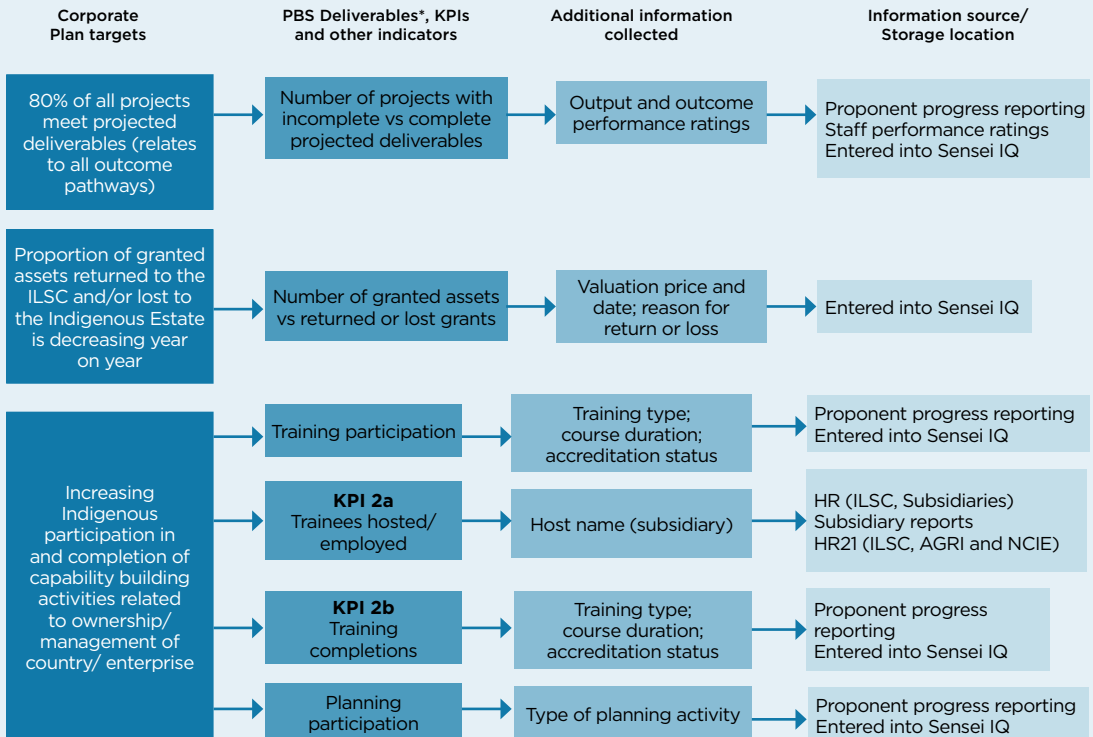
Our Vision Indigenous people are enjoying the rightful

Figure 2 Information sources and indicators for the ILSC targets, deliverables and KPIs

Outcome / Pathway of change: Growing the value and productivity of country

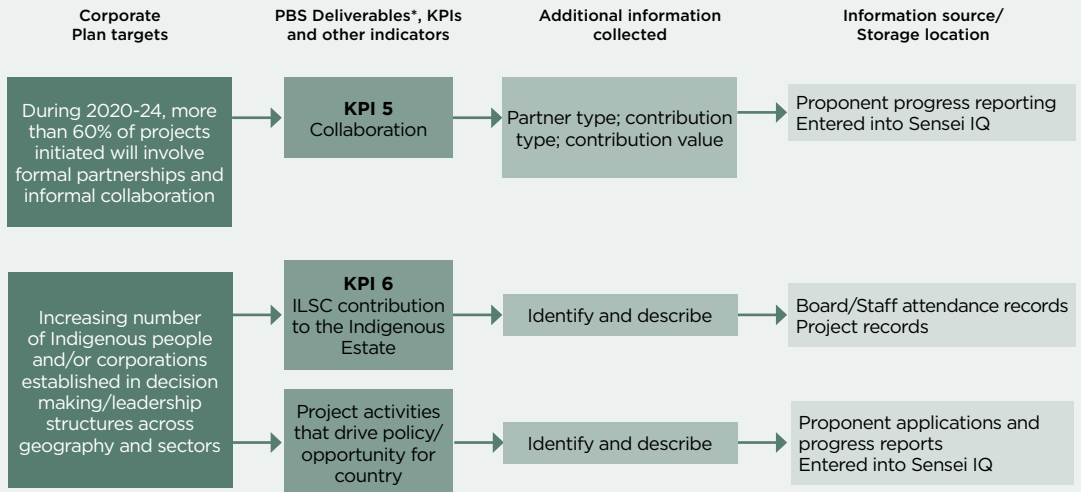


Outcome / Pathway of change: Owning and managing country sustainably

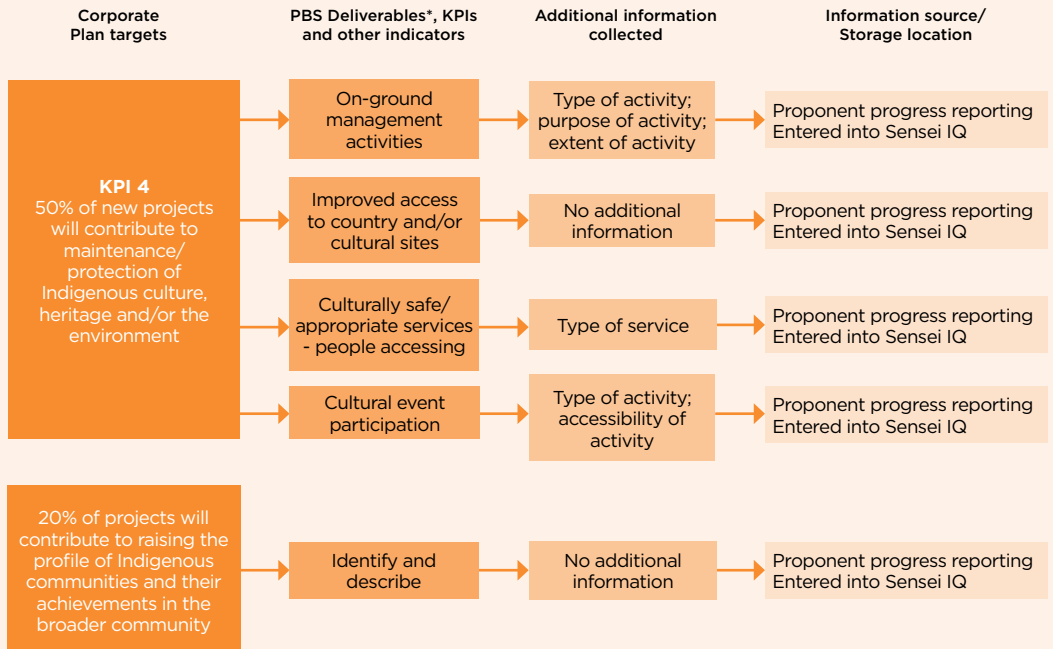


entitlements and benefits of owning and managing country

Outcome / Pathway of change: Driving and influencing policy and opportunity



Outcome / Pathway of change: Preserving and protecting Indigenous culture



*Deliverable 3 - Number of active projects (relates to all of the above)





Part Three:
Case Studies



Talaroo hot springs on
Ewamian country, Qld



Talaroo hot springs on
Ewamian country, Qld



The ILSC performance story

The following case studies complement the ILSC's 2020-21 Annual Performance Statement (Part Two).

Mapped against the ILSC's four 'pathways of change', the case studies provide richer insights into the outcomes that are expected to be achieved by each project, as well as highlighting the different pathways that our clients and partners choose to reach these outcomes.

They are also aligned to the ILSC's current suite of deliverables, KPIs and outcomes. A final case study provides a preliminary assessment of performance using year one of the ILSC's Value for Money performance methodology.



Cullunghutti Mountain on Jerrinja country, Shoalhaven NSW

Sacred Cullunghutti Mountain returned to Traditional Owners, NSW

Sacred country in Shoalhaven, NSW, was returned to Traditional Custodians this year after an acquisition agreement was completed by the Jerrinja Local Aboriginal Land Council (LALC) in partnership with the ILSC.

The 53 hectare, \$2.5 million property covering parts of the Cullunghutti Mountain is of high significance to the Aboriginal communities of the NSW South Coast, with the mountain considered a spiritually significant cultural heritage site in the Shoalhaven region.

Revered by the local Jerrinja people as a 'stepping off' place into the afterlife, the acquisition by the Jerrinja LALC came with the support of the broader Shoalhaven Aboriginal community.

Having Cullunghutti in the care of the Jerrinja people will ensure its cultural heritage is protected, providing the Jerrinja with full control of the access track to the mountain summit and safeguarding it from inappropriate development and insensitive tourism.

With the property adjoining the Cullunghutti Aboriginal Area - currently managed by the NSW Parks and Wildlife Service - and the Shoalhaven City Council Reserve, the acquisition will yield additional benefits in expanding the local Indigenous Estate and enabling positive collaborations between the local Indigenous communities, Regional NSW and the Shoalhaven Council.

Cullunghutti Mountain will be the site of a pilot traineeship project for Aboriginal job seekers from Shoalhaven Aboriginal communities to assess, repair and maintain country.

The partnership - between Regional NSW and Jerrinja, Nowra and Ulladulla LALCs - aims to establish the first Aboriginal-led conservation land management team in the Shoalhaven region that will deliver fee-for-service land management activity on government and privately-owned lands, thereby providing the Jerrinja with an income stream and increased capacity to manage its own properties.

The acquisition was also supported by \$150,000 from the New South Wales Aboriginal Land Council.





Contribution towards Deliverables and KPIs			
DEL 1	DEL 2	DEL 3	KPI 1b
1	1	1	0
KPI 2b	KPI 3	KPI 4	KPI 5
0	0	1	1

“ This ongoing cultural connection and attachment to Cullunghutti is still felt by the Jerrinja and other Aboriginal people in the region. This return of country will once again allow us to control and access this sacred site and ensure it is protected for future generations. We look forward to fulfilling our cultural obligations as custodians. ”

Delia Lowe, Deputy Chair, Jerrinja Local Aboriginal Land Council





Wanna Mar Stehr tuna fishing,
Port Lincoln, SA

New framework to drive Indigenous success in commercial partnerships

Indigenous corporations looking to kickstart or scale-up a business opportunity with a commercial partner will be key beneficiaries of the ILSC's new Commercial Partnerships Assessment Framework. The first of its kind, the nine-element framework has Indigenous values at its core and is based on First Nations peoples' real-world experiences in developing and operating commercial partnerships, identifying key guiding principles; enablers and barriers; and due diligence and probity questions.

The need for a framework to assist the ILSC to assess prospective commercial partnerships has emerged from its increasing facilitation role in launching joint ventures where an Indigenous corporation partners with a commercial enterprise to start a new business activity.

There are many advantages to commercial partnerships for both Indigenous and non-Indigenous entities: for example, the capability, markets, plant, equipment and expertise of a non-Indigenous enterprise may combine with important Indigenous knowledge, assets and resources of an Indigenous corporation.

Recent examples include the combined \$8.5 million ILSC investment into SA fishing enterprises Wanna Mar Stehr and Kuti Co, mutually beneficial

collaborations teaming Indigenous corporations with non-Indigenous commercial partners to harvest Southern Bluefin Tuna and Pipi. Principally the ILSC will use the framework to ensure that a proposed commercial partnership between Indigenous and other commercial partners is set up for success.

It is intended to be used during the initiation, planning and building phases but also to be re-visited through the operational stage, and again when considering and planning for an exit.

As a roadmap for designing partnerships, the framework may also be used by Indigenous organisations and non-Indigenous entities considering entry into a commercial partnership and by other organisations who may be involved in facilitating commercial arrangements such as land councils and Prescribed Body Corporates.

In consultation with the ILSC, the framework was developed by the Australian Indigenous-led team and Maori organisation Tahī – both attached to the global consulting company EY – who researched First Nations commercial partnerships in Australia, New Zealand, Canada and the United States, and across a range of sectors including Fisheries, Forestry, Construction, Energy, Tourism, Mining and Agriculture.

The framework will be available in late 2021.





Contribution towards Deliverables and KPIs			
DEL 1	DEL 2	DEL 3	KPI 1b
0	0	1	0
KPI 2b	KPI 3	KPI 4	KPI 5
0	0	0	0

“ Commercial partnerships can be important vehicles for Indigenous corporations to generate self-sustaining social, environmental, economic and cultural capital that benefits the local Indigenous community. They can unlock new markets, capital, capacity and expand business potential for Indigenous products and services. ”

Eddie Fry, ILSC Chair





ETNTAC CEO Peter Bednall and Chair Gayle Reynolds Adamson

New home for Esperance Indigenous corporation more than just a building, WA

A commercial property in Esperance, WA became the permanent new home for the business activities of the Esperance Tjaltjraak Native Title Aboriginal Corporation (ETNTAC) in April thanks to a \$759,000 ILSC grant.

The 300 Indigenous member corporation represents several thousand Esperance Nyungar Native Title holders and employs 44 staff – 90 per cent of them Indigenous – to run its expanding business enterprises and land management services.

The purchase of the new property in the heart of the Esperance township in south-east WA offers ETNTAC more than reduced rental expenses and the local Esperance Nyungar community more than just a building.

It provides ETNTAC with a secure, permanent base which will sustain its current activity levels and support sustainable growth while providing the community with an accessible hub and employment opportunities.

With a permanent base and additional storage space, ETNTAC will be able to implement plans to employ additional Indigenous rangers and other staff as part of its Tjaltjraak land and sea enterprise programs.

And with the Tjaltjraak Ranger Program responsible for the implementation of the Esperance Nyungar Healthy Country Plan, the ETNTAC estimates expansion of its projects and programs will see an additional half a million hectares under Indigenous use, care and improvement.

The acquisition also supports the growth of ETNTAC's fee for service activities and ability to secure medium to long-term contracts; provides security for its agribusiness and seed collection enterprises; and generates employment opportunities for local Esperance Nyungar people in property management, sustainable harvest, regenerative agriculture and business development.

ETNTAC also has plans to create an interpretive centre, gift shop and gallery in the reception area, a space for the Esperance Nyungar community and visitors to experience Nyungar culture and an important income stream for ETNTAC and its members.

The \$759,000 ILSC grant provided for the property purchase, office design and fit-out, and the development of a Business Plan guiding the proposed interpretive centre.





Esperance Tjaltjraak rangers on Esperance Nyungar country, WA

Contribution towards Deliverables and KPIs			
DEL 1	DEL 2	DEL 3	KPI 1b
1	1	1	0
KPI 2b	KPI 3	KPI 4	KPI 5
0	0	1	0

“ Our ancestors successfully managed country in a sustainable way for thousands of years. In the new era of Tjaltjraak, we are rebuilding our relationship with country and rekindling cultural practices, and now we have a new home to enable us to do this. ”

Gayle Reynolds Adamson, Chair, Esperance Tjaltjraak Native Title Aboriginal Corporation





Cultural fire workshop on Palawa country, Lungtalanana Island, Tas

Critical infrastructure repairs to return community to islands, Tas

Vital ILSC-funded infrastructure repairs on two Tasmanian islands will restore access for Tasmania's Indigenous community to share their stories and connections to the Islands.

Both Indigenous Protected Areas, Mount Chappell Island and Lungtalanana Island belong to the Furneaux Group of Islands in Bass Strait, a region 20 kilometres to the north-east of Tasmania and known by its Indigenous name of 'tayaritja'.

Renowned for their significant cultural and environmental values – Mt Chappell for its mutton bird (yula) breeding grounds and Lungtalanana Island for its Aboriginal occupation sites and environmentally significant Xanthorrhoea forest – ageing and unsafe infrastructure on the islands has restricted visitation. A \$211,247 ILSC grant in November to the Tasmanian Aboriginal Corporation (TAC) to refurbish wharf and docking infrastructure, repair workshop buildings and restore solar power on Lungtalanana Island, and to repair accommodation on Mt Chappell Island, will provide safe living and working conditions

for the Islands' six rangers. Safer conditions and upgraded infrastructure will enable the TAC to continue to implement the tayaritja Healthy Country Plan and realise its goals: to provide access for community to maintain cultural connections; to manage and protect the land to ensure it is healthy; and to protect its cultural heritage.

Community access to 'tayaritja' is essential to pass on, promote and strengthen 'tunapri' – knowledge and stories about Indigenous connection to the islands shared by practicing culture, mutton birding and visiting heritage and occupations sites.

TAC, an Aboriginal community-controlled organisation representing the political and community development aspirations of the Tasmanian Indigenous community – approximately 25,000 people – provides important social, cultural and land management services across Tasmania.





Contribution towards Deliverables and KPIs			
DEL 1	DEL 2	DEL 3	KPI 1b
0	0	1	0
KPI 2b	KPI 3	KPI 4	KPI 5
0	0	1	0

“Tayaritja (Bass Strait Islands) are very special to the palawa people. The continued connection to these Islands is very important to our people. This project has better helped the palawa community keep in touch with this country, share knowledge, and care for this country.”

David Lowery, Land Management Coordinator, Tasmanian Aboriginal Centre





Elders village on Kurna country,
Adelaide, SA

Aboriginal Independent Living Village to be built near ‘Warraparinga’, SA

A \$10 million project announced in June 2021 will create a purpose-built village for Aboriginal Elders living in Adelaide, SA.

The Aboriginal Independent Living Village project will be built on part of a 5.8 hectare property purchased by the ILSC on behalf of the native title holders of the Adelaide Plains area, the Kurna Yerta Aboriginal Corporation (KYAC).

The proposed development will include 40 individual homes to be built on 1.3 hectares of the property located 13 kilometres south of the CBD close to ‘Warraparinga’, a traditional ceremonial meeting place for the Kurna people near the Sturt River in Bedford Park.

The development will address a significant need for independent housing in the southern suburbs of Adelaide for Indigenous people while also enabling its residents to connect on culturally significant land. It will also promote the security and stability of ‘ageing in place’ – contemporary aged care policy that supports people to remain in their homes and communities for as long as they can – and enable social interaction between tenants through linkages to Warraparinga’s

cultural heritage including its Living Kurna Cultural Centre. National Aboriginal and Torres Strait Islander not for profit housing provider Aboriginal Community Housing Limited (ACHL) will both oversee the Village construction – due to commence in 2022 – and manage its operations. The construction phase is expected to create short term employment and training opportunities for Indigenous people for both building works and monitoring of cultural heritage impacts while new positions are also anticipated within ACHL to assist with Village operations including in business development, housing liaison, community development and maintenance.

The ILSC is working closely with KYAC with the ultimate intention to divest the ILSC property to KYAC’s subsidiary, Kurna Pangkarra Property Trust.

The \$10 million project – \$3.5 million from the ILSC – is a partnership between the ILSC, KYAC, ACHL and the SA Housing Authority.





Contribution towards Deliverables and KPIs			
DEL 1	DEL 2	DEL 3	KPI 1b
0	0	1	0
KPI 2b	KPI 3	KPI 4	KPI 5
0	0	1	0

“ Adelaide has been our home for thousands of years. This is still our traditional lands, our Yarta, our country Pangkarra, but as the Traditional Owners we still do not own our own homes. KYAC is appreciative for the support shown from all the funding partners to allow the Aboriginal Elders Village to proceed. ”

Garth Agius, Chair, Kaurua Nation Pangkarra Property Trust





Purple House Board of Directors at the Social Enterprise Hub in Alice Springs on Arrernte country, NT
Photo: Isabella Moore

Life-saving renal clinic for Coober Pedy, SA

A new \$970,000 renal clinic in Coober Pedy will provide South Australia's Anangu community with life-saving kidney disease treatment without having to move hundreds of kilometres away from family and country. The funding for the Western Desert Nganampa Walytja Palyantjaku Tjutaku Aboriginal Corporation, more commonly known as Purple House, was used to acquire a vacant block of land in Coober Pedy where construction on the new dialysis unit will soon begin.

Purple House, an Indigenous-owned and run health service, has been delivering dialysis and community services across 18 remote communities in SA, WA and the NT for over 20 years and has reduced the dialysis patient mortality rate in Central Australia significantly. The funding, including \$470,000 from the ILSC, comes after many years of campaigning for a renal unit in Coober Pedy, a key service centre between Port Augusta and Alice Springs and for Anangu from Oodnadatta, Marla and Anangu Pitjantjatjara Yankunytjatjara (APY) communities.

Currently, people from Coober Pedy and surrounding communities must relocate 850 kilometres south to Adelaide to start dialysis and, once stable, if there is room, can apply to have dialysis in Port Augusta or Whyalla, which are still over 500 kilometres from home.

Being forced to leave their homes and country to receive treatment creates financial and emotional hardship for patients and their families. Language barriers can also present difficulties for patients for whom English is often not their primary language, adding to stress and anxiety.

The new 4-chair unit is expected to be completed over the next 12 months and will provide dialysis services to regional patients as well as create employment opportunities for nurses and community support workers. It will ensure Anangu families stay together on country and enable senior custodians to provide leadership, work for their community and transfer cultural knowledge to their children and grandchildren. Project funding includes \$470,000 from the ILSC, a \$200,000 SA Government grant and \$300,000 from Purple House's fundraising activities.





Contribution towards Deliverables and KPIs

DEL 1	DEL 2	DEL 3	KPI 1b
1	1	1	0
KPI 2b	KPI 3	KPI 4	KPI 5
0	0	1	1

“ We were asked by Coober Pedy people to help them establish dialysis in their town so their family members could come home to receive treatment. The support from the ILSC has been crucial in getting us over the line with this project. We are so excited and proud! ”

Sarah Brown, CEO, Purple House





Home Valley Station staff on Balanggarra and Wilinggin country, Kimberley, WA

New Indigenous manager for iconic Home Valley Station tourism facility, WA

Home Valley Station tourism facility sitting on the Iconic Gibb River Road in the East Kimberley of WA - shutdown in 2020 due to COVID-19 - marked its 2021 reopening under the new management of Balanggarra Traditional Custodians. Set alongside the Pentecost River, Home Valley Station tourism facilities offer an insight into pastoralism in the Kimberley as well as a range of accommodation options, the famous Dusty Bar and Grill pub, tours and other activities on traditional Balanggarra and Wanjina-Wunggurr Wilinggin country. With the Station managed by ILSC subsidiary Voyages Indigenous Tourism Australia Pty Ltd for the past eight years, the management transition came after the ILSC undertook an expression of interest process which ultimately led to an agreement with Balanggarra Ventures, a subsidiary of Balanggarra Aboriginal Corporation (BAC). BAC's vision is to transition the Home Valley Station management from a non-Indigenous tourism business model to a Traditional Owner led, community driven enterprise, focusing on tourism, conservation, culture and research.

Consistent with this vision, the ILSC-Balanggarra Ventures partnership will ensure Home Valley is a uniquely Aboriginal managed and run tourism experience which builds capacity and creates opportunities for local people in a way that honours their culture and country.

It signals a new era for Traditional Custodians as agents of tourism on their country and an opportunity to build the facility's tourism offerings and to generate greater social, cultural, environmental and economic benefits for the local community. The ILSC originally purchased the Home Valley pastoral lease with the purpose of returning the property to Traditional Custodians into the future and the new partnership is a positive step towards divestment. In preparation for reopening Balanggarra Ventures hired and trained around 30 staff, 85 per cent of whom are Indigenous, and most from the local community. Along with its famous pub, the facility features 36 rooms, campgrounds, a swimming pool, conference facilities and a general store.





Contribution towards Deliverables and KPIs			
DEL 1	DEL 2	DEL 3	KPI 1b
0	0	1	0
KPI 2b	KPI 3	KPI 4	KPI 5
0	0	0	0

“ Home Valley is the gateway to Balangarra country, and we are very committed to managing it in a way that honours our local culture and our country. We are doing things differently, directly engaging our people to ensure Home Valley is a unique Aboriginal managed and run tourism experience. ”

Cissy Gore-Birch, Chair, Balangarra Aboriginal Corporation





BIMA solar panels on Turrbal and Jagera/Yuggera country, Brisbane, Qld

Solar panel investment to support next generation of Indigenous media professionals, Qld

The financial savings made from the installation of a solar panel system to the Brisbane Indigenous Media Association (BIMA) premises are supporting a new generation of Indigenous media professionals.

ILSC funding of \$76,470 to enable BIMA's 98.9FM Solar Project was secured in March 2021 to reduce the electricity costs for the West End business.

However, the real story is in what will be done with the savings.

The estimated \$22,964 savings will be used to employ a new Indigenous Training and Assessor to provide training in Certificate III in Screen and Media for 15 school-based Indigenous trainees across Queensland.

Over 12 months, theory will combine with practice with a weekly paid work placement exposing the trainees to the organisation's experienced broadcasters and to projects that contribute to the broader Indigenous community, including NAIDOC and other key community events.

The project meets BIMA's commitment to contributing to a more environmentally sustainable future and to mitigating the causes of climate change.

It is an excellent example of how a simple ILSC investment in infrastructure can lead to the generation of significant social, cultural, economic and environmental capital that deliver for future generations.





Contribution towards Deliverables and KPIs			
DEL 1	DEL 2	DEL 3	KPI 1b
0	0	1	1
KPI 2b	KPI 3	KPI 4	KPI 5
0	0	0	0

“ As the traditional custodians of this country, we have always nurtured the environment for the sustainability for future generations. We all have a corporate and social responsibility to source sustainable energy and help mitigate the causes of climate change. The 98.9FM Solar Project is our contribution to the future - a more environmentally sustainable future - and the future of our workforce. ”

Jyi Lawton, CEO, Brisbane Indigenous Media Association




Introducing the Value for Money evaluation approach

In 2020-21 the ILSC launched its revised Performance Framework. Underpinned by the ILSC Program Logic (Figure 1, page 57), the framework builds upon the four outcomes / pathways of change and introduces a new Value for Money⁷ (VfM) evaluation methodology, which considers ILSC performance from the four perspectives of economy, efficiency, effectiveness and equity.

Through the ILSC's Theory of Value Creation (Figure 3), the adoption of the VfM approach helps facilitate a richer insight into the value and performance of our activities at multiple scales and enable us to more confidently report and track the extent to which Indigenous people – through our programs – are generating and building economic, social, cultural and environmental capital and reaping outcomes. In this way, the ILSC can more clearly understand how effectively we are unlocking the Indigenous Estate, generating significant positive change, and maximising return on our purposes and investment.

Figure 3 Theory of Value Creation



LONG-TERM OUTCOMES & VISION (IMPACT)	'Harvest fruit'	RETURN ON PURPOSE (impact) Indigenous Australians are generating ongoing cultural, social, environmental, and economic returns	EQUITY Inclusive of all Indigenous people	Sustainable, profitable enterprise
IMMEDIATE & MEDIUM-TERM OUTCOMES	'Nurture & grow'	EFFECTIVENESS Growing cultural, social, environmental and economic capital		Use the tractor to improve productivity
ACTIVITIES & OUTPUTS	'Prepare ground, plant seeds'	EFFICIENCY Doing the right things in the right ways		Buy a tractor
ILSC RESOURCES & INPUTS	We help buy the ground, the seeds, the fertiliser and know how	ECONOMY Choose the right investments, good stewardship of funding		Provide funding, staff, knowledge, connections
PROGRAM LOGIC / THEORY OF CHANGE	THEORY OF VALUE CREATION			EXAMPLE

For 2020-21, the ILSC is including a preliminary assessment of its performance using the VfM approach. The four measures provide a more nuanced assessment of performance than that set out in the Annual Performance Statement (Part Two) which is particularly useful at a time when COVID-19 is impacting all aspects of project delivery. As this is the first year that the ILSC has collected and presented this information, these results should be considered provisional and requiring additional refinement and expansion in future years. Table 17 sets out the results of this analysis.

⁷ The ILSC's Performance Framework is specifically based on the 'Value for Investment' approach, which is used globally to evaluate complex and hard-to-measure programs and policy reforms (King J (2019) *Evaluation and Value for Money: Development of an approach using explicit evaluative reasoning*. Doctoral dissertation. University of Melbourne).

Table 17 Assessment of ILSC projects against Value for Money criteria

Criteria	Assessment /definition	Results
Technical efficiency <i>Considering context are projects meeting expectations?</i>	Proportion of active projects* that met or exceeded all projected indicators	24%
	Proportion of active projects with 'adequate' or better performance rating**	86%
Dynamic efficiency <i>Are proponents actively considering and adapting to change?</i>	Proportion of active projects# with proponents actively considering and adapting to contextual environmental change	42%
Effectiveness <i>Are project activities leading to outcomes?</i>	Proportion of active projects with 'adequate' or better performance rating**	86%
Equity <i>How inclusive are project activities of different Indigenous beneficiaries?</i>	Proportion of active projects# that are actively inclusive of different Indigenous beneficiaries	43%

* Assessed by comparing achieved vs projected indicators for each project. Excludes active projects without projected indicators

** Performance ratings represent evaluative judgements made by project staff of performance against reported indicator groups using a standard rubric that takes into consideration project and proponent characteristics, progress and operating context using five standards (not known, poor/at risk, adequate, good, excellent). Excludes projects without any projected or achieved indicators

Assessed from information provided by proponent at time of progress reporting. Excludes projects with no information entered

Efficiency

Technical efficiency relates to whether projects are delivering planned outputs on schedule and on budget. The purpose of this measure is to incorporate staff evaluative judgements on project performance rather than relying solely on whether a project achieved specific outputs on schedule. This is a particularly useful measure in the current time due to extensive impacts of COVID-19 on delivery.

Results: Even though relatively few projects (24 per cent) have achieved all expected outputs, most (86 per cent) have been assessed as performing at adequate or above standard because of their efforts in continuing to maintain delivery momentum.

Dynamic efficiency provides additional insight into whether proponents are adapting in response to lessons learned, emergent needs and/or opportunities relating to projects and/or broader priorities.

Results: This year, 42 per cent of proponents were reported to be either formally or informally planning and adapting to change, with many identifying COVID-19 as a significant driver for ongoing proactive and reactive project adaptation.

Effectiveness

Effectiveness is a performance rating that identifies the extent to which, in the judgement of project staff, projects are progressing towards the achievement of desired outcomes.

Results: Eighty-six per cent of projects with relevant indicator groups were considered effective in that their activities were clearly progressing towards the achievement of outcomes related to their projects.

Equity

Equity considers who the project is benefitting, and whether efforts are made for the project to be inclusive of women, young people, elderly, disabled, and others at extra disadvantage within the Indigenous community to ensure that project benefits are shared as broadly as possible.

Results: In total, 43 per cent of responses identified that projects were actively considering ways of including multiple beneficiaries to project activities. This included specifically targeting beneficiaries of different ages and genders (young people, elders, separate women's and men's activities) and of different backgrounds, advantage and abilities within the immediate proponent group and clients. Many projects also deliver cultural education activities that complement other Indigenous social enterprises and/or benefit the Indigenous community more broadly, such as schools, medical services, community garden, nursery, legal services and Indigenous arts and crafts.

Economy

Economy is defined by the ILSC as good stewardship of resources and is focused on its own practises for human and financial resources management, probity and transparency; and the careful selection of projects that represent the best use of resources, bearing in mind their financial health, capacity to deliver and the opportunity cost of funding projects that fail.

Results: Additional work is underway to enable assessment from this perspective, and it is expected to be reported for the first time in 2021-22.





Andrew Beck and the Clontarf dancers
on Esperance Nyungar country, WA





Part Four:
**ILSC Group
Subsidiaries**



ILSC Group at 30 June 2021
Indigenous Land and Sea Corporation
Head office: Adelaide, SA
ABN 59 912 679 254

Voyages Indigenous Tourism Australia Pty Ltd

ABN 82 146 482 591
Head office: Sydney, NSW
CEO: Matthew Cameron-Smith
Past 2020-21: Grant Hunt

Anangu Communities Foundation

ABN 63 494 833 077
Head Office: Sydney, NSW
CEO: Joe Morrison
Acting 2020-21: Tricia Stroud

Primary Partners Pty Ltd

ABN 28 108 266 548
Head office: Adelaide, SA
CEO: Joe Morrison
Acting 2020-21: Tricia Stroud

Yamanah Investments Pty Ltd

ABN 83 637 596 617
Head Office: Adelaide, SA
CEO: Jason Collins

National Centre of Indigenous Excellence Ltd

ABN 98 133 644 578
Head Office: Redfern, NSW
CEO: Darren Hammond
Past 2020-21: Clare McHugh

- > Refer to Part Six: People for CEO terms, appointment and cessation dates.
- > The ILSC's wholly owned subsidiaries are established to assist the ILSC to deliver on its purposes of assisting Indigenous Australians to generate social, environmental, cultural and economic capital.
- > ILSC subsidiaries are governed by the ATSI Act (Part 4A) and by the *Corporations Act 2001*. Under the PGPA Act (Section 86) subsidiaries must perform the same functions as the ILSC; that is, the management of land and water interests owned by the ILSC Group or leased from Indigenous owners.
- > Information on subsidiary governance in 2020-21 is provided in Part Five of this report, and individual reports for each subsidiary can be found in this section.





Gunbalanya Station on Kunwinjku country, West Arnhem Land, NT
Photo: Pam Daniell

Voyages Indigenous Tourism Australia Pty Ltd

The ILSC established Voyages to own and manage Ayers Rock Resort (acquired in May 2011) at Yulara, NT, supporting the development of Indigenous tourism in Australia.

In 2020-21, Voyages also operated one other tourism enterprise developed by the ILSC on ILSC held land: Mossman Gorge Centre, an ecotourism Centre north of Cairns, Qld, developed by the ILSC in partnership with Traditional Owners. Voyages proudly provides employment and training opportunities for Indigenous people in tourism and hospitality, offering guests unique experiences of Indigenous culture. Voyages is the sole member of the Anangu Communities Foundation (formerly Mutitjulu Foundation). The Foundation aims to empower Anangu people from Ngaanyatjarra, Pitjantjatjara and Yankunytjatjara communities in the vicinity of Ayers Rock Resort through improved health and education and greater economic participation.

In 2020-21 the ILSC continued to underwrite operating and capital expenditure for Mossman Gorge Centre.

Results in 2020-21 Business performance

Ayers Rock Resort was heavily impacted by the effects of COVID-19 and the resulting international and spasmodic domestic border closures. In the 2020-21 financial year Voyages' operations generated Earnings Before Interest, Taxation, Depreciation and Amortisation (EBITDA) of \$18.1 million, down from \$37.9 million in 2019-20. The results include a net contribution (after pass-through payments to employees) of \$26.7 million (2020-21) and \$4 million (2019-20) from the COVID-19 support package, provided by the National Indigenous Australians Agency (NIAA). EBITDA, excluding NIAA COVID-19 support, was \$(8.6) million, down from \$33.9 million in 2019-20. The decline in operating performance is due to the travel restrictions implemented on international and domestic travel as a result of COVID-19. This reported EBITDA also includes \$6.8 million in expenses associated with Voyages' Indigenous employment and training programs, and related contributions of \$1.8 million from the ILSC; \$0.3 million from the Real Jobs Program (via the ILSC); \$2.2 million from NIAA (separate to COVID-19 support package); and \$0.4 million from the Qld and NT Governments. Voyages' net loss for 2020-21 was \$7.6 million.

Ayers Rock Resort

Ayers Rock Resort recorded occupancy of 27 per cent for the financial year, down from 56 per cent for the previous year. Average room rate also declined, falling to \$225 per night, down by \$87 from 2019-20).

With the majority of the Resort shutdown from 27 March 2020, the first quarter of 2020-21 was impacted by COVID-19 and the State and Territory border closures. With the market limited to domestic travel only and with the ongoing uncertainty of border restrictions, the resort reopened selected hotels, food and beverage, touring product and retail outlets on 1 September 2020 in line with market demand.

Key activities and highlights for 2020-21 included the:

- > completion of the Sails in the Desert bathroom refurbishment (228 rooms)
- > refurbishment, rebranding and soft opening of the Gallery of Central Australia – formally known as Wintjiri – which will provide support to Central Australian Indigenous artists and Art Centres within the region, as well as host a year-round Artist in Residence program
- > full refurbishment of the Connellan airport amenities in the arrivals and departures areas; installation of new body scanning equipment; and the redesign and expansion of the departures security screening area
- > final refurbishment and upgrade of five campground amenity blocks
- > reopening of the Campground, Sails in the Desert Hotel, The Lost Camel Hotel and Emu Walk Apartments along with supporting food and beverage and retail outlets and selected touring product
- > full reopening of the Desert Gardens Hotel (218 rooms) along with selected food and beverage outlets
- > reopening of Field of Light Uluru, a stunning and extensive LED artwork by Bruce Munro, which continued to be a powerful drawcard
- > The Outback Pioneer Hotel remained closed.

Debt facilities

Voyages' ANZ bank loan is fully drawn to \$102.5 million at the balance date. Maturing on 20 July 2025, the loan is secured by a mortgage over the Ayers Rock Resort property, an equitable mortgage over shares in the company and a guarantee from the ILSC. \$2.5 million of the loan is repayable in instalments over the remaining term with equal quarterly instalments of \$0.3 million from 1 July 2023 until 1 July 2025. The total amount repayable on maturity is \$100 million. As at the balance date, the \$102.5 million bank loan is classified as a non-current interest-bearing loan.

On 14 December 2018, Voyages entered into a project finance facility with the Northern Australian Infrastructure Facility (NAIF) for a 20-year term of up to \$27.5 million, to fund the upgrade of the Connellan airport and associated Contractors Accommodation Project. The loan is secured by a mortgage over the Ayers Rock Resort, an equitable mortgage over shares in the company and a guarantee from the ILSC. Security in connection with the NAIF loan ranks equally with the Voyages primary lender ANZ but is subordinate in terms of cash flow servicing with principal repayments commencing in March 2023.

Furthermore, the ILSC had previously entered into a \$65 million loan with the Australian Government in 2016. The loan was secured by a mortgage over Ayers Rock Resort, an equitable mortgage over shares in Voyages and a guarantee from Voyages. Principal and interest repayments of \$1.95 million were being made quarterly during 2019-20 until the loan balance was repaid in full in January 2020. Subsequent to this prepayment, all security was discharged.

Mossman Gorge Centre

Mossman Gorge Centre welcomed 198,036 visitors in 2020-21, a 24 per cent decrease from the previous year due to the continued impact of COVID-19 on the region.

EBITDA inclusive of costs associated with Indigenous employment and training programs in 2020-21 was \$1.2 million, compared with a \$0.1 million loss in 2019-20 (subsidised by the ILSC). The 2020-21 result included a net contribution of \$1 million from the COVID-19 support package, provided by the NIAA.



Indigenous employment and training

See the Annual Performance Statement (page 13) for more information.

Indigenous engagement (Ayers Rock Resort)

Voyages continued to build its regional engagement model, engaging with the Anangu Advisory Group with membership from Mutitjulu, Docker River, Imanpa and the Anangu Pitjantjatjara Yankunytjatjara Lands. The Group met three times (and formed quorum once) to exchange information and to identify opportunities that can lead to improved collaboration and partnership in economic participation, tourism, training, employment and activities at Ayers Rock Resort. The Group also assists Voyages to understand and remain connected with community-based aspirations and projects ensuring it is supporting local and regional Anangu priorities.

The Real Jobs Program continued its support for 12 Anangu participants (as at 30 June 2021) to engage in meaningful work and skills development through employment at Ayers Rock Resort.

Other new programs delivered over the year are outlined below.

Education Pathways Program

Designed to deliver meaningful education pathways through:

- > delivery of a suite of school-based activities, workplace exposure, familiarisation and work experience programs to primary and secondary school aged students in the Ngaanyatjarra, Pitjantjatjara Yankunytjatjara (NPY) and Central Australia region region
 - over 60 students visited Yulara, and the Indigenous Engagement Team engaged with over 120 students in community through delivery of accredited training
- > partnerships with key education network stakeholders and schools in the NPY and Central Australia region to ensure continuous improvements in program design and delivery.

Employment Pathways Program

Designed to support job seekers to understand opportunities via:

- > building relationships at a community level, with multiple information sessions on Voyages delivered in 2020-21
- > partnering with Job Network and Community Development Program providers to create flexible and appropriate ways to develop work skills at a community level
- > developing a range of site visit and work experience opportunities that can lead to employment at Ayers Rock Resort, with over 35 regional work experience candidates hosted across 2020-2021.

Wellbeing Program

Implementing a wellbeing framework for Ayers Rock Resort that is culturally responsive to the needs of Indigenous and non-Indigenous staff by:

- > enhancing the capacity of all employees to work with Indigenous staff in meeting the organisation's strategic goals
- > assessing the wellbeing needs of staff living and working at Ayers Rock Resort through extensive consultation with staff at all levels of the organisation
- > designing and implementing structured wellbeing programs for staff that are responsive to staff-identified need and proactively enhance staff wellbeing
- > engaging in partnerships with Anangu to design and facilitate culture and language education courses to enhance cultural safety
- > partnering with internal and external stakeholders to deliver large scale community connection activities such as intercommunity football matches to promote healthy lifestyle choices
- > creating context specific critical incident response frameworks to provide Indigenous staff with culturally appropriate supports and referral pathways during a crisis
- > designing and distributing information flyers and pamphlets promoting key support networks for remote environments such as counselling services, the Employee Assistance Program and visiting clinical psychologist.

Anangu Communities Foundation

The Anangu Communities Foundation has worked to improve its position as a genuine regional partner at a grass roots level, supporting Anangu and improving their wellbeing through increased education, improved health and greater social and economic participation.

The Foundation has maintained its focus on implementing projects to support regional communities during the COVID-19 pandemic and funded 13 projects in 2020-21.

The closing balance of net assets at 30 June 2021 was \$783,777. Annual revenue for this financial year was \$34,211, representing an 85 per cent decrease from the previous year (\$225,613). Voyages continued to match guest and staff donations to the Foundation, dollar for dollar; the total matching guest donations in 2020-21 was \$14,732.

Looking forward

The outlook for Australia's tourism sector is expected to remain challenging with the constant unknown around domestic borders impacting consumer confidence. With approximately 48 per cent of Voyages' business at Ayers Rock Resort coming from international guests who cannot enter the country, the closure of international borders will curtail business for some time to come. Equally the recent closure of the NSW and Victorian borders created significant disruption: the two states combined represent 63 per cent of Voyages' domestic business.

Recovery will be slow as air capacity is rebuilt, and demand is generated solely from the domestic market which is expected to be crowded with competing offers from other parts of the country. The uncertainty surrounding the future of Virgin Airlines also impacts Ayers Rock Resort with Virgin services not expected to fully return until international markets are active again in Australia. Voyages has developed a comprehensive marketing campaign to remain competitive.

Ayers Rock Resort faces significant financial losses in the coming year with full recovery from COVID-19 not anticipated until 2023. Voyages places the health and wellbeing of the Aboriginal communities in which we operate, in addition to all its guests and staff, as a priority.

COVID-19 has presented Voyages, as it has with many businesses in Australia, with unprecedented challenges and Voyages have worked hard to find solutions that address the concerns of communities and comply with all State and Australian Government requirements. While Voyages remains confident in its stringent COVID-19 protections it will continue to work collaboratively with all stakeholders to ensure that the necessary, best-practice precautions are being implemented throughout its tourism facilities across Australia.

The ILSC's commitment to its mandate of divesting acquired and improved land will see continued efforts to rebuild the value and financial sustainability of Voyages' assets in readiness for future granting. The subsidiary will continue to focus on infrastructure improvements, operational efficiencies and Indigenous benefits.





Gabby Gumurdul on Gunbalanya Station, Kunwinjku country, West Arnhem Land, NT
Photo: Pam Daniell

Primary Partners Pty Ltd

Primary Partners is a wholly owned subsidiary of the ILSC and is responsible for overseeing the ILSC's interest in the agricultural sector.

At the start of 2020-21, Primary Partners oversaw nine commercial agribusiness operations on Indigenous-held land (either ILSC-held or leased from Indigenous landholders). During the year, Primary Partners reduced its operational footprint to eight commercial agribusinesses across 973,230 hectares of Indigenous-held land (Table 18). This reduction in Primary Partners' Agribusiness Portfolio was in line with the 2018 strategic decision to achieve greater efficiencies by reducing the number of agribusinesses that Primary Partners operates.

In February 2021 the ILSC Board decided that in future it would not operate businesses and would instead focus on its core functions of land acquisition and land management. As a result, engagement was commenced with relevant stakeholders to develop strategies for Primary Partners to transition out of the remaining eight businesses over time.

Results in 2020-21

Operations

Much of northern Australia received average or above average wet season rainfall, resulting in favourable conditions for animal production. Higher than average rainfall in some areas resulted in delays to mustering and capital development work. The only southern property in the portfolio also had good rainfall over the year, which is a change from a drying trend in recent years.

The COVID-19 pandemic had a limited impact on the agribusinesses. After an initial sharp decline in prices for livestock due to COVID-19, demand picked up again and both domestic and live export cattle prices ended the financial year very strongly. The management and staff of the businesses, supported by the ILSC Work Health and Safety team, ensured that the businesses continued to operate safely and efficiently.

Indigenous employment and training

See the Annual Performance Statement (page 13) for more information.

Business performance

At 30 June 2021, the ILSC's agribusiness properties carried 36,424 head of beef cattle and 9,504 sheep; a total of 45,928 livestock (Table 18).

Consistent with the focus on reducing the portfolio size, during 2020-21 the number of livestock held decreased by 7.8 per cent or 3,877 head.

The value of livestock, however, increased during the year reflecting an increase in market demand, primarily due to restocking purchases in the eastern states and the resulting increased prices. Despite the reduction in the number of livestock, the value of the portfolio increased by 11.9 per cent or \$3.7 million, to close at \$35.4 million.

The gross trading profit for all livestock was \$9.2 million for the year ending 30 June 2021. Within the agribusiness portfolio, the export depot and meatworks contributed net income of \$2.2 million and \$0.4 million respectively and agistment income of \$0.2 million was received.

The agribusiness portfolio generated a total income of \$15.3 million mostly from its agribusiness operations. The total operating expenses for the agribusiness portfolio was \$15.0 million. Agribusiness operations contributed \$0.3 million to ILSC's earnings before tax, interest and depreciation in 2020-21

Table 18 Agribusiness Portfolio, as at 30 June 2021

Property	Areas in hectares	Status at 30 June 2021	Livestock numbers at 30 June 2021
Queensland			
Bulimba, via Chillagoe	294,740	Leased	6,087
Crocodile/Welcome, via Laura	124,800	ILSC -held	5,580
Merepah, via Coen	186,000	ILSC -held	3,742
Western Australia			
Roebuck Plains, via Broome	283,493	Leased	18,473
Roebuck Export Depot	100	Leased	n/a
Northern Territory			
Gunbalanya Station	80,000	Leased	2,542
Gunbalanya Meats	n/a	Leased	n/a
Tasmania			
Murrayfield, Bruny Island	4,097	Leased	9,504 (sheep)

Looking forward

Primary Partners is committed to working with Indigenous landowners to achieve the best outcome for the groups post Primary Partners' exit from its agribusinesses. Through engagement with Traditional Owners Primary Partners will support Indigenous landowners in exploring the best options for the future use of their land, whether it be operating the business themselves, entering into lease agreements or other business arrangements. Primary Partners will also support Indigenous landowners with business planning and capability development where required.





National Centre of Indigenous Excellence on Gadigal of the Eora Nation country, Redfern, NSW

National Centre of Indigenous Excellence Ltd

The National Centre of Indigenous Excellence (NCIE) is a social enterprise that builds capability and creates life-changing opportunities for Aboriginal and Torres Strait Islander peoples to positively impact wellbeing. NCIE Ltd was established to operate the NCIE site developed by the ILSC on the former Redfern Public School site, the land and historic buildings purchased from the NSW Government in 2006. The redeveloped centre opened in 2010, and encompassing a fitness and aquatics centre – including an outdoor sports field, basketball stadium, indoor and outdoor training areas, and undercover pool – and accommodation and conferencing facilities, and corporate and tenant offices. NCIE Ltd services are detailed below.

The NCIE site is a hub for other Aboriginal and Torres Strait Islander organisations: National Aboriginal Sporting Chance Academy, Australian Indigenous Mentoring Experience, Tribal Warrior Aboriginal Corporation, Inner Sydney Empowered Communities and Redfern Youth Connect, whose own activities from the NCIE site support thousands of Aboriginal and Torres Strait Islander people.

NPM Indigenous, BlaQ Aboriginal Corporation, Huff Digital, Link-Up (NSW) Aboriginal Corporation, and People First Fire became tenants during 2020-21. ILSC subsidiary Yamanah Investments Pty Ltd concluded their 10 month tenancy with NCIE in October.

Results in 2020-21 NCIE Services

The NCIE delivers six discrete yet interrelated services from the NCIE site:

- > Fitness and Aquatics – includes café and retail
- > Hospitality – includes conference, accommodation, and on-site and off-site catering
- > Job Ready – a training-to-employment program
- > TATU – Talking About Tobacco Use, part of the Australian Government’s Tackling Indigenous Smoking program
- > IDX – National Centre of Indigenous Excellence, in partnership with the Telstra Foundation, which ceased in April 2021
- > Blak Impact – a First Nations-led service developing expertise in evaluation, impact measurement, and outcomes development to improve Aboriginal and Torres Strait Islander outcomes.



Each service is driven by NCIE's goal of delivering long-term improvements to Aboriginal and Torres Strait Islander wellbeing. NCIE Corporate Services provides additional internal support in finance, human resources, Work Health and Safety, ICT, communications and marketing, governance and risk management. Through these operations, NCIE supports the ILSC to achieve strategic land management outcomes through its management of the Redfern site.

Business performance

The NCIE is a not-for-profit social enterprise. In 2020-21, its own-source income (before grant funding from the ILSC) was \$6.2 million in total (2019-20: \$5.2 million), including revenues from its three businesses (Fitness and Aquatics; Hospitality; and Blak Impact) and grants and sponsorships from third parties to run programs.

The NCIE generated a profit of \$0.7 million in 2020-21 (2019-20: \$0.6 million); however, before financial support from the ILSC of \$4.5 million (2019-20: \$4.9 million), the result was a deficit of \$3.8 million (2019-20: \$4.3 million). This includes a concessional lease contribution of \$2.0 million.

The NCIE continued to focus on optimising and developing NCIE as a high-performing organisation for social impact, financial viability, internal culture and partnerships. In the second half of 2020-21, processes commenced in relation to divestment of the company.

Engagement and social impact

Strong and effective partnerships with Aboriginal and Torres Strait Islander peoples, organisations and the local community underpin all NCIE activities. Here are some of the 2020-21 highlights:

- > NCIE Job Ready mentored and assisted 20 Aboriginal and/or Torres Strait Islander participants into training or employment
- > NCIE Hospitality hosted 3,320 guests (26 per cent ATSI) over 182 event bookings from the community, corporate and government sectors with key delegations from NSW Government departments, NSW State Insurance Regulatory Authority, Sydney Trains, Commonwealth Bank, Amazon, ACON Health Limited, and Diabetes Australia
- > NCIE Accommodation hosted 453 guests (19 per cent ATSI) across 12 school, university, sporting and other groups including the National Aboriginal Sporting Chance Academy, Jawun, NSW AFL School Camp, NRL Indigenous Leadership Camp
- > NCIE Catering delivered to 29,158 people in 575 orders, including Australian Unity, NSW Government departments, universities, the Art Gallery of NSW, SBS Australia, Apple, Sony Music, and The Smith Family
- > NCIE Retail and Café supported 24 Aboriginal and Torres Strait Islander artists and businesses with 11 businesses also supported through on-site events including NAIDOC 2020 and Black Markets
- > NCIE Fitness and Aquatics – 1,992 members (17 per cent ATSI); 3,201 students from 34 schools used the NCIE pool for swimming lessons.
- > The Homework Centre, delivered in collaboration with local community organisation Redfern Youth Connect, was attended 4,788 times assisting an average of 411 year 8-12 Aboriginal and Torres Strait Islander youth with time management and tutoring
- > IDX – 186 young Aboriginal and Torres Strait Islander people, 14 community-focused organisations and 13 regional and remote communities across Australia attended workshops to foster digital learning and development; the program also enabled five employment opportunities through partnerships
- > TATU – reached 719 school students and youth groups to promote conversations about tobacco use and the benefits of a smoke-free lifestyle
- > Blak Impact – delivered training to 16 Aboriginal and Torres Strait Islander people and provided support to five Aboriginal and Torres Strait Islander businesses, while also working on the next iteration of the NCIE's Social Impact Framework.

Other 2020-21 highlights included:

- > 41 Aboriginal women attended four My Big Idea sessions, an all-female organisation mentoring Indigenous women to develop new business ideas; eight continued on to Sister School's Incubation Phase
- > NAIDOC @ NCIE in November comprised a week of predominantly online events including a virtual Smoking Ceremony, two Panel Discussions and a live-streamed Children's Story Time with social media channels reaching 167,161 people and over 7000 views; guest speakers and performers included Barkaa, Luke Carroll, Vanessa Turnbull-Roberts and Associate Professor Megan Williams
- > About 50 visitors attended BlaQ Aboriginal Corporation's NAIDOC event at the amphitheatre where Employment Ambassador Aunty Beryl Van Oploo recorded an episode and cooking demonstration as part of the Native Grains series 'From Paddock to Plate'
- > Over 100 community members attended Tribal Warrior's Culture Day Showcase in December, a celebration of dance, culture and community sponsored by TATU
- > Tribal Warrior's Clean Slate Without Prejudice and Never Going Back tri-weekly boxing, fitness and mentoring program regularly attracts up to 100 participants
- > About 3,000 people attended the Twilight Blak Markets in April with 13 First Nations stalls, selling Indigenous foods, clothing, art, and jewellery; a Tribal Warrior smoking ceremony; Brolga Dance Academy; and Aunty Beryl and Kylie Kwong cooking demonstration
- > Over 60 Aboriginal and Torres Strait Islander students attended the four-day Indigenous Youth Leadership Summit in May as part of the NRL's School to Work program experiencing NCIE accommodation, catering, and sports facilities and taking part in a range of workshops
- > 75 Aboriginal and Torres Strait Islander people attended five First Nations Mardi Gras Committee community workshops to design and prepare for the 2021 Sydney Gay and Lesbian Mardi Gras

Indigenous employment and training

See the Annual Performance Statement (page 13) for more information.

Looking forward

2020-21 continued to focus on transforming NCIE's operations to a sustainable economic business model to support the objective of divesting the site to an Indigenous entity. Through social impact, financial viability, internal culture and partnerships, the NCIE site continued to generate benefits to the Aboriginal and Torres Strait Islander communities, locally and nationally.

The reduction in service demand as a result of the COVID-19 pandemic meant the NCIE's achievements and its contribution towards ILSC Key Performance Indicators in 2020-21 continued to be adversely impacted, which is evident in the results compared to the previous year.

The COVID-19 ILSC Subsidiary Support Package provided NCIE with additional financial assistance contributing towards a wage subsidy and other operational expenses.

The commencement of a new Operations Plan in the second half of 2020-21 focuses on COVID-19 recovery and ensuring the NCIE's continued operation as a valuable community asset.

The NCIE site is one of the ILSC's most valuable landholdings, and one which the ILSC is pleased to have approved the divestment of. Fulfilling its core mandate of divesting improved land will be realized with the ILSC and the New South Wales Aboriginal Land Council agreeing on a divestment pathway which will see the NCIE site returned to the largest Indigenous member based organization in NSW.





Shoalhaven Heads and Cullunghutti Mountain on Jerrinja country, NSW

Yamanah Investments Pty Ltd

Yamanah Investments Pty Ltd was established as a wholly owned subsidiary of the ILSC in January 2020.

Piloting a place-based approach to investment incubation, Yamanah Investments sought to create opportunities for investment in the Murray-Darling Basin region of NSW. With offices established in Dubbo and at the NCIE in Redfern, NSW, Yamanah Investments conducted significant scoping and environmental scan activities in order to identify opportunity in the region, whereby Indigenous people and corporations could be better positioned as central to the economic development of regional NSW.

Proposed as an initial one-year pilot to December 2020, the ILSC Board resolved in September 2020 to cease the pilot at the end of the year.

The Yamanah pilot subsequently ceased in December 2020, having completed its initial scoping activities. At the end of the pilot the program had identified only two projects suitable to transfer to the ILSC's *Our Country Our Future* program. Unable to confirm a pipeline of further projects, and in an environment with other pressing budget priorities brought about by COVID-19, the ILSC made the decision in September 2020. Following Board resolution and the completion of works in December 2020, the ILSC moved to deregister Yamanah Investments Pty Ltd in May 2021 with the process completed in July 2021.

From its experience with Yamanah, the ILSC has commissioned a full review of the lessons learned specific to the operations and approach of the subsidiary and an additional review of the opportunities and risks associated with the establishment of subsidiaries going forward. The review will be presented to the ILSC Board in 2021-22; its results will inform the ILSC's approach to place-based programming and set key principles about the establishment and management of subsidiaries.





Part Five:
Governance



Talaroo Spring on
Ewamian country in north QLD

ILSC BOARD

BOARD COMMITTEES

Audit and Risk
Remuneration and Nomination
Project Aurora Steering Committee

ILSC GROUP CHIEF EXECUTIVE OFFICER (GCEO)

ILSC Executive Management Team

NATIONAL OPERATIONAL UNITS

Program Delivery including:

Central Divisional Office (SA, NT, Vic, Tas):
Adelaide, SA Eastern Divisional Office (Qld,
NSW): Brisbane, Qld Western Divisional
Office (WA): Perth, WA

ILSC Agribusiness

Carbon and Environment

NATIONAL SUPPORT UNITS

Office of the CEO including Governance,
Policy, Strategy and Performance and
Communications and Media

Corporate including Finance,
Information, Communication and Technology
and People and Capability

Legal including Risk and Internal Audit

Stakeholders and accountabilities

BENEFICIARIES AND PARTNERS

Aboriginal and Torres Strait Islander people and communities including landholders, Traditional Owners, land councils, corporations, business operators, contractors and service providers

GOVERNMENT

Parliament of Australia
Prime Minister, Department of Prime Minister and Cabinet - lead portfolio agency
Minister for Indigenous Australians, National Indigenous Australians Agency

POTENTIAL PROJECT PARTNERS AND/OR CO-INVESTORS

Indigenous Business Australia and other portfolio agencies
Other Australian, state/territory and local government entities including
regulators Private-sector companies and peak bodies in relevant industries
Non-government organisations (philanthropic, not-for-profit)
Academia/research centres

Governance Framework

Legislation

The ILSC is established under the *Aboriginal and Torres Strait Islander Act 2005* (ATSI Act), which sets out the ILSC's functions, powers and governance framework. The ILSC is a corporate Commonwealth entity under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). The ILSC Board is the Accountable Authority under the PGPA Act.

Budget

The ILSC participates in the whole-of-government budget process through the Portfolio Budget Statements for the Prime Minister and Cabinet Portfolio. The ILSC and its subsidiaries (other than Voyages) are included in the General Government Sector. Voyages is classified as a Public Non-Financial Corporation.

Responsible Minister

During 2020-21 the ILSC had one responsible Minister:

- > The Hon Ken Wyatt AM MP, Minister for Indigenous Australians

The PGPA Act requires that the ILSC keep the Minister informed of its operations, including any events of significance, and provide both the Minister and the Minister for Finance with reports, documents and information that they may request. The ILSC Board is also required to notify the Minister of any significant non-compliance with finance law. The ILSC Board has determined that there has been no significant non-compliance with finance law during the reporting period that needed to be notified to the Minister.

General policies of the Australian Government

The ILSC must comply with any Australian Government Policy Order to the extent that it applies to the ILSC. The Senate Procedural Order of Continuing Effect (Senate Order) applies to corporate Commonwealth entities from 1 July 2017; it requires a list of active contracts at or above \$100,000 (GST inclusive) to be published on an agency's website. The Minister is required to table a letter in accordance with the Senate Order, providing a link to the location on the ILSC website.

Related party transactions

The ILSC has a system of delegated powers that enables decisions to be made on a range of transactions at the appropriate organisational level. The Board Governance Charter adopts better practices as contained in the Australian National Audit Office Better Practice Guide on Governance and the Australian Stock Exchange Corporate Governance Guidelines.

The Charter requires the disclosure of any conflict of interests including all related party transactions, and this matter is reported on at each ILSC Board meeting of Directors.

The Executive Management Team is required to provide an Annual Declaration of Interest. In 2020-21, the ILSC has reported a series of transactions with two related parties, one of which is another Commonwealth related entity. Note 12B (Transactions with Related Parties) to the Financial Statements of the ILSC sets out the ILSC's related party disclosure for 2020-21.

ILSC Board of Directors

The seven-member Board is the ILSC’s primary decision-making body. Five members including the Chair must be Indigenous Australians with all Directors appointed by the Minister. Director Daniel Tucker submitted his resignation to the Minister on 9 February 2021. With a vacancy carried over from June the previous financial year it is noted that as at 30 June 2021, there are five members of the ILSC Board.

Director	Appointed from	Appointed to
Mr Edward Fry, Chair	20 Oct 2015	30 Nov 2021
Ms Patricia Crossin*	20 Oct 2015	19 Oct 2019
Mr Bruce Martin*	20 Oct 2015	19 Oct 2019
Dr Donna Odegaard*	15 Jun 2017	14 June 2020
Mr Roy Ah-See	16 Mar 2019	15 Mar 2022
Mr Daniel Tucker	16 Mar 2019	Resigned 9 February 2021

* Under the ATSI Act 2005 ILSC Directors automatically continue to hold office until a new appointment is made by the responsible Minister

The Board determines the policies and strategic directions of the ILSC and is responsible for the proper and efficient performance of the ILSC’s functions. The Board is governed by a Board Charter which sets out Directors’ legal, financial and conflict-of-interest responsibilities, in order that they discharge their obligations to the highest standards in accordance with the PGPA Act.

Key objectives of the Board include:

- > achieving the ILSC purpose as set out in the ATSI Act
- > providing accountable, effective, measurable and strategic leadership
- > exercising control over the ILSC and subsidiary operations, including consideration and adoption of appropriate risk- management strategies
- > reviewing and enhancing Board governance arrangements.

The Board may delegate any or all its powers and functions, in writing, to the ILSC Group CEO or to ILSC staff members. Accordingly, decision making within the ILSC is governed by the Instrument of Delegations. This includes where the decision is to approve the ILSC’s payment for a good or service from another Commonwealth entity or company, or to provide a grant to another Commonwealth entity or company.

There were 18 Board meetings held in 2020-21. Directors’ attendance is outlined in Table 19. The following are short biographies of the six ILSC Directors who served during 2020-21. All are non-executive Directors, and all except Director Crossin are Indigenous Australians.





Mr Edward (Eddie) Fry

- > **Chair, ILSC Board**
- > **Chair, Remuneration and Nomination Committee**
- > **Member, Project Aurora Steering Committee**

Mr Eddie Fry was born and grew up in Darwin and is from the Dagoman people of the Katherine region in the Northern Territory. He is Chair of the ILSC and Indigenous Business Australia.

Mr Fry holds a Diploma in Business Management, has extensive experience in the Australian resource sector and is a specialist in Indigenous and native title issues.

He is Chair of Ventia (formally Broadspectrum) Indigenous Advisory Board and Chair of Todd River Resources Ltd, Deputy Chair of the Aboriginal Foundation of South Australia Inc, Non-Executive Director of the SA Health and Medical Research Institute and a Director of G-MGT Pty Ltd.

As a senior executive with Normandy Mining Ltd, Eddie gained a wealth of experience in domestic and international corporate operations. During his time with the company, he established the Traditional Owner policy, managed international logistics and marketing of Normandy's base and strategic metal portfolio and was an investor relations analyst.



Mr Roy Ah-See

- > **Chair, Primary Partners Pty Ltd**
- > **Director, National Centre of Indigenous Excellence Ltd**
- > **Director, Yamanah Investments Pty Ltd**

Mr Roy Ah-See is a Wiradjuri man who was born and raised on Nanima Reserve, near Wellington in New South Wales.

Mr Ah-See was elected to the NSW Aboriginal Land Council in 2007 and was Chair of the Council from 2015 until mid-2019. He is also a member of the Darkinjung Local Aboriginal Land Council and Gandangara Local Aboriginal Land Council.

In 2017, Mr Ah-See was selected to be a member of the Prime Minister's Indigenous Advisory Council and chosen to be a member of the Advisory Committee for the Australian Law Reform Commission's Inquiry into the incarceration rates of Aboriginal and Torres Strait Islander peoples.

He has served on the NSW Local Government and Shires Association and previously worked at various government agencies and Aboriginal community organisations.

Mr Ah-See also has qualifications in social welfare and works in a voluntary capacity to help Aboriginal men who are experiencing challenges with drugs and alcohol.



Ms Patricia (Trish) Crossin

- > **Director, Primary Partners Pty Ltd**
- > **Member, Audit and Risk Committee**
- > **Director, Voyages Indigenous Tourism Australia Pty Ltd (expired 4 Nov 2020)**

Ms Trish Crossin is a former Senator and was the first woman to represent the NT in the Australian Parliament. Ms Crossin is an experienced board member and has undertaken comprehensive directorship duties on a range of community, sports and government boards.

During her 15 years in the Senate, Ms Crossin was Chair of the Legal and Constitutional Committee and Joint Select Committee on Constitutional Recognition of Aboriginal and Torres Strait Islander Peoples. She was a member of the Joint Statutory Committee for Native Title and the Aboriginal and Torres Strait Islander Land Account and the Education, Employment and Workplace Relations Committee.

Ms Crossin established and was the founding Chair of the NT Working Women's Centre. She is a former Chair of Netball NT and Netball ACT and a former board member of Voyages Indigenous Tourism Australia and Wyndham City Council Safer Communities Committee. Currently she is a board member of St Columba's College Pty Ltd, Westjustice Community Legal Centre and Asthma Foundation NT; a member of the Advisory Committee on Indigenous Eye Health at Melbourne University; and a Special Advisor to Gender Equity Victoria.

Ms Crossin is a member of the Australian Institute of Company Directors and holds a Bachelor of Education.



Mr Bruce Martin

- > **Member, Remuneration and Nomination Committee**
- > **Chair, Primary Partners Pty Ltd**
- > **Chair, Yamanah Investments Pty Ltd (until 30 March 2021)**

Mr Bruce Martin is a Wik Ngathan man from the community of Aurukun on western Cape York, Qld. Mr Martin has many years of experience in the community development sector, in recent years focusing on Cape York.

He has worked for the Cape York Land Council, the Wuchopperen Aboriginal Medical Service, the Qld Department of Families in Cairns and the Aurukun Shire Council. Mr Martin is president of the Cape York Peninsula Live Export Group and a member of Regional Development Australia Far North Queensland and Torres Strait.

Mr Martin has been instrumental in the establishment of Aak Puul Ngantam (APN), a community-owned organisation focusing on the development of productive livelihoods on traditional Wik country. APN is now one of the largest employers of local Aboriginal people in Cape York. APN has developed partnerships with business, the philanthropic sector and government agencies in implementing innovative strategies aimed at social transformation, economic engagement and community development in Aurukun.



Dr Donna Odegaard AM

- > **Chair, National Centre of Indigenous Excellence Ltd (appointed Chair 30 March 2021)**
- > **Director, Yamanah Investments Pty Ltd**
- > **Co-Chair, Project Aurora Steering Committee**

Dr Donna Odegaard AM, Larrakia Elder from Darwin, NT is a businesswoman with over 40 years' experience and has a Master's degree on Aboriginal Land Rights and PhD on Treaty.

Dr Odegaard is the owner and founder of Australia's largest privately owned media network, First Nations Broadcasting Australia, which has four television channels, five radio stations and a production company reaching 2,400 Indigenous communities across Australia in over 30 Indigenous languages.

With over 30 years' experience in Indigenous heritage, education, native title, land rights, community development and business, Dr Odegaard was appointed in 2017 as senior Indigenous leader on the Ministerial Forum Indigenous Reference Group for Developing Northern Australia. In 2020 Dr Odegaard was appointed the Co-Chair of the National Indigenous Co-Design Group, Voice to Parliament. Dr Odegaard was Co-Chair of the Australia and New Zealand Indigenous Business Sector Group, developing the Trans-Tasman Indigenous Trade Partnership.

Dr Odegaard's accomplishments include: Order of Australia for significant service to Indigenous cultural heritage, broadcast media, education and training, and Reconciliation; the Sir John Storey Lifetime Leadership Award for significant leadership in Indigenous affairs and business; a Doctor of Letters by the University of Newcastle for lifelong leadership and commitment to Indigenous issues, business, media and Reconciliation; Indigenous Alumni Award, University of Newcastle; and Naming Lady and Commissioning Lady, HMAS Larrakia.

Dr Odegaard is a speaker on global Indigenous business and entrepreneurship, Indigenous affairs, policy reform and Indigenous women in leadership.



Mr Daniel Tucker AM

- > **(resigned 9 February 2021)**

Mr Daniel Tucker, a Wongatha/Mirning man, is an Aboriginal leader and businessman from Kalgoorlie, WA.

Mr Tucker is the founding and Managing Director of Carey Mining, the largest 100 per cent Indigenous owned and managed contracting company in Australia. He has over 29 years experience in the mining industry, having held executive and board roles in both Australian Stock Exchange listed public companies and other private companies.

Mr Tucker was an inaugural member of the Prime Minister's Indigenous Advisory Council and has previously served on the Council of Curtin University in Perth, WA, as well as on the boards of several not-for-profit and community control organisations.

Mr Tucker has won numerous industry and government awards including Ernst & Young Entrepreneur of the Year 2012 Service Category, Western Region; and Ethnic Business Awards 2013, Champion of Champions, Indigenous in Business.

Mr Tucker was made a Member of the Order of Australia in 2020.



Home Valley Station on Balanggarra and
Wilinggin country, Kimberley, WA
Photo: Tania Malkin

Table 19 ILSC Board Meetings 2020-21

Meeting No.	Date	Location	Attendees	Apology / Approved Leave of Absence	Non-Approved Leave of Absence
258*	15 July 20	Teams	Fry, Crossin, Ah-See, Tucker	Martin, Odegaard	
259	19 Aug 20	Teams	Fry, Crossin, Martin, Odegaard, Ah-See, Tucker		
260*	24 Aug 20	Teams	Fry, Crossin, Martin, Odegaard, Ah-See, Tucker	Crossin	
261*	31 Aug 20	Teams	Fry, Crossin, Odegaard, Ah-See, Tucker	Martin	
262	23 Sept 20	Teams	Fry, Crossin, Odegaard, Ah-See, Tucker	Martin	
263	21 Oct 20	Teams	Fry, Crossin, Martin, Odegaard, Ah-See,	Tucker	
264*	28 Oct 20	Teams	Fry, Crossin, Odegaard, Ah-See, Tucker	Martin	
265*	6 Nov 20	Teams	Fry, Crossin, Odegaard, Ah-See, Tucker		Martin
266*	9 Nov 20	Teams	Fry, Crossin, Odegaard, Ah-See, Tucker		Martin
267*	16 Nov 20	Teams	Fry, Crossin, Odegaard, Tucker	Ah-See, Martin	
268	9 Dec 20	Teams	Fry, Crossin, Odegaard, Ah-See	Tucker	Martin***
269*	1 Feb 21	Teams	Fry, Crossin, Odegaard, Ah-See, Tucker**		Martin
270	17 Feb 21	Teams	Fry, Crossin, Odegaard, Ah-See	Martin	
271*	30 Mar 21	Teams	Fry, Crossin, Odegaard, Ah-See		Martin
272	14 Apr 21	Teams	Fry, Crossin, Odegaard, Ah-See		Martin
273*	30 Apr 21	Teams	Fry, Crossin, Odegaard, Ah-See		Martin
274*	24 May 21	Teams	Fry, Crossin, Odegaard, Ah-See		Martin
275	16 Jun 21	Brisbane	Fry, Crossin, Odegaard, Ah-See		Martin

* Out of Session meeting

** Director Tucker resigned as an ILSC Director on 9 February 2021

*** The ILSC Chair notified the Minister for Indigenous Australians of Director Martin's non-attendance

Board committees

Three Board committees operated in 2020-21.

Project Aurora Steering Committee

The Project Aurora Steering Committee supports the ILSC in developing a pathway to divestment for the Ayers Rock Resort, land and business assets, including providing guidance on engagement with traditional owners.

The Committee was established by resolution of the ILSC Board on 14 April 2021. Committee members during 2020-21 were Chair Fry and Director Odegaard, Joe Morrison (ILSC Group CEO), Tricia Stroud (Chief Operating Officer, ILSC), Tim Larkin (Executive Director Programs, ILSC), Trevor Edmond (Group General Counsel, ILSC), David Silcock (Executive Director Corporate, ILSC), Rick Allert (Co-Chair, Voyages), Matthew Cameron-Smith (CEO, Voyages), Mark Seatree (Chief Commercial Officer, Voyages), Grant Hunt (Director, Voyages).

Remuneration and Nomination Committee

The Remuneration and Nomination Committee assists the Board to select and monitor the performance of the ILSC Group CEO; consider and make recommendations about appointments to Board committees and subsidiary boards; and oversees and makes recommendations on ILSC group-wide remuneration policy.

Committee members during 2020-21 were Chair Fry and Directors Tucker and Martin. Director Tucker was appointed on 15 July 2020 and subsequently resigned as an ILSC Director on 9 February 2021. Director Martin was appointed on 30 March 2021. Ms Cathy Doyle was appointed as an Independent Member on 1 May 2021 for a six-month period.

Audit and Risk Committee

The Audit and Risk Committee provides independent assurance and advice to the Board on the ILSC Group's systems for managing risk, control and compliance, financial statements and performance reporting responsibilities as required by subsection 45(1) of the PGPA Act. The Audit and Risk Committee Charter is available on the ILSC's website at www.ilsc.gov.au.

The Committee has five members, four Independent Members and one ILSC Director. On 2 February 2021, Ms Karen Prentis was appointed as an Independent Member and Chair for a three-year period. On 2 February 2021, Mr Anthony Evans and Ms Helen Moore were each appointed as Independent Members also for a three-year period. Ms Maria Storti, past Chair, was reappointed as an Independent Member for a two-year period recommencing on 2 February 2021.

ILSC Director members during the year were Directors Crossin and Ah-See. Director Ah-See resigned on 1 February 2021.

Table 20 Audit and Risk Committee, 2020-21

Member	Appointment	Number of meetings attended	Total annual remuneration
<p>Ms Karen Prentis, Independent Chair</p> <p>As a highly experienced non-executive director and Chair, Karen has extensive experience in providing leadership in the development of strong corporate governance, risk management, compliance and strategic thinking for significant organisations in both public and private sectors.</p> <p>She also has more than 30 years' experience in the financial services industry as a non-executive director and independent compliance committee Chair in funds management. In addition, her current roles include appointment as Chair of Audit and Risk Committees and boards for both public and private sector and not-for-profit organisations.</p> <p>Karen has a Bachelor of Economics and Master of Administration and is an Australian Institute of Company Directors Graduate.</p>	<p>From: 2 Feb 2021</p> <p>To: 1 Feb 2024</p>	2 of 2	14,583
<p>Mr Anthony Evans, Independent Member</p> <p>Tony Evans has extensive financial, audit, risk and governance experience as a senior executive and non-executive director in the resources, health, insurance, financial services, property, education, government and not-for-profit sectors. In addition to a range of non-executive director and board committee appointments, Tony is an independent member of the Finance, Audit and Risk Management Committee of the Australian Health Practitioner Regulation Agency. Tony has a Bachelor of Business (Accounting) and he is a Fellow of CPA Australia, a Fellow of the Governance Institute of Australia and a Fellow of the Australian Institute of Company Directors.</p>	<p>From: 2 Feb 2021</p> <p>To: 1 Feb 2024</p>	2 of 2	9,375

Member	Appointment	Number of meetings attended	Total annual remuneration
<p>Ms Helen Moore, Independent Member</p> <p>Helen serves as an independent member on a number of audit committees spanning all levels of government, as well as being a non-executive director for various entities. Helen is a Fellow of CPA Australia, a Graduate of the Australian Institute of Company Directors and holds a Bachelor of Business with distinction (majoring in accounting). Helen has more than 20 years' experience as the executive responsible for corporate services (including finance) with statutory authorities and local government in Qld.</p>	<p>From: 2 Feb 2021</p> <p>To: 1 Feb 2024</p>	2 of 2	9,375
<p>Ms Maria Storti, (previous Chair) Independent Member</p> <p>Maria serves as an independent member of a number of Commonwealth audit committees as well as serving as a non-executive director on a number of entities. Maria is a Fellow of the Institute of Chartered Accountants, a Fellow of the Australian Institute of Company Directors, a member of the Australian Institute of Internal Auditors and holds both a degree in economics and a Master's in Business Administration. Maria is a former Ernst & Young advisory partner and has over 17 years' experience working at senior levels in the areas of audit, risk and consultancy.</p>	<p>From: 21 Feb 2018</p> <p>To: 1 Feb 2023</p>	5 of 5	35,625
<p>Director P Crossin, ILSC Director*</p> <p>See Director statement, page 104</p>	<p>From: 23 Oct 2019</p> <p>To: 1 Feb 2022</p>	5 of 5	9,423
<p>Director R Ah-See, ILSC Director*</p> <p>See Director statement, page 103</p>	<p>From: 15 Jul 2020</p> <p>Resigned: 1 Feb 2021</p>	2 of 3	9,062

* Audit and Risk Committee membership remuneration is also included within Key Management Personnel remuneration

Subsidiary governance and management

The ILSC's subsidiaries each have their own Board of Directors (Table 21). The activities of subsidiaries are managed by agreements with the ILSC under section 191G of the ATSI Act. The ILSC Board issues Statements of Expectation and/or Operating Guidelines to each subsidiary setting out the ILSC's expectations including outcomes to be achieved by subsidiaries.

The ILSC Board appoints Directors to subsidiary boards; they include some ILSC Directors as well as independent members. Subsidiary boards establish committees, where appropriate.

During the reporting period, subsidiaries Voyages and NCIE had their own management structures headed by a CEO. Primary Partners Pty Ltd, has been in transition from a vehicle to employ staff to the principal entity involved in agricultural operations undertaken within the ILSC Group.

Primary Partners and NCIE receive corporate-services support from the ILSC in the areas of human resources, information technology, finance, risk management and legal.

The ILSC Board at its meeting of 9 December 2020, resolved to proceed with the voluntary deregistration of Yamanah Investments Pty Ltd (Yamanah). Subsequent to that meeting, ILSC Management has worked to ensure that the requirements for voluntary deregistration, payment of all outstanding debts, realisation of assets, payment of any tax and Australian Securities and Investments Commission (ASIC) fees, occurred. Following completion of these matters, on 14 May 2021, as the sole shareholder, the ILSC lodged the relevant ASIC form for the deregistration of Yamanah. Yamanah was deregistered on 14 July 2021.

Table 21 ILSC Subsidiary Boards as at 30 June 2021

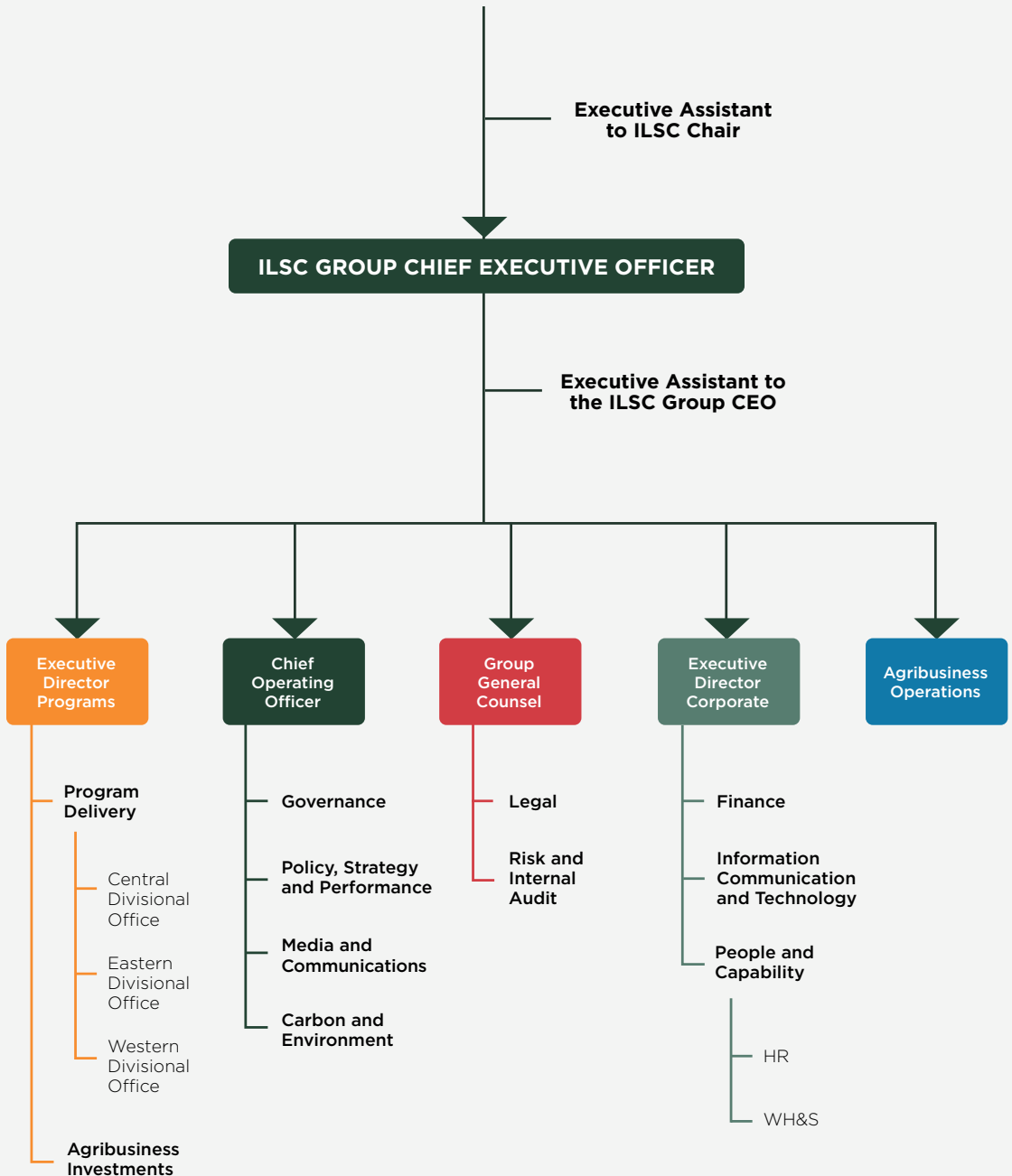
Voyages Indigenous Tourism Australia	Primary Partners Pty Ltd	National Centre of Indigenous Excellence Ltd	Yamanah Investments Pty Ltd
Mr Richard Allert, Chair	Mr Roy Ah-See, Chair	Dr D Odegaard, Chair	Mr Roy Ah-See, Chair
Ms Patricia Angus	Ms Patricia Crossin	Mr Roy Ah-See	Dr D Odegaard
Ms Dorethea Randall*	Mr Joseph Morrison	Mr Joseph Morrison (ex officio)	
Mr Andrew McEvoy			
Ms Dana Ronan			
Mr Grant Hunt			

* A Deed of Agreement with Wana Ungkunyta Pty Ltd (WU), a central Australian Indigenous organisation, provides for WU to have two representatives on the Voyages Board, one a full Director, the second an Associate Director with no voting rights. For the course of 2020-21, Ms Randall was the only appointee.

ILSC Organisational Chart

30 June 2020

ILSC Board



ILSC administration

The ILSC Group Chief Executive Officer is a statutory officer appointed by the Board. Mr Joe Morrison was appointed by the ILSC Board commencing in the role on 18 January 2021.

Ms Tricia Stroud acted in the role of Group CEO from the period 18 June 2020 to Mr Morrison's commencement. The Group CEO is responsible for managing the day-to-day administration of the ILSC according to directions and policies set by the Board. The Group Executive Management Team's role is to support the Group CEO in strategic, operational and administrative matters, and in carrying out the decisions of the Board.

The ILSC administration (excluding subsidiaries) is a dispersed entity that works from three main office locations: Adelaide, Brisbane and Perth, with staff also located in Darwin, Cairns and Geelong. In response to the COVID-19 pandemic, the ILSC maintained its capability to conduct business as usual through remote working arrangements for staff as required under public health orders by jurisdiction.

This included utilisation of virtual meeting systems to maintain engagement with its external partners.

Over this period, the ILSC maintained business as usual capability through the establishment of a Business Continuity and Crisis Management team comprising senior executive and relevant ILSC subject matter experts. Further information about ILSC Group staffing is provided in Part Six of this Annual Report.

The ILSC Group CEO, Executive, management and employees participate in several committees where policy, operational, technical or staffing issues are deliberated (Table 22). The Executive Management Team meets regularly; other committees meet regularly or as required.

The ILSC Group Executive Management Team meets on a weekly basis, with longer full day face to face meetings quarterly. With the continuation of restrictions on movement as a result of COVID-19, these fuller meetings have been virtual, via videoconference.



Mr Joe Morrison – Group CEO, ILSC

Joe Morrison has Dagoman and Torres Strait Islander heritage and has over 30 years' experience working with Indigenous people in northern Australia and more recently with Indigenous people globally. He has extensive advocacy, policy, research and practical experience in community and economic development, climate change, traditional knowledge, carbon economies, water rights, public policy, Indigenous institutional governance, negotiating diverse agreements and reforming and leading complex institutions. He has published in these and related areas.

He has a BA in Land Management from the University of Sydney and an Honorary Doctorate from the University of New South Wales for his contribution to Indigenous land and sea management, policy development, advocacy, land and water rights and general contributions.

Prior to joining the ILSC Joe was the Managing Director of Six Seasons consulting, the Chief Executive Officer of the Northern Land Council and the founding CEO of the North Australian Indigenous Land and Sea Management Alliance. He is currently a Director of the Reef and Rainforest Research Centre and the Environmental Defenders Office Australia.





Roebuck Plains Station trainees mustering on Yawuru country, WA

Table 22 ILSC Management Committees, 30 June 2021

Executive Management Team	ILSC Group CEO Chief Operating Officer Executive Director Corporate Executive Director Program Group General Counsel Business Planning and Support Manager, Agribusiness	Senior management forum to discuss and progress corporate, policy and operational matters and assist the ILSC Group CEO to fulfill statutory responsibilities according to directions.
Consultative Committee	Elected staff representatives, ILSC Group CEO (or CEO representative) and General Manager People and Capability	Forum for discussions of issues relating to general employee conditions and operations of the ILSC Enterprise Agreement.
Indigenous Consultative Group	Elected Indigenous staff members, ILSC Group CEO, General Manager People and Capability	Forum for discussion of matters and policies relating to Indigenous employees including Indigenous Employment Strategy
Business Continuity and Crisis Management Team	ILSC Group CEO Chief Operating Officer Executive Director Corporate Executive Director Program Group General Counsel Business Planning and Support Manager, Agribusiness Manager WH&S Manager Risk and Internal Audit Chief Information Officer	Responsible for reviewing and approving operational risk mitigation strategies related to disruption, including provision of advice to the GCEO.
Group WHS Committee	Group WHS Manager, ILSC and subsidiary WHS Business Partners/ members	Forum to discuss monitor and address Work Health and Safety matters arising within the ILSC Group.

Strategic and operational planning

In 2020-21, in response to the COVID-19 pandemic and its disruptions, the ILSC focused on consolidating and protecting its core business across the Indigenous Estate. The ILSC adopted a number of priorities to ensure business continuity including: preserving cash and protecting its capacity to deliver its core legislative purpose including client needs; ensuring the solvency of ILSC subsidiaries and protecting ILSC assets they operated for future divestment; and wherever possible protecting local jobs and enterprise – recognising their contribution to local economies.

Reflecting this focus, the ILSC ceased or deferred a number of strategic projects. This included the cessation of the previously established Strategic Reform Unit as opportunities for large scale structural and operational reform were impacted by economic and social uncertainty. Instead, the ILSC has prioritised its transition from being an owner-operator of businesses to facilitator and partner in ventures across the Indigenous Estate. The ILSC has strengthened its strategic and operational framework by:

- > launching its revised Performance Framework, providing a clear line of sight between planned and actual ILSC performance that introduces a Value for Money evaluation approach
- > commenced realignment of its key strategic and planning documents – see page VIII-IX – around the Performance Framework
- > commenced operationalising the tools and processes underpinning the Performance Framework that provide the ILSC with the necessary information to monitor, evaluate and report from its project and programs against a Value for Money approach
- > reaffirmed the importance of the National Indigenous Land and Sea Strategy (and engagement with Indigenous people) as the chief policy document setting the ILSC's strategic direction and guiding its performance and functions.

This maturation of the ILSC's strategic framework is gradually shifting the ILSC to improving its outcomes reporting articulated as four 'pathways of change' – or medium to long-term outcomes – in the ILSC's strategic framework (page XIII). These pathways, and the Value for Money approach, will increasingly frame the ILSC's assessment of its achievement against its legislated purposes (see Part Two). In line with the amendments to the PGPA Rule that came into effect in February 2020, the ILSC has included additional performance measures in its 2020-21 Corporate Plan that are reported against in part in the 2020-21 Annual Report and will be reported on more completely in 2021-22.

The ILSC continued to deliver its acquisition and management functions primarily through its *Our Country Our Future* program. To build on the strengthened program approach established in 2019-20 through process and engagement reforms, the ILSC has made substantial investments in the replacement of the project and portfolio management platform that supports its grant-making activities. Launched in June 2021, the new proprietary platform, Sensei IQ leverages the functionality and continuous improvements associated with the Microsoft 365 suite of products while facilitating tailored workflows and reporting processes. These new capabilities will improve ILSC partner experience and better track outcomes to drive ongoing improvements in grant allocation decision making.

In 2020-21, the ILSC's continued focus on partnerships as an approach to bringing additional resources into the development of the Indigenous Estate contributed \$24 million to a total of more than \$61 million investment in Indigenous corporations.

The development of a Commercial Partnerships Assessment Framework this year will help the ILSC assess prospective partnerships between Indigenous corporations and commercial enterprises looking to start a new business activity (case study, page 66). Commercial partnerships are an increasing focus for ILSC investment and an important channel for Indigenous corporations to unlock new markets, capital and capacity.

Procurement

The ILSC's Purchasing Policy is based on principles set out in the Commonwealth Procurement Rules: value for money; encouraging competition; efficient, effective, economical and ethical procurement; accountability and transparency. The policy guides the purchase of goods and services in relation to all ILSC activity. It describes staff responsibilities and required actions.

Contractors, suppliers and consultants are engaged through either contracts or standard purchase orders, depending on the nature and value of the good or service. For high volume/ low value goods and services, the ILSC uses corporate credit cards for efficiency.

ILSC Group Indigenous Procurement Policy

The ILSC has a legislative requirement to maximise the use of goods and services from Indigenous-owned businesses (s191F [2], ATSI Act). In line with the Australian Government's commitment to Indigenous procurement, the ILSC established an ILSC Group Indigenous Procurement Policy in 2016-17 with a view to maximising procurement of Indigenous goods and services and supporting Indigenous businesses to grow and employ more Indigenous people. The ILSC strengthened its reporting systems to track actions and outcomes in this area. In 2020-21 the ILSC Group recorded Indigenous procurement of 8.7 per cent at a value of \$7.5 million (Table 23).

Table 23 Total Indigenous procurement (GST exclusive) for 2020-21

Category	ILSC	Primary Partners	NCIE	Sub-Total	Voyages	Total
\$'000						
Total Indigenous procurement	3,428	1,355	730	5,513	2,000	7,513
Total procurement	26,862	8,565	2,966	38,392	47,894	86,287
% Indigenous procurement	12.8%	15.8%	24.6%	14.4%	4.2%	8.7%

Service standards

The ILSC Service Charter sets out the standards of service the ILSC strives to provide its clients through program delivery, policy development, communication and consultation. The Service Charter is available on the ILSC's website or by contacting any ILSC office.

The Complaints Handling System encompasses internal processes as well as timeframes within which the ILSC must respond to complaints.

Both the Service Charter and Complaints Handling Procedure encourage resolution of complaints at the Divisional Office level, but provide for their referral to the Deputy CEO, where necessary.

Assurance and risk management

The ILSC Group's Risk Management Framework takes a whole-of-enterprise approach, is integrated into all operations and promotes the identification and management of risk at every level of each entity. The Group Enterprise Risk Management Framework (ERM) aligns with the Commonwealth Risk Management Policy 2014, Better Practice Guides and relevant Australian and international good-practice guides and standards.

The Group's commitment to effective risk management is ensuring consideration and treatment of risk is integrated in all policies and procedures, underpinning all ILSC Group functions, programs and operations. The Group ERM is reviewed annually. Across the ILSC Group, each entity's Executive and Audit Committee review and test the systems of risk, internal control and compliance frameworks through the Group's Internal Audit Program.

Audit

The ILSC Group's external auditor is the Auditor General (through the Australian National Audit Office). Audit strategies are agreed by the Auditor-General, the ILSC and each subsidiary for the conduct of the audit of the financial statements. The Audit and Risk Committee (Table 20) oversees the group's Internal Audit Program. The annual program is outsourced and is designed to provide assurance that key risks and compliance requirements are managed appropriately and in a timely manner.

Insurance and indemnities

Comcover, the Australian Government's self-managed fund, provides cover, including Directors' and Officers' liability, for the ILSC Group's insurable risks. Limited indemnities are provided by way of deed of access to each of the Board's Directors and the ILSC Group CEO. These arrangements largely mirror those implied at common law; generally speaking, they indemnify Directors and Officers against personal liabilities they might incur while properly performing their roles as office holders. The indemnities do not cover liabilities arising from particular statutory breaches, breaches of the criminal law or actions involving a lack of good faith.

Fraud control and awareness

The ILSC maintains a rigorous Fraud Control and Awareness Program to minimise the risks of fraud and deal with any allegations of fraud that arise. The ILSC Board certifies that the ILSC complies with the Commonwealth Fraud Control Policy. The ILSC has taken all reasonable measures to minimise the incidence of fraud and to investigate and recover the proceeds of any fraud against the ILSC. It has in place fraud risk assessment and fraud control plans, as well as fraud prevention, detection, investigation, reporting, and data collection procedures to meet the specific needs of the ILSC Group and comply with relevant guidelines.

Maintenance of ethical standards

The ILSC has a Code of Conduct that employees are required to uphold and promote in their day-to-day work.

Managing biosecurity and animal welfare

The ILSC continues to build biosecurity awareness among its workforce, with all relevant properties maintaining compliance with Australia's voluntary Livestock Production Assurance program. The program is the industry's on-farm assurance program covering stock feed safety, animal welfare, and biosecurity.

This work has been further strengthened through a partnership with Animal Health Australia (AHA), which has been engaged to assist with the development of comprehensive biosecurity plans for a number of the ILSC's agribusiness properties. In the second stage of this project, AHA will assist property-based employees to increase their knowledge and understanding of best-practice biosecurity outcomes, by holding on-property workshops for management and staff. In 2020-21 no disruptions or loss stemmed from biosecurity incidents.

Consultants

The ILSC engages consultants on the same basis as it procures all goods and services. In 2020-21 the ILSC continued to contract consultants to provide specialist professional services and where the ILSC required independent advice, review or evaluation. Consultants were selected by tender or direct sourcing.

Table 24 identifies spending on consultants across the ILSC Group, by financial year of expenditure. Expenditure comprises actual spend on consultant arrangements, irrespective of the year of commencement of the arrangement agreement.

Table 24 ILSC Group spending on consultants (GST exclusive), last three financial years

Financial Year	2020-21	2019-20	2018-19
Expenditure (\$ million)	\$4.2	\$6.9	\$7.4

During 2020-21 expenditure of \$4.2 million comprised 109 new consultancy contracts totalling \$2.2 million and 65 ongoing consultancy contracts totalling \$2.0 million.



Native wattle used as a soap

External scrutiny

In 2020-21 there were no judicial decisions, decisions of administrative tribunals or decisions by the Australian Information Commissioner that had, or may have, a significant impact on the operations at the ILSC.

The ILSC is aware that the Commonwealth Ombudsman has produced one report in relation to the ILSC in this period. The report has not been made public.

No reports dealing with the ILSC have been prepared by the Auditor General or the Office of the Australian Information Commissioner.

Parliamentary committees

The ILSC Group CEO, supported by Senior Executives, appeared before the Senate Estimates Committee (Finance and Public Administration) for Cross Portfolio Indigenous Matters on:

- > Friday 26 March 2021
- > Friday 28 May 2021

Freedom of Information

The ILSC is subject to the *Freedom of Information Act 1982* and displays on its website a plan showing the information it publishes under that Act. The information is at:

www.ilsc.gov.au/home/about/publications

Native Title

Under its Native Title Policy (commenced 2013) the ILSC reports on any approaches to assist in the full and final resolution of native title claims through alternative settlements—that is, settlements negotiated out of court under an alternative framework, such as the *Traditional Owner Settlement Act 2010* (Vic) as opposed to the *Native Title Act 1993*.

The ILSC received no such requests in the 2020-21 financial year.

Work, Health and Safety

The ILSC is committed to providing and maintaining a safe and healthy workplace for all workers (including contractors, volunteers and visitors). We empower workers and collaborate with stakeholders to continually improve our practices, systems and standards to eliminate, reduce and manage risk in our workplaces. Senior leadership, management and workers all play an important role in ensuring the success of our health, safety and wellbeing strategies and delivery of our commitments. As part of its WHS commitments across the Group, the ILSC established a three-year strategic plan (2019-2021) that identifies the following prioritised pillars:

- > Establish a targeted risk management program focusing on key WHS risks
- > Foster a proactive and positive safety culture through leadership, inclusion and gratitude
- > Create a health and wellbeing ecosystem which focuses on prevention and builds capacity
- > Build the capacity of our people through education, engagement and co-design to ensure their success
- > Integrate our governance, compliance, audit and assurance activities into our business operations.

In 2020-21 significant WHS activities included:

- > Engagement of a contractor to perform an ILSC Group-wide WHS audit focusing on contractor management, emergency management and the lifecycle of plant and equipment
- > Completion of two self-assessment activities against ILSC Group Corporate Standards.

WHS: ILSC

Eight workplace incidents occurred in 2020-21; none were notifiable with two workers' compensation claims. The following WHS initiatives were conducted:

- > Review of the *Our Country Our Future* program and integration of WHS into acquisitions and land-holdings management
- > Implementation of a Contractor Registration and Induction Portal to prequalify all engaged contractors and record inductions
- > Refresh of fieldwork travel and remote community travel procedures and associated processes
- > Incorporation of Serious Injury Frequency Rate and Near Miss Frequency Rate metrics into Group reporting
- > WHS performance dashboard revised to provide data insights and trend analysis
- > Revision of COVID-19 plans for office-based sites and properties
- > Continuation of our health and wellbeing program.

WHS: National Centre of Indigenous Excellence

Forty-two workplace incidents occurred in 2020-21; none were notifiable with two workers' compensation claims.

The following WHS initiatives were conducted:

- > Completion of Annual Royal Lifeguard Aquatic Facility Assessment with a conformance of 95 per cent
- > Capturing of reactive maintenance requests as hazards in Lucidity for trend analysis
- > Provision of refresher training for incident and hazard reporting software
- > Completion of WHS Audit initiative for Contractor Management, Plant & Equipment and Emergency Management
- > Review and refresh of site COVID-19 Safe Plan
- > Revision of Emergency Response Plan and associated site-based procedures
- > Provision of awareness training for workplace inspections and the hazard identification process
- > Review of WHS Committee Terms of Reference.



WHS: Primary Partners

Thirty-one workplace incidents occurred in 2020-21; none were notifiable with seven workers' compensation claims.

The following WHS initiatives were conducted:

- > Development and implementation of Online Contractor Registration and Induction Portal (WorkMetrics)
- > Implementation of 'DOCTO' online health checks and injury management
- > Review and implementation of revised Drug and Alcohol Policy
- > Implementation of cloud-based forms via Lucidity INFORM to facilitate continuous improvement to embrace innovation and technology
- > Revision of Emergency Response Plans in consultation with property stakeholders
- > Continual review of COVID-19 risk management plans
- > Sharing of WHS alerts, incidents, lessons learned and information via internal 'Safety Share' initiative
- > Completion of plant and equipment internal audit and reports, including close-out of all associated actions
- > Portfolio review of asbestos surveys, renewed asbestos management plans and site registers
- > WHS Annual Calendar activities and initiatives achieved
- > WHS Dashboard enhanced to provide insights to organisational trend analysis
- > Monthly toolbox topics and inspections coordinated centrally to focus on priority areas
- > Continuation of health and wellbeing program and associated activities.

WHS: Voyages

Ninety-eight workplace incidents occurred in 2020-21; none were notifiable with 11 workers' compensation claims.

The following WHS initiatives were conducted:

- > Contract continuation of the Physiotherapy business partner with relocation and major upgrades to the treatment room
- > Implementation of the Hazardous Manual Task Risk Assessments facilitated by the Physiotherapist and associated training program
- > Substantial reduction of Lost Time Injury Frequency rate from June 2020 at 16.61 to June 2021 at 7.82
- > Consistent focus on hazard identification with hazard reporting and inspections exceeding annual targets by 67 hazards and 18 workplace inspections
- > The engagement of an external auditor to audit the existing Safety Management System and develop a Safety System Management Action Plan
- > The development and endorsement of the Voyages Safety Management System, including the implementation of the Contractor Management element into the system.

Environmental performance

In 2020-21, the ILSC pursued sound land and environmental practices and appropriate management of cultural and sacred-site matters across its programs and operations in accordance with the ATSI Act and the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act).

The EPBC Act requires that the ILSC, as a corporate Commonwealth entity that owns or controls land with Commonwealth heritage values, prepare a Heritage Strategy. Heritage is broadly defined in the EPBC Act to include natural environments, culturally important and historic places, and artefacts. While there are currently no Commonwealth heritage values on land owned or controlled by the ILSC, the Heritage Strategy documents how the ILSC plans to manage all heritage values on ILSC properties in accordance with the ATSI Act and the EPBC Act.

Heritage and Environment Management Plans (HEMPs) outline specific environmental and heritage characteristics of properties and include responsible consideration of environmental risks and opportunities. HEMPs are in place on most rural and urban properties either held or directly managed by the ILSC, including those properties where ILSC subsidiaries conduct business operations. ILSC offices are located in buildings with multiple tenancies, so a component of electricity use (e.g. lift operation, foyer lighting) is managed by building managers. The ILSC-controlled component is separately metered.

The most significant ILSC-held property, Ayers Rock Resort, has a 1.8MW solar system producing up to 30 per cent (on average 15 per cent) of the resort's electricity. Further increases in renewables at the resort are planned.

Paper is the most significant waste product generated by ILSC office activities; all ILSC offices collect waste paper for recycling.

Water usage charges for ILSC offices are either included in lease fees or apportioned by floor area. This means that water use figures vary depending on the rental status and water use behaviour of the building's occupants as a whole and cannot be accurately linked to water use for reporting purposes.

The ILSC habitually makes extensive use of videoconferencing to reduce the need for air travel, in the context of the current COVID-19 pandemic, air travel by the ILSC is severely restricted by public health orders.





Ranger, Ryan Daly on Ngan'giwumirri
(Labarganyin) country, Fish River Station, NT





Part Six:
People



Esperance Tjaltjraak ranger Lachlan Adamson
on Esperance Nyungar country, WA

Employee arrangements: ILSC

The ILSC Group CEO is responsible for the engagement of employees necessary to perform the functions of the ILSC. At 30 June 2021 the ILSC (excluding subsidiaries) had 105 employees (head count). This is an increase from 2019-20 (104 headcount).

During 2020-21 the ILSC engaged 17 new employees (8 female and 9 male) and 16 employees separated, resulting in a 15.7 per cent average turnover (2019-20: 21.3 per cent). At 30 June 2021 the proportion of Indigenous employees was 19 per cent and female employees 51.4 per cent.

Table 25 ILSC employees by diversity group (head count), 30 June 2021

	Non - Indigenous		Indigenous		Total	
	19-20	20-21	19-20	20-21	19-20	20-21
Australian Capital Territory	1	-	-	-	1	-
Female	-	-	-	-	-	-
Male	1	-	-	-	1	-
Northern Territory	2	2	1	-	3	2
Female	-	1	-	-	-	1
Male	2	1	1	-	3	1
Queensland	14	13	7	6	21	19
Female	6	5	6	4	12	9
Indeterminate / Intersex / Unisex	1	-	-	-	1	-
Male	7	8	1	2	8	10
South Australia	51	58	13	10	64	68
Female	25	30	7	6	32	36
Male	26	28	6	4	32	32
Victoria	1	-	-	1	1	1
Female	-	-	-	-	-	-
Male	1	-	-	1	1	1
Western Australia	10	12	4	3	14	15
Female	6	7	2	1	8	8
Male	4	5	2	2	6	7
GRAND TOTAL	79	85	25	20	104	105

Table 26 ILSC employees by employment status (head count), 30 June 2021

	Non - Indigenous		Indigenous		Total	
	19-20	20-21	19-20	20-21	19-20	20-21
Ongoing, full time	43	45	14	15	57	60
Ongoing, part time	5	5	-	-	5	5
Fixed term, full time	30	32	7	4	37	36
Fixed term, part time	1	3	4	-	5	3
Casual	-	-	-	1	-	1
GRAND TOTAL	79	85	25	20	104	105

Remuneration framework and governance

The ILSC Remuneration and Nominations Committee (RANC) makes recommendations to the ILSC Board on ILSC Group-wide remuneration policy. Any reports in relation to the remuneration framework applicable to the ILSC, including any proposed changes, are presented to the RANC. The ILSC Group CEO's remuneration arrangements are administered by the Australian Government Remuneration Tribunal under the Principal Executive Office classification. The ILSC Board considers, reviews and recommends the remuneration review and arrangements of the ILSC Group CEO through the RANC.

The Australian Public Service (APS) Executive Remuneration Management Policy and the Public Sector Workplace Relations Policy set out arrangements for managing the remuneration of Senior Executive Employees at the ILSC.

Executive positions at ILSC are evaluated and benchmarked based on the APS Executive Salary Guidelines with reviews conducted by independent consultants.

Senior Executive Employees are employed under individual common law contracts and have access to vehicle allowance/leasing and parking, business-class official travel (when travelling more than two hours), airline lounge membership, mobile phones and salary-sacrificing arrangements.

All other ILSC employees are engaged under the ILC Enterprise Agreement (EA) 2019-2022.

Benefits under the EA include an employee assistance program, studies assistance, professional membership reimbursement, flexible work arrangements, a healthy employee scheme (individual and team), screen-based eyesight testing, and vaccinations.

Key Management Personnel

During the reporting period ended 30 June 2021, the ILSC had 15 directors and executives who met the definition of Key Management Personnel (KMP). Their names, details of remuneration and term as KMP are set out in the following tables.

Table 27 ILSC Key Management Personnel – appointments and tenure

Name	Position title	Term as KMP
Roy Ah-See	ILSC Board	Full year
Leo Bator	Executive Director Strategic Initiatives	Ceased 16.09.2020
Patricia Crossin	ILSC Board and Audit and Risk Committee	Full year
Trevor Edmond	Group General Counsel ⁸	Full year – Acting Group CEO 27.11.2020 to 03.12.2020
Edward Fry	ILSC Board – Chair	Full year
Timothy Larkin	Executive Director Programs ⁹	Part year – from 01.06.2021
Bruce Martin	ILSC Board	Full year
Joseph Morrison	Group Chief Executive Officer	Part year – Appointed 18.01.2021
Donna Odegaard	ILSC Board	Full year
Anthony Piantadosi	Acting Group Director People and Culture ¹⁰	Part year – Ceased as KMP 12.05.2021
Timothy Price	Group Chief Information Officer ¹¹	Part year – Ceased as KMP 29.04.2021
David Silcock	Executive Director Corporate ¹²	Full year – Group Chief Financial Officer 25.06.2020 to 29.04.2021; Executive Director Corporate 30.04.2021 onwards
Patricia Stroud	Chief Operating Officer ¹³	Full year – Acting Group CEO 25.06.2020 to 26.11.2020 and 04.12.2020 to 17.01.2021, Deputy CEO 27.11.2020 to 03.12.2020, 18.01.2021 to 31.05.2021; and Chief Operating Officer 01.06.2021 onwards
Daniel Tucker	ILSC Board	Part year – Ceased 09.02.2021

⁸ Trevor Edmond, Acting Group Chief Executive Officer 27.11.2020 to 03.12.2020 remuneration included in Group General Counsel in Table 28.

⁹ Timothy Larkin, Executive Director Program Delivery: remuneration for the period 25.06.2020 to 31.05.2021 included in Senior Executive Remuneration (not a KMP for this period) Table 29.

¹⁰ Anthony Piantadosi, General Manager People & Capability remuneration from 13.05.2021 onwards included in ILSC Senior Executive Remuneration (not a KMP from this date onward) Table 29.

¹¹ Timothy Price, General Information Communication and Technology remuneration from 30.04.2021 onwards included in ILSC Senior Executive Remuneration (Not a KMP from this date onward) Table 29.

¹² David Silcock, Executive Director Corporate remuneration for full year (as a KMP) includes Group Chief Financial Officer 25.06.2020 to 29.04.2021 Table 28.

¹³ Patricia Stroud, Chief Operating Officer remuneration for full year (as a KMP) includes: Acting Group Chief Executive Officer, 25.06.2020 to 26.11.2020 and 04.12.2020 to 17.01.2021, Deputy Chief Executive Officer 27.11.2020 to 03.12.2020 and 18.01.2021 to 31.05.2021; and Chief Operating Officer onwards Table 28.

Table 28 ILSC Key Management Personnel remuneration

Name	Position Title	Short-term benefits ¹⁴			Post-Employment Benefits ¹⁵		Other Long-Term Benefits ¹⁶		Termination Benefits ¹⁷	Total Remuneration ¹⁸
		Base Salary	Bonuses	Other Benefits and Allowances	Superannuation Contributions	Long Service Leave	Other Long-Term Benefits			
Roy Ah-See	ILSC Board	\$46,687	-	-	\$7,190	-	-	-	\$53,877	
Leo Bator	Executive Director Strategic Initiatives	\$15,025	-	\$3,641	\$5,698	-	-	-	\$24,364	
Patricia Crossin	ILSC Board and Audit and Risk Committee	\$47,000	-	-	\$7,238	-	-	-	\$54,238	
Trevor Edmond	Group General Counsel	\$225,976	-	\$31,489	\$34,165	\$5,201	-	-	\$296,831	
Edward Fry	ILSC Board – Chair	\$78,029	-	-	\$11,961	-	-	-	\$89,991	
Timothy Larkin	Executive Director Programs	\$20,894	-	\$1,665	\$2,887	\$2,262	-	-	\$27,708	
Bruce Martin	ILSC Board	\$38,835	-	-	\$6,000	-	-	-	\$44,835	
Joseph Morrison	Group Chief Executive Officer	\$164,461	-	\$1,809	\$9,846	\$2,552	-	-	\$178,668	
Donna Odegaard	ILSC Board	\$38,835	-	-	\$6,000	-	-	-	\$44,835	
Anthony Plantadosi	Acting Group Director People and Culture	\$189,551	-	\$6,211	\$27,600	\$3,242	-	-	\$226,604	
Timothy Price	Group Chief Information Officer	\$142,832	-	\$26,842	\$25,968	\$11,045	-	-	\$206,687	
David Silcock	Executive Director Corporate	\$256,673	-	\$31,778	\$25,096	\$6,834	-	-	\$320,381	
Patricia Stroud	Chief Operating Officer	\$269,843	-	\$47,536	\$45,922	\$10,917	-	-	\$374,218	
Daniel Tucker	ILSC Board	\$23,807	-	-	\$3,666	-	-	-	\$27,473	

¹⁴ Short-term benefits include:

- a) Base Salary - salary calculated on an accrual basis (actual earnings), annual leave taken and accrued and higher duties allowance (where applicable)
- b) Bonuses - Performance bonuses where eligible and payable within 12 months
- c) Other Benefits and allowances - Motor vehicle, car parking benefits/allowances and fringe benefits tax.

Refer to Table 27 for details relating to terms of KMP.

¹⁵ Post-employment benefits include - employer superannuation contributions for individuals in a defined superannuation contribution scheme (e.g. PSS and CSS) superannuation includes the relevant Notional Employer Contribution Rate amount and the Employer Productivity Superannuation Contribution and accrual for the period

¹⁶ Other long-term benefits include - Long service leave accrued and taken for the period and bonuses deferred for more than 12 months

¹⁷ Termination Benefits include - Voluntary redundancy and ex-gratia payments

¹⁸ Total Remuneration: Short-term benefits, plus Post-employment benefits, plus Other long-term benefits, plus Termination benefits.

During the reporting period ending 30 June 2021, the ILSC had six executives who met the definition of senior executive who are not Key Management Personnel.

Table 29 reports the average total remuneration of senior executives who received remuneration during the reporting period. The information is presented in bandings of \$25,000 increments or, in the situation where the total remuneration for a senior executive is below the \$220,000 threshold, the reporting will be \$0-\$220,000.

The average figures presented in each of the bands are based on the total amount for the category divided by the number of senior executives in the band. There are no senior executives between the band of \$245,001 and \$270,000, and \$270,001 and \$295,000.

During the reporting period ending 30 June 2021, the ILSC had no employees who met the definition of other highly paid staff.

Table 29 ILSC Senior Executive remuneration

Total Remuneration Bands	Number of Senior Executives	Short-term benefits			Post-Employment Benefits		Other Long-Term Benefits		Termination Benefits	Total Remuneration
		Average Base Salary	Average Bonuses	Average Other Benefits and Allowances	Average Superannuation Contributions	Average Long Service Leave	Average Other Long-Term Benefits	Average Termination Benefits	Average Total Remuneration	
\$0 - \$220,000	3	\$74,220	-	\$6,787	\$11,708	\$9,526	-	-	-	\$102,241
\$220,001 - \$245,000	2	\$179,836	-	\$30,553	\$26,327	\$8,127	-	-	-	\$244,843
\$245,001 - \$270,000	-	-	-	-	-	-	-	-	-	-
\$270,001 - \$295,000	-	-	-	-	-	-	-	-	-	-
\$295,001 - \$320,000	1	\$210,231	-	\$29,487	\$31,695	\$31,713	-	-	-	\$303,126

Employee arrangements: Primary Partners Pty Ltd

At 30 June 2021, Primary Partners had 125 employees (head count) across 12 properties on Indigenous-held land, compared to 151 (head count) across 13 properties at 30 June 2020. The proportion of Indigenous employees was 67.2 per cent, and female employees 20.8 per cent.

During the reporting period, 106 new employees were engaged; of these 47 were returning employees. 132 employees separated; of these 121 were casual or seasonal employees, resulting in a 100.4 per cent average turnover (2019-20: 107.6 per cent). The high turnover is due to the casual or seasonal nature of work in the agricultural sector. As part of Primary Partners' attraction and retention strategy, property managers and similar level positions are engaged on individual common law contracts. This enables flexible remuneration arrangements including the private use of work-related vehicles, housing, remote location allowances, and salary-sacrificing provisions.

All other employees are engaged under the National Indigenous Pastoral Enterprises Pty Ltd Enterprise Agreement¹⁹. Benefits under the Enterprise Agreement include an employee assistance program, learning and development, time off in lieu provisions, board and/or lodging, and vaccinations.

Table 30 Primary Partners employees by diversity group (head count), 30 June 2021

	Non - Indigenous		Indigenous		Total	
	19-20	20-21	19-20	20-21	19-20	20-21
New South Wales	1	1	1	1	2	2
Female	-	-	-	-	-	-
Male	1	1	1	1	2	2
Northern Territory	16	10	54	34	70	44
Female	8	4	6	4	14	8
Male	8	6	48	30	56	36
Queensland	11	8	28	26	39	34
Female	6	4	4	2	10	6
Male	5	4	24	24	29	28
Tasmania	3	3	5	2	8	5
Female	1	1	1	-	2	1
Male	2	2	4	2	6	4
Western Australia	15	19	17	21	32	40
Female	8	9	-	2	8	11
Male	7	10	17	19	24	29
GRAND TOTAL	46	41	105	84	151	125

Table 31 Primary Partners employees by employment status (head count), 30 June 2021

	Non - Indigenous		Indigenous		Total	
	19-20	20-21	19-20	20-21	19-20	20-21
Fixed term, full time	13	15	6	4	19	19
Fixed term, part time	-	1	-	-	-	1
Casual	33	25	99	80	132	105
GRAND TOTAL	46	41	105	84	151	125

¹⁹ National Indigenous Pastoral Enterprises Pty Ltd was the predecessor to Primary Partners Pty Ltd and the company name in effect at the time of the Enterprise Agreement being established.

Employee arrangements: National Centre of Indigenous Excellence Ltd

At 30 June 2021, NCIE had 75 employees (head count) (2019-20: 110 head count) all of whom are in New South Wales.

The NCIE executives are engaged on individual common law contracts. The NCIE employees subject to positions held, are engaged on either individual common law contracts or individual employment agreements with terms and conditions reflective of the relevant modern award.

The majority (62.7 per cent) of NCIE employees are engaged on a casual basis which is reflective of the types of industries operating from the NCIE site. Benefits provided under these agreements include an employee assistance program, gym membership, learning and development, and salary-sacrificing provisions.

During 2020-21 NCIE engaged 29 new employees (15 female and 14 male); 64 employees separated during the year, a 70.4 per cent average turnover (2019-20: 30.4 per cent). At 30 June 2021 the proportion of Indigenous employees was 40 per cent, and female employees 56 per cent.

Table 32 NCIE employees by diversity group (head count), 30 June 2021

	Non - Indigenous		Indigenous		Total	
	19-20	20-21	19-20	20-21	19-20	20-21
Female	31	26	30	16	61	42
Male	28	19	21	14	49	33
GRAND TOTAL	59	45	51	30	110	75

Table 33 NCIE employees by employment status (head count), 30 June 2021

	Non - Indigenous		Indigenous		Total	
	19-20	20-21	19-20	20-21	19-20	20-21
Fixed term, full time	17	13	15	14	32	27
Fixed term, part time	3	-	2	1	5	1
Casual	39	32	34	15	73	47
GRAND TOTAL	59	45	51	30	110	75

Employee arrangements: Yamanah Investments Pty Ltd

At 30 June 2021, Yamanah had nil employees having ceased operations in December 2020. During 2020-21, prior to cessation of operations, Yamanah had seven employees (head count) – three female and four male – all of whom were in New South Wales.

Yamanah employees were engaged on individual common law contracts. Staff engaged by Yamanah Investments did not disclose diversity group upon engagement, so the information was not available to the ILSC. Given the low employee numbers, the ILSC considers that this information does not have a material impact on the reporting of its 2020-21 achievements.

Employee arrangements: Voyages Indigenous Tourism Australia Pty Ltd

At 30 June 2021, Voyages had 749 employees (head count), compared to 744 employees (head count) at 30 June 2020.

During 2020-21 Voyages engaged 528 new employees (285 female and 243 male) and 523 employees separated, resulting in an 80.7 per cent average turnover rate (2019-20: 89.7 per cent). At 30 June 2021 the proportion of Indigenous employees was 38.9 per cent and proportion of female employees was 48.6 per cent.

Table 34 Voyages employees by diversity group (head count), 30 June 2021

	Non - Indigenous		Indigenous		Total	
	19-20	20-21	19-20	20-21	19-20	20-21
New South Wales	69	66	1	-	70	66
Female	50	48	1	-	51	48
Male	19	18	-	-	19	18
Northern Territory	364	363	243	252	607	615
Female	139	159	123	127	262	286
Male	225	204	120	125	345	329
Queensland	21	29	46	39	67	68
Female	8	12	23	18	31	30
Male	13	17	23	21	36	38
GRAND TOTAL	454	458	290	291	744	749

Table 35 Voyages employees by employment status (head count), 30 June 2021

	Non - Indigenous		Indigenous		Total	
	19-20	20-21	19-20	20-21	19-20	20-21
Ongoing, full time	339	324	173	184	512	508
Ongoing, part time	37	19	8	5	45	24
Fixed term, full time	53	63	74	75	127	138
Fixed term, part time	4	2	10	8	14	10
Casual	21	50	25	19	46	69
GRAND TOTAL	454	458	290	291	744	749

Remuneration framework and governance

Remuneration and benefits for all Voyages employees are guided by Voyages' Remuneration and Benefits Policy and associated plans intended to set market competitive, fair and equitable guidelines for remuneration and benefits. This is so that Voyages is able to attract and retain the right people in a competitive commercial marketplace, remunerate them appropriately for the work they perform, and ensure they are incentivised to perform their work to the best of their abilities and that Voyages maintains a positive culture.

Oversight and overall responsibility for Voyages' remuneration policy and practices rests with the ILSC Board through the Board of Voyages.

This oversight and authority is delegated to the Remuneration and Nominations Committee, a sub-committee of the Voyages Board.

Day-to-day management of Voyages remuneration practices rests with its Chief Executive Officer. Remuneration benchmarking is provided by Korn Ferry on an annual basis.

Remuneration and benefits for the executive management (including the CEO) in 2020-21 may include base salary, superannuation, employee benefits (such as professional development contributions and membership, travel provisions; and accommodation support for those whose primary residence is in a different location to their primary work location).

For executive management living and working in remote locations in which Voyages operates tourism businesses, additional benefits may include housing and utilities; motor vehicle, food and beverage allowances; private health insurance and vacation bonus.

Remuneration and benefits for senior management and senior professionals in 2020-21 may include base salary, superannuation, and employee benefits (such as professional development contributions and membership).

For senior management and senior professionals living and working in remote locations in which Voyages operates tourism businesses, additional benefits may include housing and utilities; motor vehicle, food and beverage allowances; and vacation bonus.

Only senior management and senior professionals who have directly contributed to the financial and strategic performance of the company were eligible to participate in the incentive bonus plan which operated from 1 July 2020. Bonus payments made in 2020-21 would have related to performance and remuneration and benefits arrangements in the previous year. However, due to the COVID-19 crisis, no bonuses were awarded for this financial year.

Voyages employees are engaged variously under either a common law contract, an enterprise agreement or a relevant modern award.

Some of the benefits available to employees outside the executive management, senior management and senior professionals include relocation reimbursement, uniforms, flexible work arrangements, study support, training workshops and courses, and career development opportunities. Employees living remotely also receive relocation and vacation allowance, performance and attendance bonuses, and meal and housing subsidies.



Key Management Personnel

During the reporting period ending 30 June 2021, Voyages had 13 directors and executives who met the definition of Key Management Personnel. Their names, details of remuneration and terms as KMP are set out in Table 36 and 37.

During the reporting period ending 30 June 2021, Voyages had no employees who met the definition of Senior Executive or the definition of Other Highly Paid Staff.

Table 36 Voyages Key Management Personnel – appointments and tenure

Name	Position title	Term as KMP
Richard Allert	Voyages Board – Chair	Full year
Patricia Angus	Voyages Board	Full year
Ana Ayala	Chief Marketing Officer	Part year – Appointed 01.07.2020
Matthew Cameron-Smith	Chief Executive Officer	Part year – Appointed 10.08.2020
Patricia Crossin	Voyages Board	Part year – Ceased 04.11.2020
Des Dockery	Chief Finance Officer	Part year – Appointed 01.07.2020
Kristin Howden	Chief Legal and Compliance Officer	Part year – Appointed 01.07.2020
Grant Hunt	Chief Executive Officer Voyages Board ²⁰	Full year – Voyages CEO 01.07.2020 to 01.09.2020; Board 02.09.2020 to 20.06.2021
Andrew McEvoy	Voyages Board	Full year
Roger Millar	Chief ICT Officer	Part year – Appointed 01.07.2020
Dorethea Randall	Voyages Board	Full year
Dana Ronan	Voyages Board	Full year
David White	Chief Operations Officer	Full year

²⁰ Grant Hunt remuneration for full year including Voyages CEO from 01.07.20 to 01.09.21; and Voyages Board from 02.09.20. Remuneration is combined.

Table 37 ILSC Key Management Personnel remuneration

Name	Position Title	Short-term benefits ²¹			Post-Employment Benefits ²²		Other Long-Term Benefits ²³		Termination Benefits ²⁴	Total Remuneration ²⁵
		Base Salary	Bonuses	Other Benefits and Allowances	Superannuation Contributions	Long Service Leave	Other Long-Term Benefits			
Richard Allert	Voyages Board – Chair	\$77,924	-	-	\$7,403	-	-	-	\$85,327	
Patricia Angus	Voyages Board	\$52,763	-	-	\$4,982	-	-	-	\$57,745	
Ana Ayala	Chief Marketing Officer	\$295,945	-	-	\$21,989	\$3,893	-	-	\$321,827	
Matthew Cameron-Smith	Chief Executive Officer	\$444,171	-	\$2,805	\$21,694	\$6,673	-	-	\$475,342	
Patricia Crossin	Voyages Board	\$15,675	-	-	\$1,557	-	-	-	\$17,231	
Des Dockery	Chief Finance Officer	\$285,098	-	-	\$21,643	\$8,163	-	-	\$314,904	
Kristin Howden	Chief Legal and Compliance Officer	\$272,016	-	-	\$21,677	\$9,920	-	-	\$303,613	
Grant Hunt	Chief Executive Officer Voyages Board	\$109,389	-	-	\$8,203	-	-	-	\$117,592	
Andrew McEvoy	Voyages Board	\$38,962	-	-	\$3,701	-	-	-	\$42,664	
Roger Millar	Chief ICT Officer	\$221,190	-	-	\$19,618	\$8,829	-	-	\$249,636	
Dorethea Randall	Voyages Board	\$38,962	-	-	\$3,701	-	-	-	\$42,664	
Dana Ronan	Voyages Board	\$38,962	-	-	\$3,701	-	-	-	\$42,664	
David White	Chief Operations Officer	\$296,603	-	\$1,375	\$21,582	\$5,618	-	-	\$325,178	

²¹ Short-term benefits include:

- a) Base Salary - salary calculated on an accrual basis (actual earnings), annual leave taken and accrued and higher duties allowance (where applicable)
- b) Bonuses – Performance bonuses where eligible and payable within 12 months
- c) Other Benefits and allowances - Motor vehicle, car parking benefits/allowances and fringe benefits tax.

Refer to Table 27 for details relating to terms of KMP.

²² Post-employment benefits include – employer superannuation contributions for individuals in a defined superannuation contribution scheme (e.g. PSSap and super choice), individuals in a defined superannuation benefit scheme (e.g. PSS and CSS) superannuation includes the relevant Notional Employer Contribution Rate amount and the Employer Productivity Superannuation Contribution and accrual for the period

²³ Other long-term benefits include – Long service leave accrued and taken for the period and bonuses deferred for more than 12 months

²⁴ Termination Benefits include – Voluntary redundancy and ex-gratia payments

²⁵ Total Remuneration: Short-term benefits, plus Post-employment benefits, plus Other long-term benefits, plus Termination benefits.







Part Seven:
Finance



Gunbalanya station, Kunwinjku country,
West Arnhem Land, NT
Photo: Pam Daniell

Aboriginal and Torres Strait Islander Land and Sea Future Fund

In 2020-21, the Aboriginal and Torres Strait Islander Land and Sea Future Fund (ATSILSFF) remained the primary ILSC funding source.

Established on 1 February 2019²⁶ by the *Aboriginal and Torres Strait Islander Land and Sea Future Fund Act 2018* (ATSILSFF Act) and introduced in concert with amendments to the *Aboriginal and Torres Strait Islander Act 2005* (ATSI Act), the ATSILSFF is managed by the Future Fund Management Agency and Board of Guardians. Funding is to be released to the ILSC annually through the ILSC Funding Special Account in accordance with section 20(3) of the ATSILSFF Act. The balance of the ATSILSFF at 30 June 2021 was \$2.163 billion.

The ILSC will receive from the ATSILSFF, a minimum guaranteed annual payment of \$45 million (2010-11 values), indexed annually by the Consumer Price Index. The ATSI Act also provides for additional payments to be made to the ILSC where the actual capital value of the ATSILSFF exceeds its real capital value. The additional amount to be paid is the excess above the real capital value. In recent years, no top-up payments have been made.

Table 38 Funding received from the Land Account and ATSILSFF since July 2004

Financial year	Amount	Financial year	Amount
2004-05	\$4.0m	2013-14	\$52.5m
2005-06	\$23.8m	2014-15	\$49.9m
2006-07	\$96.4m	2015-16	\$50.7m
2007-08	-	2016-17	\$51.4m
2008-09	\$44.8m	2017-18	\$52.3m
2009-10	-	2018-19	\$53.3m
2010-11	\$45.0m	2019-20	\$54.1m
2011-12	\$51.3m	2020-21	\$54.8m
2012-13	\$65.9m		

Under the ATSILSFF Act, the ILSC Board may, on a quarterly basis subsequent to the publication by the Future Fund Board of its quarterly report, request the Minister for Indigenous Australians to convene a meeting of officials from the National Indigenous Australians Agency, the Finance Department and the ILSC to discuss the performance of the ATSILSFF.

²⁶ The Aboriginal and Torres Strait Islander Land and Sea Future Fund replaced the Aboriginal and Torres Strait Islander Land Account (Land Account) on 1 February 2019 as the ILSC's primary funding source.

Management of ILSC investment funds

The ILSC invests its funds in accordance with policy set by the ILSC Board. Section 193K of the ATSI Act exempts the ILSC from complying with section 59(1) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) dealing with authorised investments.

The investment policy objectives include: the protection of the investments' capital value; the maintenance of liquidity; and an acceptable risk-return investment profile. The investment portfolio is monitored by the Board and the returns on investments supplement annual payments from the ATSI LFF to fund the ILSC's functional and operational expenditure.

Overview of ILSC Group financial results

Under section 191H of the ATSI Act, the ILSC can invest money of the ILSC. The ILSC Group had \$104.5 million in cash reserves and investments at 30 June 2021 (30 June 2020: \$101.3 million).

The funds are used towards functional and operational expenditure as well as servicing debt associated with Ayers Rock Resort.

The ILSC acquires land and water-related interests to grant to Aboriginal and Torres Strait Islander corporations. At 30 June 2021, the ILSC held properties at a value of \$168 million (excludes Ayers Rock Resort). While the ILSC holds properties, it is responsible for maintenance and statutory costs.

The ILSC holds properties with significant livestock numbers. At 30 June 2021, the ILSC Group held 45,928 head of livestock at a value of \$35 million. In accordance with Australian Accounting Standards, the ILSC values the livestock on a market value basis. Accordingly, positive changes in the market value of livestock in any given period are recognised as a gain, while negative movements are recognised as an expense in the Statement of Comprehensive Income. Transfers between properties do not create profits or losses (see Part Four for information on ILSC-operated businesses).

The ILSC seeks regular independent valuations of its non-financial assets. Valuations are conducted with sufficient frequency to ensure that the carrying amount of assets does not differ materially from the assets' fair values at reporting date.

A directors' valuation, supported by an independent valuer, of the non-financial assets of Ayers Rock Resort was undertaken at 30 June 2021. At that date, the fair value of these assets was assessed to be \$390 million, representing a fair value increase of \$27 million compared with the 2019-20 valuation.

The financial statements presented in this Annual Report represent the consolidation of the entire ILSC Group, comprising the Indigenous Land and Sea Corporation, Primary Partners Pty Ltd, National Centre of Indigenous Excellence Ltd, Voyages Indigenous Tourism Australia Pty Ltd, The Owners - Strata Plan No. 86156 (Owners Corp) and Yamanah Investments Pty Ltd.

The Group generated a profit after income tax of \$5.3 million in 2020-21, which included a loss of \$7.6 million in relation to Voyages.

In addition to direct spending on the acquisition and management of land and water-related interests (including the carrying on of businesses), the ILSC Group incurs travel and staff costs related to:

- > conducting community consultations
- > managing land, water-related or other interests held by the ILSC, pending divestment
- > monitoring activities related to the ILSC's acquisition and management functions
- > providing management and administrative support to commercial businesses run on ILSC-held properties
- > evaluating programs and opportunities.

The ILSC experiences variances between budget estimates and actual performance due to some or all of the following:

- > actual timing of implementation of projects considered and approved in a financial year
- > operating results of ILSC business activities
- > changes in the market value of livestock
- > changes in the value of non-financial assets.

Total resourcing of the agency represents the funds available to the ILSC to carry out its legislated functions.

In accordance with the Australian Government's budgetary framework, the ILSC prepares budget estimates for the coming financial year and three future years.



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INDEPENDENT AUDITOR'S REPORT

To the Minister for Indigenous Australians

Opinion

In my opinion, the financial statements of the Indigenous Land and Sea Corporation and its subsidiaries (together the Consolidated Entity) for the year ended 30 June 2021:

- (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Consolidated Entity as at 30 June 2021 and its financial performance and cash flows for the year then ended.

The financial statements of the Consolidated Entity, which I have audited, comprise the following as at 30 June 2021 and for the year then ended:

- Statement by the Accountable Authority, Chief Executive Officer and Executive Director Corporate;
- Consolidated Statement of Comprehensive Income;
- Consolidated Statement of Financial Position;
- Consolidated Statement of Changes in Equity;
- Consolidated Cash Flow Statement; and
- Notes to the financial statements comprising a summary of significant accounting policies and other explanatory information.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Consolidated Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

I draw your attention to the Overview Note of the financial statements, which describes the assumptions used in the valuation of the Ayers Rock Resort, including the increased uncertainty of achieving the future forecasts assumed in the valuation models due to the continuation of the COVID-19- pandemic. My opinion is not modified in respect of this matter.

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Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Consolidated Entity, the Chair of the Board is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Reduced Disclosure Requirements and the rules made under the Act. The Chair of the Board is also responsible for such internal control as the Chair of the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chair of the Board is responsible for assessing the ability of the Consolidated Entity to continue as a going concern, taking into account whether the entity's operations will cease as a result of an administrative restructure or for any other reason. The Chair of the Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

Auditor's responsibilities for the audit of the financial Statements

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

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Consolidated Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Consolidated Entity to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated Entity to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Consolidated Entity audit. I remain solely responsible for my audit opinion.

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I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office



Rahul Tejani
Executive Director
Delegate of the Auditor-General

Canberra
21 September 2021

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ABN 59 912 679 254

**Statement by the Accountable Authority, Chief Executive Officer
and Executive Director Corporate**


In our opinion, the attached financial statements for the year ended 30 June 2021 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

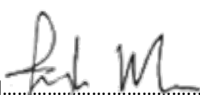
This statement is made in accordance with a resolution of the directors.


Signed.....

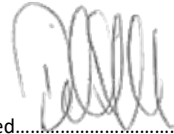
Mr Edward Fry
Chair


Signed.....

Ms Claire Filson
Deputy Chair


Signed.....

Mr Joseph Morrison
Group Chief Executive Officer


Signed.....

Mr David Silcock
Executive Director Corporate

20 September 2021

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Indigenous Land and Sea Corporation
Consolidated Statement of Comprehensive Income
for the year ended 30 June 2021

	Notes	Consol 2021 \$'000	Consol 2020 \$'000
NET COST OF SERVICES			
Expenses			
Provision for property held for grant and assets held in trust	1A	7,076	2,943
Employee benefits	1B	70,280	88,413
Suppliers	1C	69,424	88,162
Grant funding	1D	25,906	30,160
Depreciation and amortisation	1E	23,765	26,965
Finance costs	1F	4,577	6,170
Total expenses		201,028	242,813
Own-source income			
Own-source revenue			
Interest	2A	309	1,727
Revenue from contracts with customers	2B	75,307	150,591
Grants	2D	35,144	10,523
Other revenue	2E	15,222	16,005
Total own-source revenue		125,982	178,846
Gains/(losses)			
Net gain in the net market value of livestock	3A	13,121	12,791
Other net gain / (loss)	3B	642	(4,290)
Net loss from sale of assets		(98)	(829)
Total gains		13,665	7,672
Total own-source income		139,647	186,518
Net cost of services		(61,381)	(56,295)
Revenue from Government			
Revenue from Government	4	63,249	62,719
Surplus before income tax on continuing operations		1,868	6,424
Income tax (benefit) / expense	5A	(3,452)	1,401
Surplus attributable to the Australian Government		5,320	5,023
Other comprehensive income			
Changes in asset revaluation reserve	7E	7,572	(53,469)
Tax effect of revaluations		(1,662)	17,659
Total comprehensive income / (loss) attributable to the Australian Government		11,230	(30,787)

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

Indigenous Land and Sea Corporation
Consolidated Statement of Financial Position
as at 30 June 2021

	Notes	Consol 2021 \$'000	Consol 2020 \$'000
ASSETS			
Financial assets			
Cash and cash equivalents	6A	74,517	76,272
Trade and other receivables	6B	11,048	4,413
Investments	6C	30,000	25,000
Other financial assets	6D	881	635
Total financial assets		<u>116,446</u>	<u>106,320</u>
Non-financial assets¹			
Biological assets	7A	35,032	31,142
Inventory - other	7B	4,075	5,120
Inventory - property held for grant	7C	116,209	109,811
Assets held in trust	7D	52,059	52,059
Land	7E	77,237	77,169
Property, plant and equipment	7E	416,423	420,036
Intangible assets	7F	8,211	5,315
Prepayments		2,712	2,800
Total non-financial assets		<u>711,958</u>	<u>703,452</u>
Total assets		<u>828,404</u>	<u>809,772</u>
LIABILITIES			
Payables			
Suppliers Creditors	8A	15,407	20,167
Other payables	8B	20,600	12,380
Interest bearing loans	8C	124,989	124,005
Leases	8D	24,212	25,783
Deferred tax liability	5B	3,665	5,454
Other financial liabilities	8E	1,335	2,293
Total payables		<u>190,208</u>	<u>190,082</u>
Provisions			
Employee provisions	10	9,953	8,994
Provision for property held for grant	7C	116,209	109,811
Provision for assets held in trust	7D	52,059	52,059
Provision for make good	9A	259	340
Total provisions		<u>178,480</u>	<u>171,204</u>
Total liabilities		<u>368,688</u>	<u>361,286</u>
NET ASSETS		<u>459,716</u>	<u>448,486</u>
EQUITY			
Parent entity interest			
Reserves		84,268	78,454
Retained surplus		375,448	370,032
Total parent entity interest		<u>459,716</u>	<u>448,486</u>
TOTAL EQUITY		<u>459,716</u>	<u>448,486</u>

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

1. Right-of-use assets are included in the following line items: Land and Property, Plant and Equipment

Indigenous Land and Sea Corporation
Consolidated Statement of Changes in Equity
for the year ended 30 June 2021

Consolidated	Retained Surplus		Asset Revaluation Reserve		Total Equity	
	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening Balance						
Balance carried forward from previous period	370,032	363,885	78,454	114,331	448,486	478,216
Adjustment for errors	-	(14)	-	14	-	-
Adjustment for changes in accounting policies	-	1,057	-	-	-	1,057
Adjusted opening balance	370,032	364,928	78,454	114,345	448,486	479,273
Comprehensive Income						
Surplus for the period	5,320	5,023	-	-	5,320	5,023
Other comprehensive income:						
Fair value revaluation of property, plant and equipment	-	-	7,572	(53,469)	7,572	(53,469)
Tax effect of revaluations	-	-	(1,662)	17,659	(1,662)	17,659
Total comprehensive income attributable to the Australian Government	5,320	5,023	5,910	(35,810)	11,230	(30,787)
Amount transferred to/(from) revaluation reserve for property, plant and equipment disposed of	96	119	(96)	(119)	-	-
Income tax equity adjustment	-	(38)	-	38	-	-
Closing balance attributable to the Australian Government	375,448	370,032	84,268	78,454	459,716	448,486

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

**Indigenous Land and Sea Corporation
Consolidated Cash Flow Statement
for the year ended 30 June 2021**

	Consol 2021 \$'000	Consol 2020 \$'000
OPERATING ACTIVITIES		
Cash received		
Appropriations from Government	8,402	8,576
Receipts from Government	87,498	62,678
Goods and services	89,857	183,985
Interest	320	2,141
Other	12,065	13,953
Total cash received	<u>198,142</u>	<u>271,333</u>
Cash used		
Employees	(72,506)	(97,164)
Suppliers	(104,887)	(131,649)
Interest paid	(2,408)	(5,857)
Interest payments on lease liabilities	(779)	(1,279)
GST paid (net)	2,473	(4,073)
Total cash used	<u>(178,107)</u>	<u>(240,022)</u>
Net cash from operating activities	<u>20,035</u>	<u>31,311</u>
INVESTING ACTIVITIES		
Cash received		
Proceeds from the sale of property, plant and equipment	212	106
Proceeds from sale of investments, net	-	43,000
Total cash received	<u>212</u>	<u>43,106</u>
Cash used		
Purchase of property, plant and equipment	(12,641)	(24,267)
Purchase of intangibles	(2,036)	-
Investments (net)	(5,000)	-
Advances from loans, net	(403)	-
Total cash used	<u>(20,080)</u>	<u>(24,267)</u>
Net cash (used) received by investing activities	<u>(19,868)</u>	<u>18,839</u>
FINANCING ACTIVITIES		
Cash used		
Repayment of loans	-	(29,459)
Principal payments of lease liabilities	(1,922)	(2,793)
Total cash used	<u>(1,922)</u>	<u>(32,252)</u>
Net cash used by financing activities	<u>(1,922)</u>	<u>(32,252)</u>
Net (decrease) / increase in cash held	(1,755)	17,898
Cash at the beginning of the reporting period	76,272	58,374
Cash at the end of the reporting period	6A <u>74,517</u>	<u>76,272</u>

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

Indigenous Land and Sea Corporation
Notes to and forming part of the financial statements
for the year ended 30 June 2021

Overview

Objective of the Indigenous Land and Sea Corporation

The Indigenous Land and Sea Corporation (ILSC) parent entity is a Corporate Commonwealth entity established on 1 June 1995 and governed by the *Aboriginal and Torres Strait Islander Act 2005* (ATSI Act). The ILSC was established to provide economic, environmental, social and cultural benefits for Aboriginal and Torres Strait Islander people by assisting with acquisition and management of rights and interests in land, salt water and fresh water country. It is a not for profit entity.

The ILSC may make arrangements with its controlled entities to carry out functions of the ILSC.

Principles of consolidation

The consolidated financial statements are those of ILSC and its controlled entities (the Group), comprising:

- ILSC (the Parent Entity)
- Primary Partners Pty Ltd (PPPL)
- National Centre of Indigenous Excellence Ltd (NCIE)
- Voyages Indigenous Tourism Australia Pty Ltd (Voyages)
- The Owners – Strata Plan No. 86156 (Owners Corp)
- Yamanah Investments Pty Ltd (Yamanah)

With effect from 9 December 2020, the Group resolved to proceed with the voluntary deregistration of Yamanah. The company was formally deregistered on 14 July 2021.

Controlled entities are all those entities (including special purpose entities) over which the ILSC has the power to govern the financial and operating policies so as to obtain benefits from their activities.

Controlled entities are consolidated from the date on which control is obtained through to the date on which control ceases. The financial statements of the controlled entities are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to align any inconsistent accounting policies that may exist. In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Basis of preparation of the financial statements

The consolidated financial statements are general purpose financial statements and are required by section 42 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

The consolidated financial statements have been prepared in accordance with:

- *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015 (FRR)* and
- Australian Accounting Standards and Interpretations - Reduced Disclosure Requirements issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The consolidated financial statements have been prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or on the financial position of the Group.



Basis of preparation of the financial statements (continued)

The consolidated financial statements are presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

Unless alternative treatment is specifically required by an accounting standard or the FRRs, assets and liabilities are recognised in the Consolidated Statement of Financial Position when, and only when, it is probable that future economic benefits will flow to the entity or a future sacrifice of economic benefits will be required and the amounts of the assets and liabilities can be reliably measured.

Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires judgements, estimates and assumptions that affect the amounts reported in the financial statements. These judgements and estimates are continually evaluated in relation to assets, liabilities, contingent liabilities, revenue and expenses. The Group bases its judgements and estimates on historical experience and on other various factors that are believed to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Among other things, the Group has assessed the impact of COVID-19 on the balances included in its financial statements and on the key judgements, assumptions and estimates used.

Key judgements require an assessment of future forecast performance of the Group, and, at the time of this report, those assumptions have inherent uncertainty.

These judgments and estimates include:

- Assessing the fair value of property, plant and equipment, refer to note 7E;
- Determining the net realisable value of inventory, taking into account any inventory that has become slow moving, refer to notes 7B, C, D;
- Analysing the methodology used to estimate the fair value of biological assets and consider any revision to the provision balance, refer to note 7A;
- Revising estimates of expected credit losses attributable to accounts receivable arising from sales to customers on credit terms, including the incorporation of forward-looking information to supplement historical credit loss rates, refer to note 6B; and
- The period for utilisation of accumulated tax losses recorded as deferred tax assets, refer to note 5B.

Impact of COVID-19

The World Health Organisation declared COVID-19 a global health emergency in March 2020 and since then, there have been widespread Government-imposed restrictions that have impacted business operations across Australia. The Group has considered the impact of the COVID-19 outbreak on demand for the Group's goods and services and in preparing its financial statements.

During the period the Group's operational performance was significantly impacted, predominantly at Ayers Rock Resort, by Government travel restrictions, as a result of the COVID-19 pandemic. International borders and domestic Australian borders were closed by the Federal Government and State Governments respectively, restricting access to the Ayers Rock Resort which had a significant impact on the operating results for the Group for the reporting period primarily through a significant reduction in occupancy at the Resort. While the impact is expected to be temporary, due to the on-going border closures and uncertainty surrounding the timings when the markets will re-open for tourism related activities, it is expected that the operating results of the Resort will be impacted for many months and the length of the recovery period remains uncertain.

The Group has not increased the fair value of property, plant and equipment from prior year's valuation at Ayers Rock Resort. The valuation methodology and assumptions, including sensitivity to changes in assumptions for the valuation of property, plant and equipment is outlined in note 7E. Forecast earnings, including occupancy rates and average daily rates, used to determine the valuation, remain subject to uncertainty and dynamic change in the current market due to COVID-19 related International travel restrictions and domestic Australian border controls.

In addition, the Group has concluded that COVID-19 has not impacted the net realisable value of inventory (refer note 7B), the fair value of biological assets (refer note 7A) nor its ability to utilise accumulated tax losses within a reasonable timeframe (refer note 5B). The provision for expected credit losses has taken into account the impact on the recoverability of receivables (refer note 6B).

These judgements for the forecasted earnings have been made based on the best available information to date regarding the circumstances existing at 30 June 2021. Evidence since the reporting date to the date of these financial statements was also evaluated however no adjustments have been made. Adjustments are made if the information relating to border closures and occupancy rates at the resort, obtained since the reporting date provided evidence of conditions and circumstances that existed at that date. The assumptions made should not be taken to indicate the outcome of future Group decisions, rather the assumptions on which current cashflow forecasting has been performed. Should actual performance differ significantly from these assumptions, it is likely that there may be material changes to the carrying value of the assets and liabilities listed above in future reporting periods.

New and amended standards and interpretations

Adoption of new Australian Accounting Standards requirements

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

AASB 2020-4 became effective in May 2020 as an amendment to AASB 16 Leases. The amendments provide relief to lessees from applying AASB 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under AASB 16, if the change were not a lease modification. The amendment applies to annual reporting periods beginning on or after 1 June 2020.

The Group has adopted AASB2020-4 and has applied the practical expedient to all rent concessions that meet the required conditions during the period. \$1.2m has been recognised as Other Revenue which reflects the changes in lease payments that arose in the period where the Group has applied the practical expedient.

Several other amendments and interpretations apply for the first time in the year ended 30 June 2021, but do not have an impact on the consolidated financial statements of the Group. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

Future Australian Accounting Standards requirements

New standards, revised standards, interpretations and amending standards, issued prior to the signing of the statements, which are applicable to future reporting periods are not expected to have a substantial impact on the Group.

Comparative figures

Where necessary, comparative figures have been adjusted to conform with changes in presentation in these financial statements.

Budgetary reporting

Australian Accounting Standard *AASB 1055 – Budgetary Reporting* is a standard that came into effect for the financial year ended 30 June 2015. The budgetary reporting requirements in this standard only apply to an entity within the General Government Sector (GGS) where budgeted information about controlled or administered items are separately identified as relating to that entity within the budgetary information presented to Parliament. Accordingly, for example, where:

- a consolidated GGS budget presented to Parliament incorporates a budget of an entity within the GGS in a way that the individual entity's budget is not separately identified as relating to that entity; and
- a separate individual budget is not presented to Parliament for that entity;

that entity's budget is not regarded as having been presented to Parliament and therefore the entity is not required to report the budgetary information specified in this Standard.

AASB 1055 does not apply to the ILSC due to the fact that:

- Voyages is classified as a Public Non-Financial Corporation and therefore is not included in the budget presented to Parliament.
- The budget presented to Parliament is a consolidation of the ILSC and its controlled entities other than Voyages and therefore is not a separate individual budget presented to Parliament for the ILSC entity or any separate entity within the Group.

Events after the reporting period

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



Consol 2021 \$'000	Consol 2020 \$'000
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Financial Performance

This section analyses the financial performance of the Group for the year ended 30 June 2021.

1. Expenses

1A. Provision for property held for grant and assets held in trust

Increase in the provision for property held for grant	7,076	2,931
Increase in the provision for assets held in trust	-	12
Total increase in provision	<u>7,076</u>	<u>2,943</u>

A provision is raised in the Statement of Comprehensive Income for the full cost of property and related infrastructure purchases held for grant and held in trust representing the sacrifice of future benefits embodied in the assets. On transfer, the asset and provision are offset against one another. The above disclosure should be read in conjunction with the accompanying notes 7C and 7D.

1B. Employee benefits

Wages and salaries	64,544	80,544
Superannuation		
Defined contribution plans	5,299	7,049
Defined benefit plan	437	461
Separation and redundancy	-	359
Total employee benefits	<u>70,280</u>	<u>88,413</u>

Accounting Policy

Accounting policy for employee-related expenses is contained in the People and Relationships section.

	Consol 2021 \$'000	Consol 2020 \$'000
1C. Suppliers		
Raw materials and consumables	21,341	33,629
Repairs and maintenance	9,563	9,999
Staff related expenses	5,067	7,910
Utilities, rates and services	6,189	7,857
Consultants	4,807	7,638
Other expenses	3,979	2,769
Agribusiness supplies and expenses	3,311	3,755
Marketing	4,409	2,741
Travel	915	1,937
Information and communication expenses	3,207	2,928
Resort supplies and expenses	988	1,558
Fuels	909	933
Insurance	1,788	1,229
Total goods and services supplied or rendered	<u>66,473</u>	<u>84,883</u>
Other supplier expenses:		
Operating lease rentals:		
Short-term leases	1,359	1,131
Low-value leases	-	12
Workers compensation expenses	1,592	2,136
Total other supplier expenses	<u>2,951</u>	<u>3,279</u>
Total suppliers	<u>69,424</u>	<u>88,162</u>

Accounting Policy

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of assets that have a lease term of 12 months or less and leases of low-value assets (less than \$10,000). The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Group has short-term lease commitments of \$5,000 as at 30 June 2021.

The above lease disclosures should be read in conjunction with the accompanying notes 1F, 2E, 7E and 8D.

1D. Grant funding

Grant funding	<u>25,906</u>	<u>30,160</u>
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Grant funding to Indigenous corporations provides support to manage land and/or water-related interests.



	Consol 2021 \$'000	Consol 2020 \$'000
1E. Depreciation and amortisation		
Land - Right-of-use asset	766	746
Buildings and infrastructure	13,546	17,443
Plant and equipment	4,373	3,107
Furniture and fittings	2,444	2,933
Motor vehicles	1,288	1,311
Computer equipment	526	597
Leasehold improvements	473	641
Total depreciation	<u>23,416</u>	<u>26,778</u>
Software	341	68
Other contracts and relationships	8	-
Finance lease	-	119
Total amortisation	<u>349</u>	<u>187</u>
Total depreciation and amortisation	<u>23,765</u>	<u>26,965</u>

Accounting Policy

Accounting policy for depreciation and amortisation expense is contained in Note 7E.

1F. Finance costs

Unwinding of discount on concessional loans	160	796
Loan interest	3,175	4,095
Interest on lease liabilities	1,242	1,279
Total finance costs	<u>4,577</u>	<u>6,170</u>

All borrowing costs are expensed as incurred.

The above lease disclosures should be read in conjunction with the accompanying notes 1C, 2E, 7E and 8D.

	Consol 2021 \$'000	Consol 2020 \$'000
2. Own-source revenue		
2A. Interest		
Term deposits interest	302	1,722
Interest on bank and other securities	7	5
Total interest	<u>309</u>	<u>1,727</u>

Interest revenue is recognised using the effective interest method.

2B. Revenue from contracts with customers

Sale of goods	29,058	43,714
Rendering of services	46,249	106,877
Total revenue from contracts with customers	<u>75,307</u>	<u>150,591</u>
Disaggregation of revenue from contracts with customers		
Agribusiness		
Fodder and mixed ration	2,516	2,922
Agistment fees	1,540	931
Wool	610	536
Meat	742	1,014
Tourism	66,648	141,517
Fitness and Aquatics	1,165	1,094
Conference and Venue Hire	980	886
Accommodation - NCIE	68	264
Corporate sponsorship and grants	565	599
Other sale of goods	473	828
Total revenue from contracts with customers	<u>75,307</u>	<u>150,591</u>

Accounting Policy

Revenue is recognised to the extent that the Group has satisfied a performance obligation and the transaction price can be readily identified. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment.

Generally, the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Group have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Grant income arising from an agreement which contains enforceable and sufficiently specific performance obligations is recognised when control of each performance obligation is satisfied.

The performance obligations vary, but generally control transfers over the life of the contract. Where control is transferred over time, generally the revenue recognition is based on cost incurred.

Information about the Group's performance obligations is summarised below:

Agribusiness

Sale of fodder and mixed ration - Providing food to cattle.

Agistment fees - Providing accommodation for cattle prior to being shipped.

Wool - Providing wool to the customer.

Meat - Providing meat to customers.

Tourism

Rooms / Campground & Lodge - Providing accommodation for guests, room/site servicing and portorage.

Food & Beverage - Providing food, beverages and dining experiences for guests, including conference and catering facilities to third party operators.

Hotel Sundry - Relate to overhead agreed in the accommodation packages including transfers, Wi-Fi, laundry services and other amenities.

Retail - Providing retail goods for guest purchases including fuel, groceries, souvenirs, clothing and artworks.

Airport - Providing airport services for Virgin, Qantas and Jetstar including facilitation of screening and certified air-ground radio services.

Travel & Touring - Providing leisure travel and touring experiences for guests and providing a booking service for third party operators.

Shuttle Operations - Providing transportation for guests.

Fitness and Aquatics - Providing classes or access to gym and pool facilities.

Conference and Venue Hire - Providing a room for a conference to be held in and providing food and beverage when the conference is held.

Corporate sponsorship and grants

Corporate - Delivering technology training and workshops to Aboriginal and Torres Strait Islanders in remote, rural and regional communities.

National Indigenous Australians Agency - Indigenous job participation, employment length, completion of training certificates and mentorship hours.

State & Territory Governments - Indigenous employment participation.

Sale of goods and rendering of services does not include income from biological assets. See Note 3A and 7A in relation to recognition of income from biological assets.

	Consol	Consol
	2021	2020
Notes	\$'000	\$'000

2C. Unsatisfied obligations

The transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 30 June are, as follows:

Within one year	8A	<u>2,914</u>	<u>3,628</u>
		<u>2,914</u>	<u>3,628</u>

2D. Grants

Grants from:

Department of Prime Minister and Cabinet	2,192	2,697
National Indigenous Australians Agency ¹	31,358	6,371
Department of Health	960	946
State and Territory Governments	23	459
Other grants	611	50

Total grants	<u>35,144</u>	<u>10,523</u>
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The Group receives grants from Commonwealth Government departments, State and Territory Government departments and corporations. Grants which are either not enforceable or do not have sufficiently specific performance obligations are in scope of AASB 1058. Assets arising from grants in scope of AASB 1058 are recognised at their fair value when the asset is received. These assets are generally cash. Once the assets have been recognised then the income is recognised.

¹ In light of the impact of the COVID-19 pandemic, the Group entered into discussions with National Indigenous Australians Agency (NIAA) to secure additional funding. The agreement executed with NIAA, consists of wages subsidy and ongoing operating expenses payments, split between Voyages and NCIE.

2E. Other revenue

Diesel fuel rebate	508	354
Grant recovery	30	64
Insurance recovery	668	796
Lease income	7,426	8,550
Subleasing right-of-use assets ¹	65	169
Corporate sponsorship	150	160
Carbon and environment programmes	2,408	2,688
Resources received at nominal amount ²		
Inventory - property held for grant	-	1,012
Other revenue	3,967	2,212

Total other revenue	<u>15,222</u>	<u>16,005</u>
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1. The lease disclosures should be read in conjunction with the accompanying notes 1C, 1F, 7E and 8D.

2. Resources received free of charge/at nominal amounts are recognised as revenue when, and only when, a fair value can be reliably determined.

Consol	Consol
2021	2020
\$'000	\$'000

2E. Other revenue (continued)

Operating Leases Receivable

Operating leases	5,291	4,896
Total operating leases receivable	5,291	4,896

The subsidiary, Voyages, has rental income arising from operating leases on defined floor space used by third parties for retailing within income producing properties and from housing occupied by either employees or third parties.

Maturity analysis of operating lease income receivables:

One year or less	1,499	1,414
From one to five years	3,424	3,482
Over five years	368	-
Total undiscounted lease payments receivable	5,291	4,896

3. Gains/(losses)

3A. Net gain in the net market value of livestock

Net gain in the net market value during the reporting period

Cattle	12,354	12,554
Sheep	637	518
Gross change in net market value	12,991	13,072
Decrease / (increase) in provision for deaths	130	(281)
Net gain in the net market value of livestock	13,121	12,791

Net market value is fair value less costs to sell.

3B. Other net gain / (loss)

Fair value gain / (loss) on financial instruments ¹	957	(951)
Impairment loss on trade and other receivables	(315)	(961)
Concessional loan discount (net)	-	(2,378)
Total net gain / (loss)	642	(4,290)

¹On 22 June 2016, the Group executed two interest rate swaps with a notional value of \$60m and \$30m with the Australia and New Zealand Banking Group Limited (ANZ). On the 20 July 2018, the swap with a notional value of \$30m was cancelled. On 3 June 2019, a new Interest Rate Swap with a notional value of \$50m was executed, commencing 20 January 2021 until 22 January 2024. On 22 March 2021, an additional Interest Rate Swap of \$1.25m was executed, commencing on 22 March 2021 and effective until 22 January 2024. The change in fair value of the interest rate swaps is recognised through the Statement of Comprehensive Income.

	Consol 2021 \$'000	Consol 2020 \$'000
4. Revenue from Government		
Department of the Prime Minister and Cabinet		
Corporate Commonwealth entity payment ¹	8,402	8,576
Receipts from the ATSILSFF / Land Account ²	54,847	54,143
Total revenue from Government	<u>63,249</u>	<u>62,719</u>

¹The amounts received by the Group as a Corporate Commonwealth Entity payment are for the support of jobs in the Northern Territory in land management and pastoral activities. The income is recognised on receipt and corresponding payments are recognised as expenses when incurred or when paid to third parties.

²The ILSC was established under the *Aboriginal and Torres Strait Islander Act 2005* (ATSI Act) and is controlled by the Commonwealth of Australia. The ILSC receives a legislated annual payment from the Aboriginal and Torres Strait Islander Land and Sea Future Fund (ATSILSFF).

The ATSILSFF payment is administered by the Department of the Prime Minister and Cabinet. Receipts are recognised at the time ILSC becomes entitled to receive the revenue.



Consol 2021 \$'000	Consol 2020 \$'000
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Taxation

This section analyses the taxation of the Group. PPPL, Voyages and Yamanah are the only entities in the Group subject to all Commonwealth and State taxation, including income tax.

5. Income tax

5A. Income tax (benefit) / expense

The major components of income tax (benefit) / expense are:

Current income tax:

Current income tax charge	-	960
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Deferred income tax:

Relating to origination and reversal of temporary differences	(3,452)	806
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Adjustments in respect of income tax of previous years	-	(70)
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Value of deferred tax assets not recognised/derecognised	-	(295)
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Income tax (benefit) / expense reported in Statement of Comprehensive Income	(3,452)	1,401
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Numerical reconciliation between aggregate tax expenses recognised in the Statement of Comprehensive Income and tax as calculated per the statutory income tax rate (PPPL, Voyages and Yamanah only):

Total accounting profit subject to income tax	(5,935)	7,623
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Income tax on profit at statutory rate (30%)	(1,781)	2,287
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Adjustments in respect of income tax of previous years	-	(70)
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Value of deferred tax assets not recognised/derecognised	(1,633)	(824)
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Recognition of prior year temporary differences not previously recognised	(46)	-
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Other	8	8
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Aggregate income tax (benefit) / expense	(3,452)	1,401
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5B. Deferred income tax

Deferred tax relates to the following:

	Statement of Financial Position		Statement of Comprehensive Income	
	Consol 2021 \$'000	Consol 2020 \$'000	Consol 2021 \$'000	Consol 2020 \$'000
Provision for doubtful debts	252	252	-	(170)
Provision for employee entitlements	2,015	1,741	(274)	1,065
Fixed assets	(26,846)	(24,329)	854	1,636
Other	647	1,246	599	(936)
Losses available for offsetting future taxable income	16,178	14,717	(1,461)	725
Financial liabilities	4,089	919	(3,170)	(919)
Deferred tax expense			(3,452)	1,401
Net deferred tax liabilities	(3,665)	(5,454)		

Reconciliation of net deferred tax liability:

Opening balance as of 1 July	(5,454)	(21,714)
Tax benefit / (expense) during the period recognised in Statement of Comprehensive Income	3,452	(1,401)
Other	(1)	2
Amounts recorded within equity	(1,662)	17,659
Closing balance as at 30 June	(3,665)	(5,454)

In accordance with Section 193P of the *Aboriginal and Torres Strait Islander Act 2005*, the ILSC is subject to all Commonwealth and State taxation except income tax and stamp duty (where land is divested to an Aboriginal Corporation within 12 months).

PPPL, Voyages and Yamanah are subject to all Commonwealth and State taxation.

NCIE has been granted exemption from Commonwealth and State taxation as a result of being recognised as a Public Benevolent Institution.

Accounting Policy

Current tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary differences are associated with investments in subsidiaries and the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary differences are associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Forecasted taxable profits have been based on the forecasts used in the valuation assessment which assumes a two year recovery period following the disruption from COVID-19 and assumptions in relation to the reopening of borders and occupancy levels. Refer to the Overview section and note 7E for further disclosure on the uncertainty in the assumptions for the forecasts.

The carrying amounts of deferred income tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Consol	Consol
2021	2020
\$'000	\$'000

Financial Position

This section analyses the Group's assets used to conduct its operations and the operational liabilities incurred as a result.

Employee-related information is disclosed in the People and Relationships section.

6. Financial assets

6A. Cash and cash equivalents

Cash at bank and on hand	54,481	63,452
Short-term deposits	20,036	12,820
Total cash and cash equivalents	74,517	76,272

Accounting Policy

Cash is recognised at its nominal amount. Cash and cash equivalents includes:

- a) cash on hand and demand; and
- b) deposits with a bank or financial institution held at call or with an original maturity of three months or less that are readily convertible to known amounts of cash and subject to insignificant risk of change in value.

The closing balance of Cash at bank and on hand includes sinking fund amounts relating to assets held in trust of \$2,970,000 (2020: \$3,186,000). See note 7D Assets Held in Trust for more information.

6B. Trade and other receivables

Goods and services receivables	8,823	4,248
Other receivables:		
Interest receivable	26	48
Other debtors	3,589	1,624
Total other receivables	3,615	1,672
Total trade and other receivables (gross)	12,438	5,920
Less: Allowance for expected credit losses	(1,390)	(1,507)
Total trade and other receivables (net)	11,048	4,413

Reconciliation of allowance for expected credit losses

Opening balance	(1,507)	(548)
Amounts written off	432	2
Amounts recovered or reversed	235	16
(Increase) recognised in net cost of services	(550)	(977)
Closing balance	(1,390)	(1,507)

Credit terms for goods and services are generally within 28 days (2020: 28 days).

Accounting Policy

Trade receivables, loans and other receivables that are held for the purpose of collecting the contractual cash flows where the cash flows are solely payments of principal and interest, that are not provided at below-market interest rates, are subsequently measured at amortised cost using the effective interest method adjusted for any loss allowance.

	Consol 2021 \$'000	Consol 2020 \$'000
6C. Investments		
Term deposits	30,000	25,000
Total investments	<u>30,000</u>	<u>25,000</u>

Accounting Policy

Term deposits generally have a maturity of three to six months and earn interest at fixed rates. The carrying amounts of term deposits are recorded at amortised cost.

6D. Other financial assets

Repayable grants provided to Indigenous corporations	1,138	729
Other deposits	2	152
Total other financial assets (gross)	<u>1,140</u>	<u>881</u>
Less: Provision for impairment other financial assets	(259)	(246)
Total other financial assets (net)	<u>881</u>	<u>635</u>

Accounting Policy

Repayable grants provided to Indigenous corporations are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost with losses recognised through profit or loss when there is an expected credit loss.

	Consol 2021 \$'000	Consol 2020 \$'000
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7. Non-financial assets

7A. Biological assets

Livestock	35,444	31,684
Provision for livestock deaths	(412)	(542)
Total biological assets	<u>35,032</u>	<u>31,142</u>

	Consol 2021 \$'000	Consol 2021 Number
<i>Movement in livestock:</i>		
Opening on hand (at net market value)	31,684	49,805
Less provision for deaths	(542)	
Net sales	(9,958)	(16,735)
Purchases	726	3,078
Natural increase	5,933	13,958
Deaths/rations/other	(3,116)	(3,718)
Granted livestock	(303)	(460)
Change in net market value	10,478	
Change in provision for deaths	130	
Closing on hand (at net market value)	<u>35,032</u>	<u>45,928</u>

Livestock on hand at the beginning of the reporting period at net market value (excluding provision for deaths):

	Consol 2020 \$'000	Consol 2020 Number
Cattle	30,570	40,950
Sheep	1,114	8,855
	<u>31,684</u>	<u>49,805</u>

Livestock on hand at the end of the reporting period at net market value (excluding provision for deaths):

	Consol 2021 \$'000	Consol 2021 Number
Cattle	34,134	36,424
Sheep	1,310	9,504
	<u>35,444</u>	<u>45,928</u>



Accounting Policy

Biological assets consist of livestock. Livestock is held for trading purposes and includes cattle and sheep. Livestock is accounted for in accordance with AASB 141 *Agriculture* and measured at fair value less costs to sell (net market value). Gains or losses on changes in the net market value of livestock are recognised in the Statement of Comprehensive Income.

Musters or counts are performed on each of the properties at least annually which are used to substantiate the size of the herd/flock and breeding and death rates in accordance with standard industry practice. Where the musters/counts do not coincide with the reporting period, the most recent muster/count numbers are used.

Where musters/counts are expected to coincide with reporting periods but are unable to be completed due to circumstances outside of the control of the Group (e.g. weather), natural increase and deaths are estimated based on the most recent muster results and where relevant, long term historical natural increase and mortality rates for the relevant property. Where estimates of natural increase cannot be reliably made, no natural increase since the most recent muster/count is recorded. Paddock records are maintained on all properties.

The net market value is determined by independent valuations undertaken by industry experts based on the value which could be expected to be received from the disposal of livestock in an active and liquid market after deducting costs expected to be incurred in realising the proceeds of such a disposal. The valuation takes into account the general make up of the herd/flock as at reporting date and the use and productivity of the animals to be valued.

Provision for deaths is equivalent to 1.2% (2020: 1.7%) of the value of livestock held at reporting date. The provision for deaths each year reflects estimated unrecorded livestock deaths as at reporting date. The likelihood of unrecorded deaths at reporting date decreases when the annual mustering process has been completed on or close to reporting date.

Consol	Consol
2021	2020
\$'000	\$'000

7B. Inventory - other

Inventory held for sale	4,051	5,068
Agricultural produce	24	52
Carrying amount 30 June	<u>4,075</u>	<u>5,120</u>

Total amount of other inventory expensed during the period is \$21,412,500 (2020: \$33,948,000).

Accounting Policy

Inventory held for sale primarily consists of food, beverage and merchandise at Ayers Rock Resort.

Inventories held for sale are valued at the lower of cost and net realisable value.

7C. Inventory - property held for grant and provision for property held for grant

Property held for grant	116,209	109,811
Less: Provision for property held for grant	(116,209)	(109,811)
Carrying amount 30 June	<u>-</u>	<u>-</u>

A summary of the movement in property held for grant is as follows:

Opening balance 1 July	109,811	106,968
Additions to 30 June	<u>7,076</u>	<u>2,931</u>
Total Additions (Note 1A)	7,076	2,931
Granted to 30 June	(586)	-
Disposal of assets held for grant	<u>(92)</u>	<u>(88)</u>
Net movement	6,398	2,843
Carrying amount 30 June	<u>116,209</u>	<u>109,811</u>

Accounting Policy

Property held for grant is land and waters, improvements, plant and equipment held for grant which represents properties purchased for the purpose of grant to appropriate organisations in line with the legislative function and objectives of the Group. These assets are held for distribution at no consideration in the ordinary course of business of the Group. Accordingly, these assets are classified as inventory held for distribution in accordance with AASB 102 Inventories.

Property held for grant is initially recorded at cost. Property held for grant acquired for free, or for a nominal amount, is recognised initially at current replacement cost at the date of acquisition. Ongoing, the assets are valued at cost and adjusted when applicable for any loss of service potential. Any adjustment is expensed to the Statement of Comprehensive Income.

Property purchases (including the related improvements, plant, equipment, acquisition and holding costs) are capitalised on purchase.

At this time a provision is raised against the Statement of Comprehensive Income for the full cost of the purchase representing the sacrifice of the future benefits embodied in the assets.

On transfer, the asset and provision are offset against one another.

Where the infrastructure and plant and equipment are used in the production or supply of goods or services on an ongoing basis the corresponding asset is classified as property, plant and equipment in accordance with AASB 116 Property, Plant and Equipment.

Consol	Consol
2021	2020
\$'000	\$'000

7D. Assets held in trust and provision for assets held in trust

Assets held in trust	52,059	52,059
Less: Provision for assets held in trust	(52,059)	(52,059)
Carrying amount 30 June	<u>-</u>	<u>-</u>
Total amount held at the beginning of the reporting period	52,059	52,047
Additions (Note 1A)	-	12
Total amount held at the end of the reporting period	<u>52,059</u>	<u>52,059</u>

Non-monetary assets

The ILSC (the Parent Entity) entered into a Deed of Gift and Trust with Rio Tinto Aluminium Limited ('Rio Tinto') in 2009. Pursuant to that deed, Rio Tinto gifted the property known as Weipa Hostel to the ILSC to hold in a charitable purpose trust for the benefit of Aboriginal and Torres Strait Islander students so as to enhance their educational opportunities. At the time of gift and creation of the trust the estimated value of the land was \$3,583,000. Additional capital works of \$22,100,000 were incurred for the construction of buildings. The capital works were funded by a grant of money.

The ILSC (the Parent Entity) entered into a Deed of Gift and Trust with The Christian Brothers in 2012. Pursuant to that deed, The Christian Brothers gifted the property known as Clontarf for the spiritual betterment, education, welfare and development of the Aboriginal people and Torres Strait Islanders residents in Western Australia. The property must be granted to an Aboriginal and Torres Strait Islander Corporation within 80 years from the date of the deed, otherwise the title to the property will revert to The Christian Brothers.

Accounting Policy

Assets held in trust are primarily land and buildings gifted to the Group and are subject to trust deeds. The assets are held for the purpose of grant to appropriate organisations in line with the legislative function and objectives of the Group.

Property held in trust is initially recorded at fair value. Contributions of assets at no cost of acquisition or for nominal consideration are recognised at their fair value (deemed cost) and a gain recognised in the Statement of Comprehensive Income. Ongoing, the assets are valued at cost.

Property purchases (including the related improvements, plant, equipment, acquisition and holding costs) are capitalised on purchase.

At initial recognition, a provision is raised against the Statement of Comprehensive Income for the full amount of the asset representing the sacrifice of the future benefits embodied in the asset.

The asset and provision offset against one another.

7E. Land, property, plant and equipment
Reconciliation of opening and closing balances:

	Total Land \$'000	Building & Infrastructure Improvements \$'000	Plant and Equipment \$'000	Furniture & Fittings \$'000	Motor Vehicles \$'000	Computer Equipment Improvements \$'000	Leasehold Improvements \$'000	Total PPE \$'000	Total \$'000
Net book value as at 1 July 2020	77,169	372,533	22,963	15,392	5,043	1,464	2,641	420,036	497,205
Additions	-	1,788	6,656	1,202	872	1,202	921	12,641	12,641
By purchase	-	(422)	(259)	47	320	89	225	-	-
Transfers between asset classes	-	-	-	-	-	-	-	-	-
Revaluation and impairments recognised in other comprehensive income	1,050	5,722	640	19	197	(24)	(32)	6,522	7,572
Remeasurement of Right-of-use assets	(216)	(5)	-	-	-	-	-	(5)	(221)
Depreciation	-	(11,373)	(3,837)	(2,444)	(1,263)	(526)	(473)	(19,916)	(19,916)
Depreciation of right-of-use assets	(766)	(2,174)	(535)	-	(25)	-	-	(2,734)	(3,500)
Other movements	-	167	-	-	4	-	-	171	171
Disposals	-	(56)	(100)	-	(133)	(3)	-	(292)	(292)
Total as at 30 June 2021	77,237	366,180	25,528	14,216	5,015	2,202	3,282	416,423	493,660
Carrying amount of right-of-use assets	1,440	14,413	5,663	-	16	-	-	20,092	21,532

7E. Land, property, plant and equipment (continued)
Reconciliation of opening and closing balances:

	Total Land	Building & Infrastructure Improvements	Plant and Equipment	Furniture & Fittings	Motor Vehicles	Computer Equipment	Leasehold Improvements	Total PPE	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net book value as at 1 July 2019	87,367	388,843	24,579	17,905	4,870	1,675	1,886	439,758	527,125
Recognition of right of use asset on initial application of AASB 16	3,183	17,746	262	-	34	-	-	18,042	21,225
Reclassification of finance leases into right-of-use assets on initial application of AASB 16 Leases	-	5,649	-	-	128	-	-	5,777	5,777
Net book value as at 1 July 2019	90,550	412,238	24,841	17,905	5,032	1,675	1,886	463,577	554,127
Additions	-	20,238	1,096	400	471	316	1,095	23,616	23,616
By purchase	-	-	61	-	590	-	-	651	651
Right-of-use assets	-	-	-	-	-	-	-	-	-
Revaluation and impairments recognised in other comprehensive income	(12,619)	(42,465)	716	105	351	129	314	(40,850)	(53,469)
Depreciation	-	(15,053)	(2,952)	(2,933)	(1,233)	(598)	(640)	(23,409)	(23,409)
Depreciation of right-of-use assets	(746)	(2,390)	(155)	-	(78)	-	-	(2,623)	(3,369)
Other movements	(16)	-	-	-	-	-	-	-	(16)
Disposals	-	(35)	(644)	(85)	(90)	(58)	(14)	(926)	(926)
Net book value as at 30 June 2020	77,169	372,533	22,963	15,392	5,043	1,464	2,641	420,036	497,205
Carrying amount of right-of-use assets	2,421	21,005	168	-	674	-	-	21,847	24,268

Consol	Consol
2021	2020
\$'000	\$'000

Buildings and infrastructure on properties that are under construction or significant redevelopment have not been revalued as at 30 June as the cost of construction or redevelopment reflects the fair value of the assets. The total value of assets under construction is as follows:

Building and infrastructure improvements	3,645	17,739
Plant and equipment	565	1,415
Furniture and fittings	28	503
Motor vehicles	322	780
Computer systems	2,625	1,484
	7,185	21,921

Increment (decrement) in asset revaluation reserve:

As a result of disposal/transfer:

Buildings and structures	58	-
Plant and equipment	(107)	(65)
Furniture and fittings	-	(22)
Motor vehicles	(44)	(18)
Computer systems	(3)	(14)
	(96)	(119)

As a result of revaluation:

Land	1,050	(12,619)
Buildings and structures	5,722	(42,465)
Plant and equipment	640	716
Furniture and fittings	19	105
Motor vehicles	197	351
Computer systems	(24)	129
Leasehold improvements	(32)	314
	7,572	(53,469)

Total increment / (decrement) in asset revaluation reserve	7,476	(53,588)
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Accounting Policy

The Group maintains asset registers for property, plant and equipment. A stocktake to verify property, plant and equipment is undertaken at least annually. All revaluations are conducted in accordance with the valuation policy. All assets were assessed for impairment at 30 June in accordance with AASB 136 *Impairment of Assets*.

Property, plant and equipment are recorded at cost on acquisition (except for assets acquired at no cost). The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken.

Property, plant and equipment acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition.

Asset recognition threshold

Purchases of property, plant and equipment are recognised initially at cost in the Statement of Financial Position, except for purchases costing less than \$1,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to “make good” provisions in property leases taken up by the Group where there exists an obligation to restore the property to its original condition. These costs are included in the value of the Group’s ROU Asset Building & Infrastructure Improvements with a corresponding provision for the “make good” recognised.

Leased Right-of-use (ROU) Assets

Leased ROU assets are capitalised at the commencement date of the lease and comprise the initial lease liability amount and initial direct costs incurred when entering into the lease less any lease incentives received. These assets are accounted for as separate asset classes to corresponding assets owned outright, but included in the same column as where the corresponding underlying assets would be presented if they were owned.

On initial adoption of AASB 16, the Group has adjusted the ROU assets at the date of initial application by the amount of any provision for onerous leases recognised immediately before the date of initial application. Following initial application, an impairment review is undertaken for any ROU lease asset that shows indicators of impairment and an impairment loss is recognised against any ROU lease asset that is impaired. Lease ROU assets continue to be measured at cost after initial recognition.

Right-of-use assets

NT Airport lease

The Group has a lease contract with the Northern Territory government for the Yulara airport for term of 25 years, which expires on 30 June 2032. The lease contract contains variable payments based on CPI and an extension option of 25 years at the end of the current lease term. Refer to note 8D for further details on extension options not expected to be exercised.

Other leases

The Group has lease contracts for various items of plant, vehicles and other equipment used in its operations. Leases of plant generally have lease terms between 10 and 15 years, while motor vehicles and other equipment generally have lease terms between 3 and 5 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets and some contracts require the Group to maintain certain financial ratios. Lease contracts contain variable lease payments that are limited to CPI.

Revaluation

Following initial recognition at cost, property, plant and equipment (excluding ROU assets) is carried at fair value less subsequent accumulated depreciation and accumulated revaluation decrement adjustments. Valuations are conducted with sufficient frequency to ensure that the carrying amount of assets does not differ materially from the asset's fair value at reporting date. Independent valuations will be undertaken at not more than three-yearly intervals, unless there is a significant change to circumstances that warrants an earlier valuation or if the nature of the property, plant and equipment experiences significant and volatile changes in fair value.

Fair values for each class of assets are determined as shown below:

<i>Asset class:</i>	<i>Fair value measured at:</i>
Land	Market selling price
Building structures and improvements	Market selling price and current replacement cost
Plant and equipment	Market selling price
Leasehold improvements	Market selling price and current replacement cost
Office equipment, furniture and fittings and computer systems	Market selling price and current replacement cost

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except to the extent that they reverse a previous revaluation increment for that

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

Depreciation and amortisation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the entity using, in all cases, the straight-line method of depreciation. Leasehold improvements are amortised over the lower of the estimated useful life of the improvements or the unexpired period of the lease.

Depreciation rates (useful lives) and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future, reporting periods, as appropriate.

Useful lives applying to each class of assets are as follows:

	Diminishing	Diminishing	Prime	Prime
	Value	Value	Cost	Cost
	2021	2020	2021	2020
Buildings and infrastructure	2.5-40%	2.5-40%	2.5-40%	2.5-40%
Plant and equipment	5-80%	5-80%	5-80%	5-80%
Office equipment	20-50%	20-50%	20-50%	20-50%
Motor vehicles	20-45%	20-45%	20-45%	20-45%
Furniture and fittings	8-80%	8-80%	8-80%	8-80%
Computer equipment	40-67%	40-67%	40-67%	40-67%
Leasehold improvements	-	-	10-67%	10-67%

The depreciation rates for ROU assets are based on the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term.

Impairment

Where indications of impairment exist, an asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the entity were deprived of the asset, its value in use is taken to be its current replacement cost.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

Valuation of Ayers Rock Resort (ARR)

The Group engaged Colliers International ("the valuer"), an accredited hotel valuation and advisory expert, to assist it in preparing an independent valuation for the purpose of determining the fair value of the ARR at the reporting date. The Group has assessed the risks associated with the cashflow forecast including the COVID-19 recovery period and other key assumptions used in the valuation and have determined the fair value of the ARR to be \$390m at 30 June 2021 (2020: \$390m).

In order to restate the carrying value of ARR to fair value as at 30 June 2021, a revaluation increase of \$4.8m before tax (\$3.4m net of tax) was recognised.

The valuation technique adopted was to consider two approaches, the Discounted Cash Flow (DCF) method and the Stabilised Yield (Capitalisation of Earnings) method.

Capitalisation of Earnings

The capitalisation of earnings methodology applied a discount rate of 10.5% (2020: 10%) and capitalisation rate of 8.75% (2020: 8.5%) to the stabilised level of forecast earnings. The earnings shortfall over the years to achieve that level of stabilised trade were then deducted. This involved deducting the present value of earnings shortfalls forecast over the next two financial years in accordance with the recovery period expected to materialise in a COVID-19 impacted market. The approach adopted is a standard valuation methodology for any tourism related property where the income is expected to move at variance to the underlying rate of inflation due to either an internal or external event. It is expected a stabilised level of earnings will be achieved in FY24, meaning earning shortfalls from FY22 to FY23 will be discounted and deducted from the Valuation.

Discounted Cash flow

Given prevailing uncertainty in short term cash flow forecasts associated with COVID-19, a 10 year discounted cash flow valuation approach was adopted in the current financial year, applying a pre-tax discount rate of 10.5% (2020: 10%) to the cash flow range and a terminal yield of 8.75% (2020: 8.5%).

Key assumptions used in fair value calculations

The calculation of fair value of the ARR CGU is most sensitive to the following assumptions used within the valuation methodology:

- Forecast earnings (net operating income), including forecast resort occupancy and average daily rate;
- Investment yield or capitalisation of earnings rate;
- Discount cash flow rate (IRR).

Forecast earnings, including forecast resort occupancy and average daily rate

Forecast net operating income is the key assumption that underpins both models and is driven by resort occupancy and average daily rate. Resort occupancy and average room rate have been forecasted based on an analysis of key market segments and expected demand in these markets. The forecast takes into account a two year recovery period in which occupancy and average room rates have been gradually increased to normalised levels. Assumptions driving the recovery period are based on unobservable inputs that remain subject to uncertainty and dynamic change in the current market and economic climate. Forecast assumptions are also subject to current market uncertainty associated with COVID-19, particularly the timing of current international and domestic travel restrictions easing. Refer to the Overview section for further disclosure on the uncertainty in the assumptions for the forecasts.

Capitalisation of earnings rate

The Capitalisation of Earnings rate represents the current market assessment of the risks specific to the CGU, taking into account a detailed analysis of hotel sales and yields achieved in the Australian market. The capitalisation approach involves the application of a market derived yield to the assessed net operating income from the property to indicate its current market value. The Capitalisation of Earnings rate is determined based on an analysis of market transactions to determine market derived assumptions used in the valuation.

The fair value measurement of the assets would be in level 3 of the fair value hierarchy having relied on unobservable valuation inputs. For the methodology adopted by the valuer, the market-based approaches of capitalisation of earnings includes forecasted cash flows (level 3 inputs) and quoted prices for similar assets through pricing data from recent sales (level 2 inputs). The DCF method is also in level 3 of the fair value hierarchy, having unobservable valuation inputs. The valuer is unable to use level 1 inputs due to a lack of similar assets within companies listed on an observable exchange. There were no transfers during the period between levels.

The significant inputs used in the market based capitalisation of earnings methodology for the valuation by the valuer within level 2 and 3 included:

- Forecast net operating income, including forecast resort occupancy and average daily rate; and
- Market derived investment yield or capitalisation of earnings rate (cap rate).

The significant inputs used in the DCF method incorporating a ten year trading forecast for financial years 2021 to 2024 was used as a valuation cross check within level 2 and 3 included:

- Investment yield or capitalisation of earnings rate
- Discount rate; and
- Resort occupancy, average daily rate and terminal yield.

The Group policy for determining when transfers between levels of the fair value hierarchy are deemed to have occurred is at the end of each reporting period. This would complement the assessment of fair value policy where revised valuations are conducted with sufficient frequency to ensure that the carrying amount of assets does not differ materially from the assets' fair value at reporting date.

Sensitivity to changes in assumptions

The Group valuation adopted for ARR of \$390m is sensitive to the following assumptions:

Capitalisation of earnings rate – This reflects the prevailing conditions in the hotel investment market which are subject to change based on investor sentiment and economic conditions. The valuer assessed a range of capitalisation of earnings rates between 8.5% and 9%, with 8.75% adopted for calculating the fair value of the ARR CGU. The independent valuer is of the view that the capitalisation of earnings rate selected as part of the valuation approach is appropriate in the current market. An increase in the capitalisation of earnings rate of 0.25% would result in a reduction in the fair value of approximately \$16m.

Discounted cash flow – The cashflow analysis is based on predicted future trading and capital expenditure. The valuer assessed a terminal yield between 8.5% and 9% and discount rates between 9% and 11%, with adopted values of 8.75% for terminal yield and 10.5% for discount rate used in calculating the fair value of the ARR CGU. The independent valuer is of the view that the terminal yield and discount rate selected as part of the valuation approach are appropriate. An increase in the discount rate and terminal yield of 0.25% would result in a reduction in the fair value of approximately \$15m.

Resort occupancy and average room rate – Resort occupancy is based on a two year recovery period in which occupancy is gradually increased to normalised levels. The occupancy adopted by the valuer increases from 36.9% to 84.1% over a two year period. A decrease in resort occupancy of 1% would result in a reduction in the fair value of approximately \$10m. Changes in market conditions in the tourism sector can have a significant impact on resort occupancy and average room rate. Such changes may include economic conditions in key source markets, currency fluctuations and available airline capacity. The valuer performed sensitivity analysis on the values around increases and decreases in both occupancy and average room rate. Any reduction in the occupancy rate or average room rate assumption estimated in the operating forecast would result in an adverse change in valuation and reduction in fair value.

No other accounting assumptions or estimates in relation to the valuation of ARR have been identified, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next accounting period.



7F. Intangible assets

Reconciliation of opening and closing balances:

	Software \$'000	Trade marks and licences \$'000	Other contracts and relationships \$'000	Carbon Rights \$'000	Goodwill \$'000	Total \$'000
As at 1 July 2020						
Gross book value	5,127	20,469	3,243	-	-	28,839
Accumulated amortisation and impairment	(5,119)	(15,170)	(3,235)	-	-	(23,524)
Total as at 1 July 2020	8	5,299	8	-	-	5,315
Additions						
By purchase	2,036	-	-	1,209	-	3,245
Amortisation and impairment	(341)	-	(8)	-	-	(349)
Total as at 30 June 2021	1,703	5,299	-	1,209	-	8,211
Total as at 30 June 2021 represented by:						
Gross book value	7,163	20,469	3,243	1,209	-	32,084
Accumulated amortisation and impairment	(5,460)	(15,170)	(3,243)	-	-	(23,873)
Total as at 30 June 2021	1,703	5,299	-	1,209	-	8,211

7F. Intangible assets (continued)

Reconciliation of opening and closing balances:

	Software \$'000	Trade marks and licences \$'000	Other contracts and relationships \$'000	Carbon Rights \$'000	Goodwill \$'000	Total \$'000
As at 1 July 2019						
Gross book value	5,127	20,469	3,243	-	107	28,946
Accumulated amortisation and impairment	(5,051)	(15,170)	(3,235)	-	(107)	(23,563)
Total as at 1 July 2019	76	5,299	8	-	-	5,383
Additions						
By purchase	-	-	-	-	-	-
Amortisation and impairment	(68)	-	-	-	-	(68)
Total as at 30 June 2020	8	5,299	8	-	-	5,315
Total as at 30 June 2020 represented by:						
Gross book value	5,127	20,469	3,243	-	-	28,839
Accumulated amortisation and impairment	(5,119)	(15,170)	(3,235)	-	-	(23,524)
Total as at 30 June 2020	8	5,299	8	-	-	5,315

Accounting Policy

The Group's intangible assets comprise internally developed and externally acquired software for internal use, and software, brands, leases, licences and contractual relationships acquired through business combinations. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Software

All software assets were assessed for impairment as at 30 June, and adjustments made for those determined to be impaired.

Capitalised software is amortised on a straight-line basis over its estimated useful life. Useful lives are:

	Consol 2021	Consol 2020
Software	1-5 years	1-5 years

Trade marks

Brands includes trademarks, business names and other collateral, acquired through business combination. Brands have an indefinite useful life, so are not subject to amortisation. Impairment is tested annually by comparing carrying value with the asset's recoverable amount. Recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

Carbon Rights

Carbon rights are recognised as an intangible asset upon meeting recognition requirements. Carbon rights are measured at fair value and have an indefinite useful life, so are not subject to amortisation. Impairment is tested annually by comparing carrying value with the asset's recoverable amount. Recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

Impairment

All intangible assets were assessed for impairment at 30 June. Where indications of impairment exist, an asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset.

	Consol 2021 \$'000	Consol 2020 \$'000
7G. Commitments - property plant and equipment		
Capital commitments payable		
Capital commitments	1,540	9,826
Total capital commitments	<u>1,540</u>	<u>9,826</u>
Commitments are payable as follows:		
One year or less	1,540	9,690
Between 1 year to 5 years	-	136
Total capital commitments payable	<u>1,540</u>	<u>9,826</u>

At 30 June 2021 the Group had capital commitments for building and infrastructure works at Ayers Rock Resort.



Consol	Consol
2021	2020
\$'000	\$'000

8. Payables

8A. Suppliers

Trade creditors and accruals	12,493	16,539
Contract liabilities	2,914	3,628
Total suppliers	15,407	20,167

Accounting Policy

Supplier and other payables are carried at amortised cost and not interest bearing. Due to their short term nature, they are not discounted. Liabilities are recognised to the extent that the goods and services have been received (and irrespective of having been invoiced). The amounts are unsecured and usually paid within 30 days of recognition.

The contract liabilities are associated with the Indigenous Digital Excellence program with Telstra for NCIE and Government grants where performance obligations have not yet been met for Voyages.

8B. Other payables

Salaries and wages	1,286	1,189
Superannuation payable	493	252
Net GST payable to ATO	454	518
Unearned income received in advance	15,272	7,110
Sinking fund	3,020	3,247
Other payables	75	64
Total other payables	20,600	12,380

Accounting Policy

Income received in advance for provision of goods and services is initially recognised as unearned, and included in other payables. It is recognised as revenue in the period when the services are performed.

8C. Interest bearing loans

ANZ Bank	102,500	102,500
Northern Australia Infrastructure Facility (NAIF)	22,489	21,505
Total interest bearing loans	124,989	124,005

Loan with ANZ Bank

The Group's bank loan is with ANZ and is fully drawn to \$102.5m at the balance date. The loan facility matures on 1 July 2025. The loan is secured by a mortgage over the ARR property, an equitable mortgage over shares in the Group and a guarantee from the Group's parent, ILSC. \$2.5m of the bank loan is repayable in instalments over the remaining term with equal quarterly instalments of \$0.3 million from 1 July 2023 until 1 July 2025. The total amount repayable on maturity is \$100m. As at the balance date, the \$102.5m bank loan is classified as a non-current interest-bearing loan.

Under the facility terms, certain review event conditions are required to be satisfied by the Group in relation to ARR. These review event conditions comprise the provision of hotel accommodation services and resumption of regular scheduled aircraft passenger services by 15 April 2021. All criteria for the review event were satisfied at this date.

As the Group satisfied the review event conditions by 15 April 2021, the bank loan has been classified as a non-current liability.

Under the facility terms, the Group must have in effect financial instruments to hedge its interest rate risk exposure against a minimum of 50% of the loan balance over the term. As at the reporting date, the Group had 50% of the loan (\$51.25m) subject to interest rate swaps (refer to note 8E) over the remaining term of the loan.

Loan with NAIF

On 14 December 2018, the Group entered into a project finance facility with NAIF for a 20 year term of up to \$27.5m, to fund the upgrade of the Airport and associated Contractors Accommodation Project. The loan is deemed to be concessional due to the tenor of the facility (20 years), the subordinate cash flow structure of the loan and a reduced credit margin applicable to the loan when compared to market rate. Under AASB 9 *Financial Instruments*, the NAIF loan is recognised at fair value less transaction costs and is subsequently measured at amortised cost using an effective interest rate method. The Group incurred transaction costs of \$561,000 in establishing the loan. The loan is secured by a mortgage over the ARR property, an equitable mortgage over shares in Voyages and a guarantee from ILSC. An amendment to the NAIF loan agreement was executed on 2 July 2020 to reflect updated loan security arrangements caused by the repayment of a Commonwealth loan held by the ILSC during FY20. Security in connection with the NAIF loan ranks pari-passu with the ANZ loan, however is subordinate in terms of cash flow servicing. The NAIF facility agreement also contains a review event clause on the same terms and conditions as the ANZ Facility Agreement outlined above. As at the reporting date, the amount outstanding before concessional loan discount is \$24,674,000.

Interest on the Group's total borrowing facilities during the current financial year was an average of 4.20% (2020: 4.20%).



	Consol 2021 \$'000	Consol 2020 \$'000
8D. Leases		
Lease liabilities	24,212	25,783
Total lease liabilities	<u>24,212</u>	<u>25,783</u>
Maturity analysis - contractual undiscounted cash flows		
Within 1 year	2,626	2,726
Between 1 to 5 years	8,862	8,426
More than 5 years	<u>12,730</u>	<u>14,638</u>
Total lease liabilities	<u>24,218</u>	<u>25,790</u>

Accounting Policy

For all new contracts entered into, the Group considers whether the contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

Once it has been determined that a contract is, or contains a lease, the lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease, if that rate is readily determinable, or the department's incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification to the lease. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or profit and loss depending on the nature of the reassessment or modification.

Under AASB 16 *Leases*, the Group has lease contracts for land, buildings, vehicles, solar photovoltaic systems and various other equipment used in its operations. The Group's obligations under its leases are secured by the lessor's title to the leased assets.

The lease terms are generally between:

	Years
Land	2 - 47
Buildings	2.5 - 10
Vehicles	2 - 3
Solar photovoltaic systems	20

There are several lease contracts that include extension options. Set out below are the undiscounted rental amounts payable during potential extension periods that are not included in the initial lease terms noted above.

	Within five years (\$'000)	More than five years (\$'000)	Total (\$'000)
Extension options not expected to be exercised	-	39,534	39,534

The Group has lease contracts for Solar photovoltaic systems that may contain variable payments. Annual rent may be varied downwards should performance not meet agreed electricity efficiency levels. Current system performance would indicate that the application of this adjustment is unlikely to occur.

Total cash outflow for leases during the year was \$2,701,000 [2020: \$4,072,000].

The above lease disclosures should be read in conjunction with the accompanying notes 1C, 1F, 2E and 7E.

	Consol 2021 \$'000	Consol 2020 \$'000
8E. Other financial liabilities		
Derivative financial liabilities	1,335	2,293
Total other financial liabilities	<u>1,335</u>	<u>2,293</u>

Accounting Policy

Derivative financial liabilities are measured at fair value through profit or loss and reflect the negative change in fair value of interest rate swaps.

On 22 June 2016, the Group executed two Interest Rate Swaps with notional values of \$60m and \$30m with ANZ. On 20 July 2018, the swap with a notional value of \$30m was cancelled and on 3 June 2019, a new Interest Rate Swap with a notional value of \$50m was executed, commencing 20 January 2021 and effective until 22 January 2024. On 22 March 2021, an additional Interest Rate Swap of \$1.25m was executed, commencing on 22 March 2021 and effective until 22 January 2024.

The fair value determined through a Mark-to-Market (MTM) calculations as at balance date, being the difference between the transaction price and fair value, has been recognised as a derivative financial liability. This liability represents a fair value movement of the asset that was previously attributable to the MTM calculation for held interest rate swaps as at 30 June 2020. The change in the fair value determined for the financial instrument (derivative) is classified as a fair value through profit or loss (FVTPL) derivative financial asset. The change in the fair value was recorded in the Consolidated Statement of Comprehensive Income (refer note 3B).

9. Other provisions

9A. Provision for make good

As at 1 July	340	722
Amounts used	-	(613)
Amounts reversed	(108)	-
Additions	<u>27</u>	<u>231</u>
Total as at 30 June	<u>259</u>	<u>340</u>

The Group currently has four agreements for the leasing of premises which have provisions requiring the Group to restore the premises to their original condition at the conclusion of the leases. The Group has made a provision to reflect the present value of these obligations.

People and Relationships

This section describes a range of employment and post employment benefits provided to our people and our relationship with other key people.

	Consol 2021 \$'000	Consol 2020 \$'000
10. Employee provisions	\$'000	\$'000
Annual leave	4,123	3,591
Long service leave	5,242	5,023
Employee benefits	588	380
Total employee provisions	<u>9,953</u>	<u>8,994</u>
Movement in annual leave provision		
Opening balance	3,591	
Leave paid	(4,544)	
Movement in provision	<u>5,076</u>	
Closing balance	<u>4,123</u>	
Movement in long service leave provision		
Opening balance	5,023	
Leave paid	(385)	
Movement in provision	<u>604</u>	
Closing balance	<u>5,242</u>	

Accounting Policy

Benefits

Liabilities for short-term employee benefits (as defined in AASB 119 *Employee Benefits*) and termination benefits due within twelve months of the end of the reporting period are measured at their nominal amounts.

The nominal amount is calculated with regards to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits liabilities are measured at the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

Leave

The liability for employee benefits includes provision for annual leave and long service leave. The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will apply at the time the leave is taken, including the Group's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

Separation and redundancy

Provision is made for separation and redundancy benefit payments. The Group recognises a provision for termination when it has developed a detailed formal plan for terminations and has informed those employees affected that it will carry out the terminations.

Superannuation

Employees of the Group are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Scheme (PSS) or the PSS Accumulation Plan (PSSap). The CSS and PSS are defined benefit schemes of the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported by the Department of Finance's administered schedules and notes.

The Group makes employer contributions to employee superannuation schemes at rates determined by the actuary to be sufficient to meet the cost to the Australian Government of the superannuation entitlements of the Group's employees. The Group accounts for the contributions as if they were contributions to defined contribution schemes.

Superannuation contributions on behalf of employees of the Group's wholly-owned subsidiaries are made in accordance with their employment contracts, mainly to industry superannuation funds which are defined contribution schemes.

The liability for superannuation recognised as at 30 June represents outstanding contributions accrued as at the reporting date.

11. Key management personnel remuneration

Key management personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group. The Group has determined the key management personnel to be the Board of Directors, Chief Executive Officers and other Senior Executive Level staff of the ILSC and its significant controlled entities.

	Consol	Consol
	2021	2020
	\$'000	\$'000

Key management personnel remuneration is reported in the table below:

Short-term employee benefits	3,901	3,852
Post-employment benefits	381	375
Other long-term employee benefits	85	59
Termination benefits	-	745
Total key management personnel remuneration expenses	<u>4,367</u>	<u>5,031</u>

The total number of key management personnel included in the above table is 28 (2020: 31).



12. Related party disclosure

12A. Related party relationships

ILSC is an Australian Government-controlled entity. Related parties are key management personnel, subsidiaries, entities controlled by related parties and other Australian Government-controlled entities.

Key management personnel

Key management personnel are described in note 11.

Subsidiaries of ILSC

Primary Partners Pty Ltd (PPPL)
National Centre of Indigenous Excellence Ltd (NCIE)
Voyages Indigenous Tourism Australia Pty Ltd (Voyages)
The Owners – Strata Plan No. 86156 (The Owners Corp)
Yamanah Investments Pty Ltd (Yamanah)

Entities controlled by a related person

The following Directors of ILSC, or its subsidiaries, are also Directors of Indigenous Business Australia (IBA):

Ah See, Roy
Allert, Richard
Fry, Eddie

Transactions with IBA are disclosed in note 12B.

Other Australian Government-controlled entities

The Group transacts with other Australian Government-controlled entities consistent with normal day to day business operations provided under normal terms and conditions, including the payment of workers compensation premiums, insurance premiums and legal services.

The Group also receives grants from other Australian Government-controlled entities consistent with normal day to day business operations.

12B. Transactions with related parties

Key management personnel

No key management personnel has received or became entitled to receive, during or since the end of the financial year, a benefit due to any contract or contracts made by the Group other than disclosed below.

	Consol 2021 \$'000	Consol 2020 \$'000
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The following transactions with KMP related parties occurred during the financial year:

Purchases from related parties:		
Indigenous Business Australia	183	209
SRG Partners ¹	-	512
Sales to related parties:		
Indigenous Business Australia	71	169
Tourism Central Australian Board ²	539	-
Grants to related parties:		
Kakadu Tourism ³	553	101
Donations to related parties:		
Anangu Communities Foundation	12	79

¹ SRG Partners ceased to be a related party to the Group in FY21 and hence costs associated with services provided to the Group in FY21 are not disclosed above.

² The Group received income from Tourism Central Australian Board (TCAB) during FY21 for accommodation, touring, food and beverage sales. A KMP of the Group is a Director of TCAB.

³ The Group provided grant funding to Kakadu Tourism during FY21 in accordance with the Real Jobs Program. A KMP of the Group is a Director of Kakadu Tourism.

12C. ILSC Group

The following table provides ILSC's ownership percentage in each of its controlled entities, all of which are incorporated in Australia:

	2021	2020
	%	%
Primary Partners Pty Ltd	100	100
National Centre of Indigenous Excellence Ltd	100	100
Voyages Indigenous Tourism Australia Pty Ltd	100	100
The Owners – Strata Plan No. 86156	61	61
Yamanah Investments Pty Ltd	100	100

PPPL was established in 2004 as a wholly-owned subsidiary of the ILSC. Until 1 September 2014, PPPL was the employment vehicle for staff working on ILSC-held properties and agribusinesses. Thereafter some properties were transferred to and managed by PPPL. More recently, some properties were transferred back to ILSC to grant to Aboriginal Corporations.

NCIE was incorporated to manage the National Centre of Indigenous Excellence in Redfern NSW on behalf of the ILSC. No income or property of NCIE may be paid or transferred, directly to any member of NCIE whether by way of dividend, bonus or otherwise. The ILSC is the sole member of NCIE.

Yamanah was incorporated in November 2019 to identify business development opportunities to benefit Indigenous organisations in the Murray Darling Basin area. With effect from 9 December 2020, the Group resolved to proceed with the voluntary deregistration of Yamanah. The company was formally deregistered on 14 July 2021.

Voyages was incorporated to own and manage Ayers Rock Resort in Yulara NT on behalf of the ILSC.

On 8 February 2012, the ILSC registered a strata title scheme that separated a building owned by the ILSC into separate strata title lots. Upon the registration of the strata scheme, four certificates of title were issued. Three titles are in the name of the ILSC representing three separate strata title lots. The fourth title is in the name of The Owners—Strata Plan No 86156 and represents the common area of the property. During 2015/16 the ILSC transferred one lot to an Aboriginal Corporation. As the ILSC still owns two of the three lots, it effectively controls The Owners—Strata Plan No 86156.

Future shareholding in Voyages

Prior to its purchase of Ayers Rock Resort (ARR), the ILSC entered into a Deed of Agreement (Deed) with Wana Ungkunytyja Pty Ltd (WU) in May 2010 in recognition of WU not exercising its first right of refusal to purchase ARR. In accordance with the Deed, WU will be offered seven percent of the issued share capital of the entity operating the business of ARR, currently Voyages, for no consideration, upon the earlier of the repayment of interest-bearing loans or May 2021. Under the Deed, WU have up to six months to accept the offer. In accordance with the obligations under the Deed, the Group has made the offer and has agreed to extend WU's time to accept the offer to 31 December 2022.

Considering the terms of the Deed and the differing obligations that apply to the real estate and non-real estate assets held by Voyages, the Group is of the view that it is not, for the purposes of the 30 June 2021 financial statements, possible to quantify with any reasonable certainty the fair value of WU's interest in ARR.

12D. Transactions with wholly-owned entities

The ILSC is the ultimate parent entity in the wholly-owned group comprising itself and its wholly owned subsidiaries PPPL, NCIE, Voyages, Yamanah and The Owners Corp.

Section 191G of the ATSI Act allows the ILSC to create subsidiaries and to fund them by way of loan or grant.

During the year, the ILSC provided financial support to PPPL and NCIE as follows:

PPPL - \$2,918,000 (2020: \$3,125,000)

NCIE - \$4,493,000 (2020: \$4,878,000)

The ILSC owns properties that are used by its subsidiary PPPL. ILSC provides these properties at no, or significantly below market, rents. Under AASB 1058 *Income of Not-for-Profit Entities*, the difference between the ROU asset measured at fair value and the lease liability at nominal peppercorn payments is recognised immediately as income. In accordance with AASB 16 *Leases* the Group has elected to measure 'peppercorn' lease ROU assets at cost by the lessee.

NCIE use ILSC premises at Redfern, NSW, however it is not considered a lease in the absence of a written agreement and ILSC directing the purpose of the use of the asset. In accordance with AASB 1058 *Income of Not-for-Profit Entities*, NCIE record the free use of the land and buildings as a resource received free of charge (income) measured at fair value, with a corresponding expense recognised for its consumption. The fair value has been estimated to be \$1,985,000 per annum (2020: \$1,985,000).

In 2011 the ILSC provided Voyages with loan funding associated with the purchase of ARR. During the year, Voyages made \$nil (2020: \$3,900,000) of repayments to the intercompany loan to the ILSC.

The 30 June 2021 loan balance owing is \$287.8m (2020: \$280.9m) and includes interest charged of \$8.9m (2020: \$10.7m). The loan includes ILSC funding provided during the year ended 30 June 2021 in support of Indigenous Training and Employment projects of \$2.1m (2020: \$2.1m). Additionally, ILSC provided funding for operations at Mossman Gorge of \$21k (2020: \$12k) and wage subsidies totalling \$0.3m (2020: \$0.5m).

Managing Uncertainties

This section analyses how the Group manages financial risks within its operating environment.

13. Contingent assets and liabilities

13A. Quantifiable contingencies

Guarantees entered into by parent in relation to debts of subsidiaries

The ILSC parent entity provides a guarantee to the ANZ bank in relation to a \$102.5 million facility and to NAIF in relation to a \$27.5 million facility, each with subsidiary Voyages.

The ILSC parent entity has guaranteed the performance of Voyages in relation to a lease of photovoltaic systems at Yulara. At the end of the reporting period, the remaining amount of the lease is \$6.6 million.

13B. Unquantifiable contingencies

The Group is in discussion with third parties with regards to the transitions of some of its pastoral enterprises. In some instances, negotiations are reasonably advanced, but remain incomplete and the amounts of any obligations cannot be measured with sufficient reliability at the date of this report.

Accounting Policy

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable and contingent liabilities are disclosed unless the probability of an outflow is remote.

	Consol 2021 \$'000	Consol 2020 \$'000
14. Financial instruments		
14A. Categories of financial instruments		
Financial assets at amortised cost		
Cash and cash equivalents	74,517	76,272
Receivables	11,048	4,413
Repayable grants / advances	879	483
Term deposits	30,000	25,000
Other deposits	2	152
Total financial assets at amortised cost	<u>116,446</u>	<u>106,320</u>
Total financial assets	<u>116,446</u>	<u>106,320</u>
Financial liabilities		
Financial liabilities measured at amortised cost		
Supplier payables	15,407	20,167
Other payables	20,146	11,862
Interest bearing loans	124,989	124,005
Total financial liabilities measured at amortised cost	<u>160,542</u>	<u>156,034</u>
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities	1,335	2,293
Total financial liabilities at fair value through profit or loss	<u>1,335</u>	<u>2,293</u>
Total financial liabilities	<u>161,877</u>	<u>158,327</u>

	Consol 2021 \$'000	Consol 2020 \$'000
14B. Net gain on financial assets		
Financial assets at amortised cost		
Interest revenue	309	1,727
Net gain on financial assets at amortised cost	309	1,727
Net gain on financial assets	309	1,727
14C. Net loss on financial liabilities		
Financial liabilities measured at amortised cost		
Interest expense	4,577	6,170
Net loss on financial liabilities measured at amortised cost	4,577	6,170
Net loss on financial liabilities	4,577	6,170

Accounting Policy

Financial assets

In accordance with AASB 9 *Financial Instruments*, the Group classifies its financial assets in the following categories:

- a) financial assets at fair value through profit or loss;
- b) financial assets at fair value through other comprehensive income; and
- c) financial assets measured at amortised cost.

The classification depends on both the entity's business model for managing the financial assets and contractual cash flow characteristics at the time of initial recognition. Financial assets are recognised when the entity becomes a party to the contract and, as a consequence, has a legal right to receive cash and derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred upon trade date.

Financial Assets at Amortised Cost

Financial assets included in this category need to meet two criteria:

1. the financial asset is held in order to collect the contractual cash flows; and
2. the cash flows are solely payments of principal and interest (SPPI) on the principal outstanding amount.

Amortised cost is determined using the effective interest method.

Effective Interest Method

Income is recognised on an effective interest rate basis for financial assets that are recognised at amortised cost.

Financial Assets at Amortised Cost include:

- Cash and cash equivalents
- Trade and other receivables which generally have 28 day terms
- Repayable grants which are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market
- Fixed rate term deposits placed with major banks

Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI)

Financial assets measured at fair value through other comprehensive income are held with the objective of both collecting contractual cash flows and selling the financial assets and the cash flows meet the SPPI test.

Any gains or losses as a result of fair value measurement or the recognition of an impairment loss allowance is recognised in other comprehensive income.

Financial Assets at Fair Value Through Profit or Loss (FVTPL)

Financial assets are classified as financial assets at fair value through profit or loss where the financial assets either don't meet the criteria of financial assets held at amortised cost or at FVOCI (i.e. mandatorily held at FVTPL) or may be designated.

Financial assets at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest earned on the financial asset.

Impairment of Financial Assets

Financial assets are assessed for impairment at the end of each reporting period based on Expected Credit Losses, using the general approach which measures the loss allowance based on an amount equal to lifetime expected credit losses where risk has significantly increased, or an amount equal to 12-month expected credit losses if risk has not increased.

The simplified approach for trade, contract and lease receivables is used. This approach always measures the loss allowance as the amount equal to the lifetime expected credit losses.

A write-off constitutes a derecognition event where the write-off directly reduces the gross carrying amount of the financial asset.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Financial Liabilities at Fair Value Through Profit or Loss

Financial liabilities at fair value through profit or loss are initially measured at fair value. Subsequent fair value adjustments are recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

Financial Liabilities at Amortised Cost

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective interest basis.

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced). Due to their short-term nature they are not discounted. The amounts are unsecured and usually paid within 30 days of recognition.

Derivative financial instruments

Interest rate swaps

The Group uses derivative financial instruments, being interest rate swaps, to hedge its interest rate risks of its secured bank loan. The interest rate swaps are initially recognised at fair value on the date on which the contract is entered into and are subsequently remeasured at fair value at balance date. Interest rate swaps are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The interest rate swaps are not designated as cash flow hedges and are entered into for periods consistent with interest rate exposure of the underlying transactions.



Consol	Consol
2021	2020
\$'000	\$'000

15. Fair value measurement

	Fair value measurements at the end of the reporting period	
Non-financial assets		
Land	77,237	77,169
Buildings and infrastructure improvements	366,180	372,533
Plant and equipment	25,528	22,963
Furniture and fittings	14,216	15,392
Motor vehicles	5,015	5,043
Computer equipment	2,202	1,464
Leasehold improvements	3,282	2,641
Biological assets	35,032	31,142
Financial liabilities		
Derivative financial liability	1,335	2,293

Accounting Policy

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as property, plant and equipment. Involvement of external valuers is determined annually. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of their nature, characteristics and risk.

	Consol 2021 \$'000	Consol 2020 \$'000
Parent Information		
16. Indigenous Land and Sea Corporation		
Assets		
Financial assets	384,961	369,837
Non-financial assets	264,222	258,098
Total assets	<u>649,183</u>	<u>627,935</u>
Liabilities		
Payables	12,743	13,434
Provisions	171,914	165,178
Total liabilities	<u>184,657</u>	<u>178,612</u>
Net assets	<u>464,526</u>	<u>449,323</u>
Equity		
Retained surplus	437,910	424,649
Asset revaluation reserve	26,616	24,674
Net equity	<u>464,526</u>	<u>449,323</u>
Net profit of the parent entity	13,209	598
Total comprehensive income of the parent entity	15,202	5,774



Consol	Consol
2021	2020
\$'000	\$'000

Other Information

17. Current/non-current distinction for assets and liabilities

Assets expected to be recovered in:

No more than 12 months

Cash and cash equivalents	74,517	76,272
Trade and other receivables	11,048	4,413
Investments	30,000	25,000
Other financial assets	102	635
Biological assets	10,228	19,160
Inventory - other	4,075	5,120
Prepayments	2,712	2,800
Inventory - property held for grant	14,252	-
Total no more than 12 months	146,934	133,400

More than 12 months

Other financial assets	779	-
Biological assets	24,804	11,982
Inventory - property held for grant	101,957	109,811
Assets held in trust	52,059	52,059
Land	77,237	77,169
Property, plant and equipment	416,423	420,036
Intangible assets	8,211	5,315
Total more than 12 months	681,470	676,372

Total assets

828,404	809,772
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Liabilities expected to be settled in:

No more than 12 months

Suppliers	15,407	20,167
Other payables	20,498	12,301
Interest bearing loans	-	1,000
Lease liabilities	1,041	2,043
Employee provisions	7,007	6,234
Provision for property held for grant	14,252	-
Provision for make good	-	340
Total no more than 12 months	58,205	42,085

More than 12 months

Other payables	102	79
Interest bearing loans	124,989	123,005
Lease liabilities	23,171	23,740
Other financial liabilities	1,335	2,293
Deferred tax liability	3,665	5,454
Employee provisions	2,946	2,760
Provision for property held for grant	101,957	109,811
Provision for assets held in trust	52,059	52,059
Provision for make good	259	-
Total more than 12 months	310,483	319,201

Total liabilities

368,688	361,286
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Net assets

459,716	448,486
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Part Eight:
Guide to Access



Acronyms and abbreviations

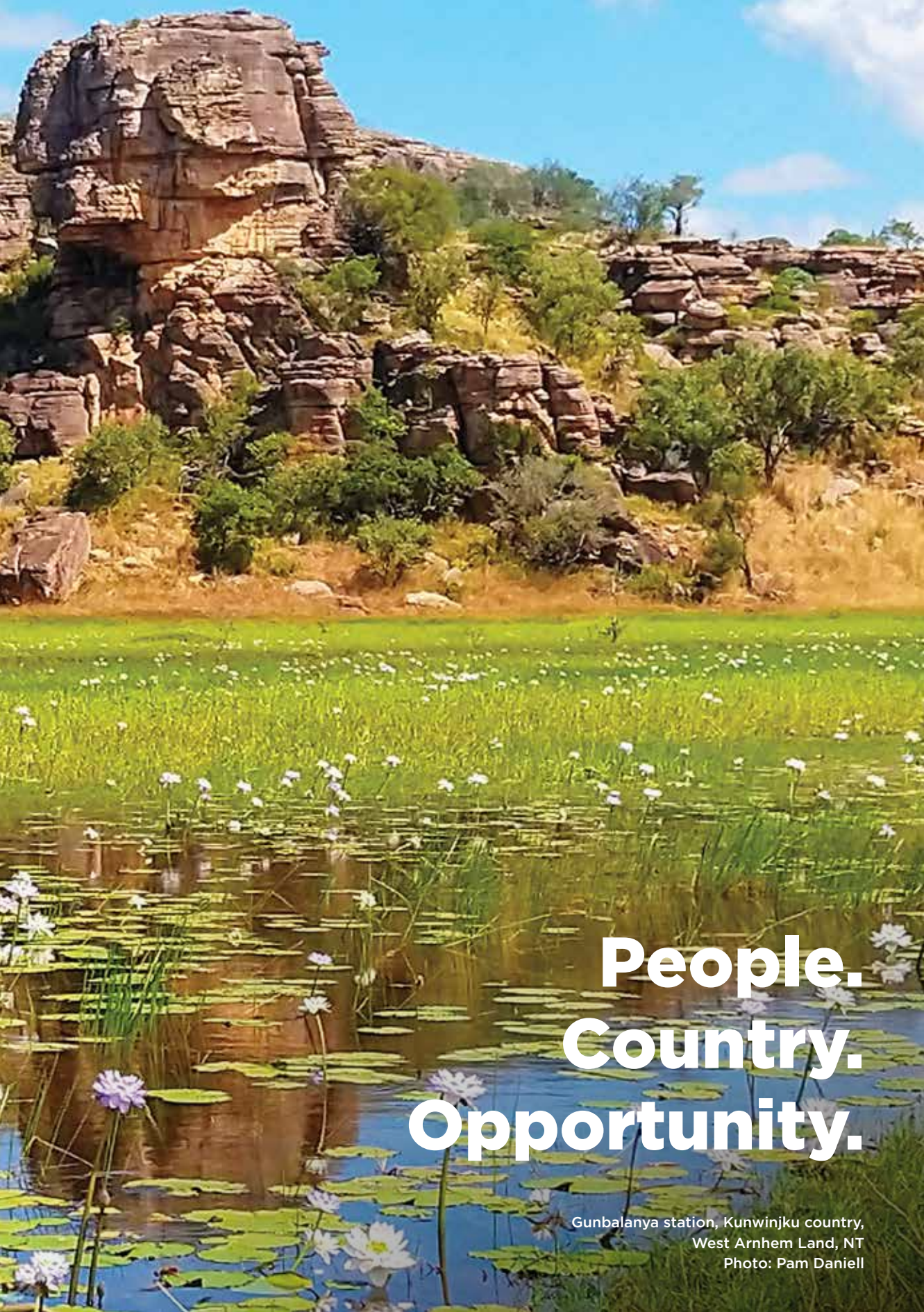
AASB	Australian Accounting Standards Board
ABN	Australian Business Number
AM	Member of the Order of Australia
ARR	Ayers Rock Resort
ATSI Act	<i>Aboriginal and Torres Strait Islander Act 2005</i>
ATSILSFF	Aboriginal and Torres Strait Islander Land and Sea Future Fund
CEO	Chief Executive Officer
CGU	Cash Generating Unit
CSS	Commonwealth Superannuation Scheme
CPI	Consumer Price Index
DCF	Discounted Cash Flow
EPBC Act	<i>Environmental Protection and Biodiversity Conservation Act 1999</i>
FTE	Full-time equivalent (staff)
ILC	Indigenous Land Corporation (now Indigenous Land and Sea Corporation)
ILSC	Indigenous Land and Sea Corporation
KMP	Key Management Personnel
KPI	Key Performance Indicator
ILSC Group	ILSC and subsidiary companies
LALC	Local Aboriginal Land Council
Mabo judgement	<i>Mabo and Others v Queensland (No 2)</i> (High Court, 1992)
Minister	Minister for Indigenous Australians (except where otherwise indicated in text)
MP	Member of Parliament
NAIDOC	National Aborigines' and Islanders' Day Observance Committee
NCIE	National Centre of Indigenous Excellence
NIAA	National Indigenous Australians Agency
NILSS	National Indigenous Land and Sea Strategy
PBS	Portfolio Budget Statements
PGPA Act	<i>Public Governance, Performance Act and Accountability Act 2013</i>
PPPL	Primary Partners Pty Ltd
PSSap	Public Sector Scheme Accumulation Plan
RILSS	Regional Indigenous Land and Sea Strategy
ROU	Right of Use
RNTBC	Registered Native Title Body Corporate
Voyages	Voyages Indigenous Tourism Australia Pty Ltd
WHS	Work Health and Safety



Compliance index

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Gunbalanya station, Kunwinjku country,
West Arnhem Land, NT
Photo: Pam Daniell



Australian Government
Indigenous Land and Sea Corporation



The **ILSC GROUP**

PEOPLE. COUNTRY. OPPORTUNITY.



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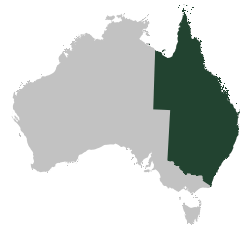
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