

24 October 2017



New South Wales
Aboriginal Land Council

ABN 82 726 507 500
www.alc.org.au

Mr John Maher
Group CEO
Indigenous Land Council (ILC)
PO Box 650
FYSHWICK ACT 2609

Dear Mr Maher

COMMERCIAL IN CONFIDENCE

IDIGENOUS LAND COPORATION DIVESTMENT OF 162-202 GEORGE STREET REDFERN TO THE NEW SOUTH WEALES ABORIGINAL LAND COUNCIL

I am writing to confirm the New South Wales Aboriginal Land Councils (NSWALC's) interest in commencing assessment and development of an unsolicited proposal from NSWALC to acquire the ILC asset at 162-202 George St, Redfern (the Property).

NSWALC has commenced an investigation into the Property and would like to put forth its proposal to the Indigenous Land Corporation by December 2017.

Should the Indigenous Land Corporation pursue the divestment of the Property, NSWALC holds the view that the we are in the best possible position to utilise the property for the continued benefit of Aboriginal peoples and communities across the state of New South Wales and is open to assisting the National Centre for Indigenous Excellence to continue its service delivery from the Property.

We are seeking ILC in-principle agreement to consider NSWALC's proposal and agreement to provide access to relevant property data, records and financial information. If agreed (in-principle), we would immediately engage an independent firm with commercial property/facilities expertise to develop a business. This would warrant your agreement to (1) nominate a senior case management officer at the ILC with knowledge about the property and your divestment process and (2) access to records held by ILC and third parties relevant to the property and proposed transaction.

Your earliest response would be appreciated. You will note the Chairman of the NSWALC has written to Minister Scullion (copy attached).

Kind regards,

James Christian PSM

Chief Executive Officer
New South Wales Aboriginal Land Council

OUR LAND COUNCIL OUR MOB OUR FUTURE

www.ourmob.org.au

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Parramatta NSW 2150
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Government Building,
32 Sulphide Street
Broken Hill NSW 2880
Tel: 08 8087 9587
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24 October 2017



New South Wales
Aboriginal Land Council

ABN 82 726 507 500
www.alc.org.au

The Hon. Nigel Scullion
Minister for Indigenous Affairs
PO Box 6100
Senate
Parliament House
CANBERRA ACT 2600

Dear Minister Scullion,

**DIVESTMENT OF 162-202 GEORGE STREET REDFERN (AKA NCIE) TO
THE NEW SOUTH WEALES ABORIGINAL LAND COUNCIL**

I write to inform you that the New South Wales Aboriginal Land Council (NSWALC) recently approved the development of a proposal to seek agreement with the Indigenous Land Corporation (ILC) on the divestment of its asset at 162-202 George St, Redfern (the Property) to NSWALC.

NSWALC has commenced an investigation into the Property and will be putting forth a divestment proposal to the ILC by December 2017.

NSWALC is of the view that we are in the best possible position to manage and utilise the property for the continued benefit of Aboriginal people and communities across the state of New South Wales. We are already responsible for significant assets and programs run for the benefit of Aboriginal peoples in NSW. NSWALC's Chief Executive Officer, Mr James Christian PSM, has now discussed and written to the ILC's Chief Executive Officer, Mr John Maher, about NSWALC's genuine and legitimate interest in acquiring the asset. It is proposed that a consultant be engaged by NSWALC to work with both organisations on the development and assessment of options. NSWALC has sought the agreement of the ILC's Chief Executive Officer to the assessment, which would require access to ILC decision makers and property information.

Given your support of our organisation in pursuit of its goals in the past, we are optimistic that an acceptable proposal will be submitted for consideration and approval.

Kind regards,

Roy Ah-See
Chairperson
New South Wales Aboriginal Land Council

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November 8, 2017

Mr James Christian PSM
Chief Executive Officer
New South Wales Aboriginal Land Council
By email

Dear James

Re: Divestment of 162-202 George Street Redfern

I am writing on behalf of John Maher, ILC Group CEO and in response to your letter of 24 October 2017.

I can confirm the ILC's in-principle agreement to consider a proposal from NSWALC, and note that you aim to present such a proposal to the ILC by December 2017.

Consideration of any proposal will be a matter for the ILC Board and subject to the ILC's divestment due diligence and thorough investigations. As such, agreement to consider your proposal:

- (a) Does not give any assurances that the ILC is agreeable to divestment of the property to NSWALC, and simply agrees to consider your proposal;
- (b) Means the ILC will facilitate the provision of information relevant to the divestment of the property; and
- (c) Does not preclude the ILC from considering other proposals.

I am currently liaising with Yuseph Deen on a suitable date for a meeting between the ILC and NSWALC. We propose that this initial meeting should agree on the process, scope and protocols for ongoing discussions and considerations.

Agreement on these are important to the ILC, on the basis that the ILC has an obligation to consider and respect other stakeholder relationships in its deliberations about divestment of the property.

As the landowner of the NCIE property, and the sole member of NCIE Ltd, the ILC is responsible for all divestment matters. To this end, I can confirm that I will be the contact person for NSWALC on this matter, and will facilitate access to other ILC Group personnel (including NCIE contacts) and information as appropriate.

I wish to also advise that the ILC and NCIE Boards have been made aware of your letter, and asked to respect the commercial in confidence nature of your letter. As these discussions are in the earliest of stages, we would ask that NSWALC too keep the discussions in confidence. This will ensure that both NSWALC and ILC stakeholder relationships are protected.

Thank you for your letter and the opportunity to work together on exploration of your proposal.
We look forward to our next meeting.

Yours sincerely



Tricia Button
Deputy CEO
Indigenous Land Corporation

CC

John Maher, ILC Group CEO
Yuseph Deen, Executive Director, Network Delivery NSWALC



BOARD INFORMATION PAPER

BOARD MEETING No 219—6 December 2017

NSWALC REQUEST TO DIVEST NCIE

Purpose

To provide the Board with information on the NSW Aboriginal Land Council (NSWALC) interest in the divestment of NCIE.

Recommendation

That the Board:

- 1. Notes the content of this briefing*
- 2. Notes the ILC's communication of the matter with NCIE and with NSWALC (as per attachments).*

Link to Strategic Intent

Strategy 1: *Creating a strong value proposition, legitimacy and support from key constituencies* by ensuring the ILC's divestment of the NCIE asset accords with its divestment policies and standards, and relationships with future landowners.

Strategy 2: *Positioning the ILC to invest in the future* by reducing the financial dependency of the NCIE asset.

Strategy 5: *Building an ILC structure, capability and culture to drive strategic intent* by ensuring the divestment strategy for NCIE supports the ILC subsidiary transitions.

Executive Summary

On 24 October 2017 NSWALC wrote to the ILC seeking agreement to enter discussions on the divestment to it of NCIE, and its proposal to further develop the site (refer [Attachment A](#)).

NSWALC Chairperson Mr Roy-Ah See also wrote to the Minister advising him of its request (refer [Attachment B](#)).

On 31 October 2017 the ILC Group CEO provided Directors with a copy of this correspondence. Similarly the ILC Deputy CEO advised the NCIE Executive Chair and Acting CEO of the correspondence, noting the highly confidential nature of the correspondence.

On 8 November 2017, the ILC wrote to NSWALC advising that the ILC confirmed in-principle agreement to consider a proposal from NSWALC. NSWALC was advised that such an agreement to consider a proposal:

- Did not give any assurances that the ILC is agreeable to divestment of the property to NSWALC, but simply agrees to consider its proposal
- Did not preclude the ILC from considering other proposals.

The ILC has also sought NSWALC’s assurances that the matter will be considered in confidence, protecting the ILC’s stakeholder relationships in Redfern and NSW.

The ILC will continue discussions with NSWALC on its proposal and future divestment consideration, without any commitment to divest.

Key Issues

As an ILC-held property, the ILC remains the lead/responsible agent for divestment discussions, including those with the NSWALC or any other potential titleholding body.

The ILC has given assurances to NCIE that it will be kept abreast of divestment discussions and included where appropriate.

It will be critical to ensure the ILC’s divestment planning, due diligence and stakeholder discussions are respectful and inclusive of NCIE and cognisant of both the NCIE Transitional Planning and Master Planning exercises.

The ILC will maintain close contact and undertake regular briefings with the NCIE to ensure synergies in the pieces of work.

In addition to the ILC’s usual divestment discussions and due diligence, matters of community relationships, politics, governance and sensitivities will be heavily scrutinised by the ILC.

Recommendation

It is recommended that the Board notes the content of this briefing and communications between the ILC, NSWALC and NCIE.

Endorsements	
<p>Recommended by:</p> <p>Tricia Button A/Deputy CEO</p> <p>14 November 2017</p> <p><i>In recommending this, I declare I have no conflict of interest</i></p>	<p>Supported by:</p> <p>John Maher ILC Group CEO</p> <p>14 November 2017</p> <p><i>In supporting this recommendation, I declare I have no conflict of interest</i></p>

Attachments

- NSWALC Letter to ILC CEO
- NSWALC Chair Letter to Minister for Indigenous Affairs
- ILC Response to NSWALC



Australian Government
Indigenous Land Corporation



The ILC GROUP

BOARD DECISION PAPER
BOARD MEETING No 221—21 February 2018

**NATIONAL CENTRE OF INDIGENOUS EXCELLENCE—
TRANSITION OPTIONS**

Purpose

To provide the Board with options regarding the transition of National Centre for Indigenous Excellence Ltd (NCIE).

Recommendation

That the Board endorses Option B, that is:

- [REDACTED]
- *to place further work on the integration of NCIE Ltd into the ILC on hold until a detailed Divestment Strategy for the property and operating entity is developed and endorsed by the ILC Board.*

Link to Strategic Intent

Strategy 2: *Positioning the ILC to invest in the future* by reducing the financial dependency of NCIE on ILC funds via the divestment of the asset and operating entity.

Strategy 5: *Building an ILC structure, capability and culture to drive strategic intent* by aligning the governance structure of NCIE to that of the ILC.

Executive Summary

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



It is also important to consider potential changes to NCIE's operating environment in transition planning, particularly in light of emerging divestment discussions with the New South Wales Aboriginal Land Council (NSWALC). Should divestment discussions progress as anticipated, the ILC could be considering a divestment decision for NCIE within six to 12 months.

Therefore, it is recommended that further work on the integration of NCIE's operations into the ILC be considered in the broader context of a detailed Divestment Strategy for NCIE. The recommendation is based on the following rationale:

- The ILC is obliged under the *Aboriginal and Torres Strait Islander Act (2005)* to divest all properties it acquires within a reasonable timeframe and is committed to developing divestment strategies for each of its landholdings
- Since its establishment, a detailed divestment strategy has not been in place for NCIE
- NSWALC is a financially secure statutory landholding body with a mandate to acquire culturally significant and economically viable land, pursuing cultural, social and economic independence for Indigenous people in NSW
- The integration of NCIE Ltd's operations into the ILC may hinder, as opposed to assist, in the divestment of the property and the operating entity
- Issues outlined within the Board commissioned Baseline Review of ILC Governance and Structures (outlined above) can be addressed at the governance level via structural changes to the NCIE Board.



It is imperative that NCIE is fully aligned and committed to the implementation of the Divestment Strategy the ILC Board endorses. With this in mind, it is also recommended that the NCIE CEO commence a reporting line to the ILC Group CEO.

Therefore, two options are proposed for Board consideration:

- A. Develop NCIE Divestment Strategy—current Board and administration arrangements are maintained while a detailed Divestment Strategy is developed for the NCIE property and operating company (with integration considered within the Divestment Strategy), or
- B. Develop NCIE Divestment Strategy and amend governance structure—while a detailed Divestment Strategy is developed for both the NCIE property and operating company, NCIE Board membership is amended to include only two ILC Directors to maintain basic compliance and operational matters. Key strategic decisions such as the highest and best use assessment and divestment related activity should be referred to the ILC Board.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Endorsements

Recommended by:

Tim Larkin
Integration Project Manager
5 February 2018

In recommending this, I declare I have no conflict of interest

Supported by:

John Maher
ILC Group CEO
... February 2018

In supporting this recommendation, I declare I have no conflict of interest



Australian Government
Indigenous Land Corporation

Commercial in Confidence
BOARD DECISION

Decision No

BOARD MEETING No: 221
MEETING DATE: 21 February 2018
PROJECT NAME: NCIE Transition Options

THE BOARD OF DIRECTORS OF THE INDIGENOUS LAND CORPORATION:

- 1. **Notes** the information in the briefing paper entitled *National Centre of Indigenous Excellence—Transition Options*.
- 2. **Endorses** the ILC to develop a detailed Divestment Strategy for the NCIE asset and operating company.

[Redacted]

SIGNED, Edward Fry, Chairperson Date: 21.02.18



Australian Government
Indigenous Land Corporation



The ILC GROUP

ILC BOARD MEETING No 221

Wednesday, 21 February 2018
Adina Treasury, Adelaide, SA

MINUTES

ATTENDANCE:

Mr Edward Fry	Chair
Mr Joseph Elu AO	Deputy Chair
Mr Anthony Ashby	Director
Ms Patricia Crossin	Director
Dr Donna Odegaard AM	Director
Ms Tanya Hosch	Director

Apology:

Nil.

Not attending:

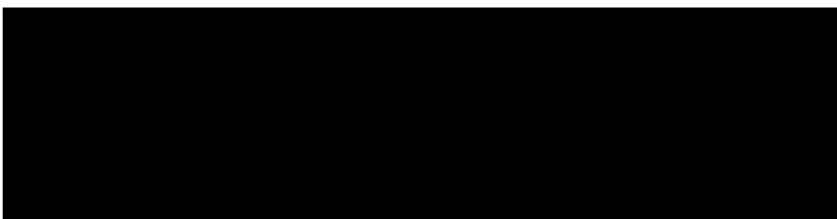
Mr Bruce Martin	Director
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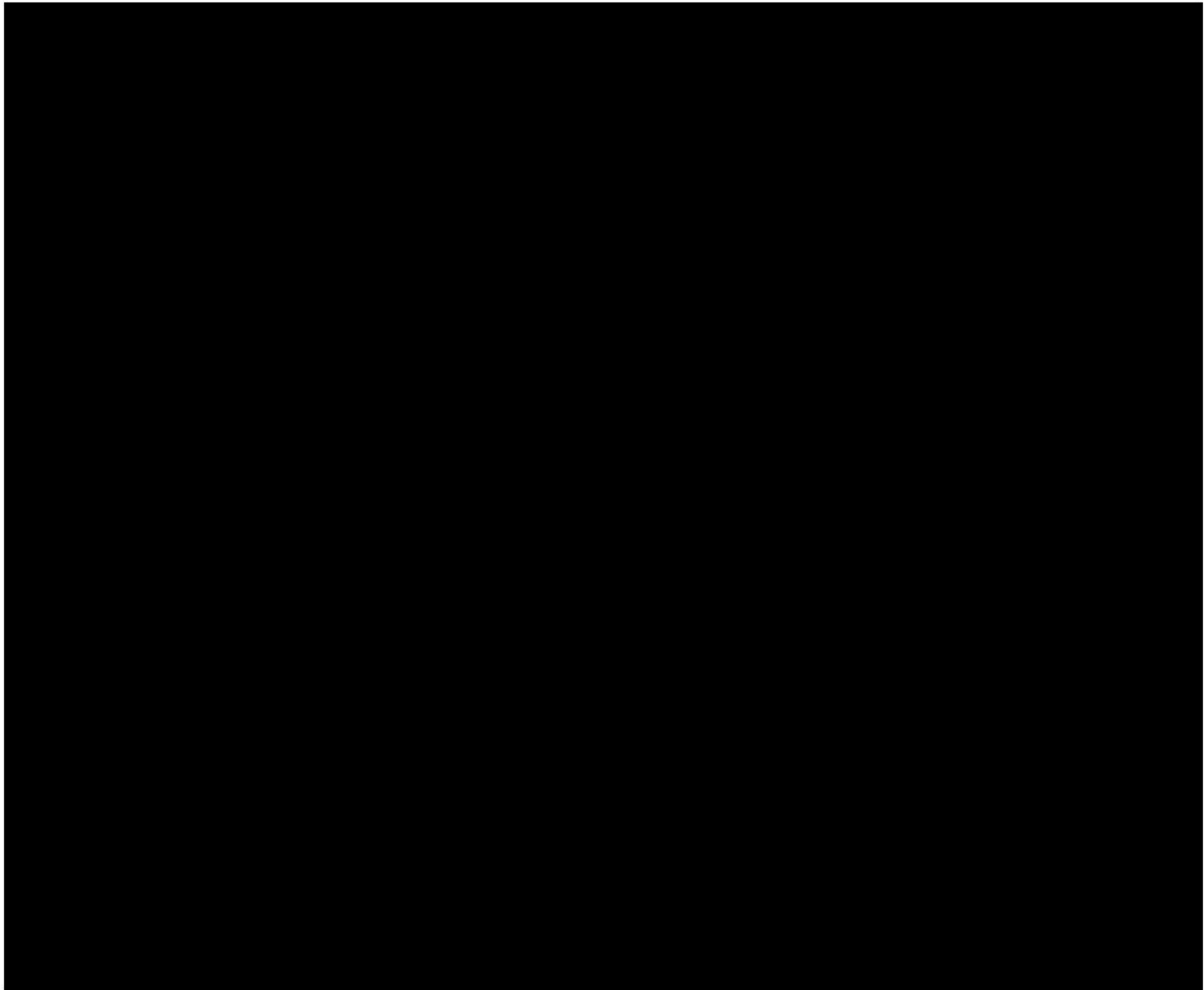
The following attended all or part of the meeting:

Mr John Maher	ILC Group CEO
Ms Tricia Button	ILC Deputy CEO
Mr Nigel Wilson	General Counsel
Ms Leah Ritchie	ILC Associate Counsel
Ms Rachel Martinson	ILC Para-Legal
Mr Tim Larkin	ILC Integration Project Leader
Ms Jodie Stevens	ILC Group Director People and Culture
Mr John Edmunds	ILC WHS Coordinator
Ms Maria Storti	ILC AAC Chair (by telephone)

A copy of the agenda is attached.

The Chair welcomed participants and opened the meeting at 8.40am ASCT.





7.2. TRANSITION IMPLEMENTATION – NCIE TRANSITION OPTIONS – IN CAMERA

(3.25pm ILC Chair requested Director Ashby to leave the meeting)

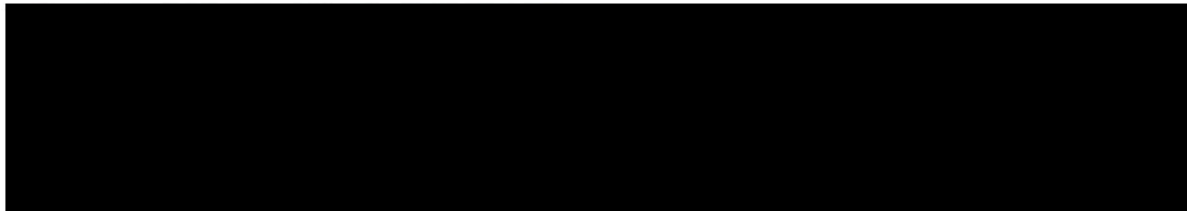
Board briefed on due diligence of NSWALC divestment options.

Board noted the merits of deferring integration until Divestment Strategy and future directions is established.

Recommendations of the Paper were not accepted by the Board.

Actions:

1. Implementation Plan Manager to bring back to Board (out of session) a Paper with revised options which: (a) sets out a co-operative approach between the ILC and NCIE Boards towards Divestment; (b) ensures strategy alignment; and (c) sets out the non-negotiables for joint NCIE and ILC future strategy on divestment and future operations.



There being no further business, the Chair closed the meeting at 4.15pm.

A handwritten signature in cursive script, appearing to read 'Edward Fry', written in black ink.

Mr Edward Fry
Chair

Board-in-Confidence

ILC BOARD MEETING No 221

8.30 am to 4.30 pm

Wednesday, 21 February 2018

Old Cabinet Room

Adina Apartment Hotel Adelaide Treasury

2 Flinders Street

ADELAIDE

AGENDA

	<i>Discussion Leader</i>
1. Apologies/Declarations	Chair
1.1 Apologies/Approved Leave of Absence	
1.2 Declarations of Interest	
2. In Camera Session	Chair
3. Presentation by Director	Dir Odegaard
4. Minutes of Previous Meetings	Chair
* 4.1 Meeting No 219 of 6 December 2017	
* 4.2 Meeting No 220 of 1 February 2018 (Teleconference)	
4.3 Actions Arising Status Report	
5. Chair's Report	Chair
6. Chief Executive Officer's Report	CEO
7. Transition Implementation (<i>in camera</i>)	IPM
* [REDACTED]	
* 7.2 National Centre of Indigenous Excellence—Transition Options	
* [REDACTED]	
* [REDACTED]	
8. Strategic Issues	
[REDACTED]	
9. Governance	GC
* [REDACTED]	

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10. Finance and Corporate Reports

COO

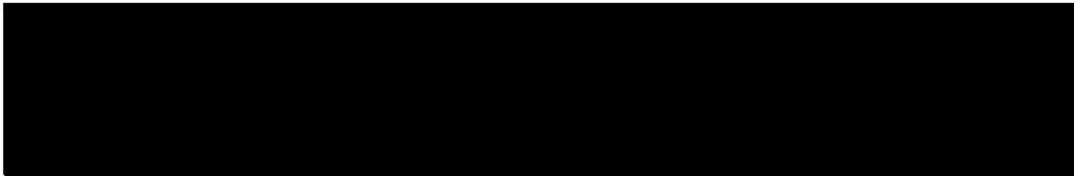
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11. Land Acquisition, Land Management and Divestments—Nil

12. ILC Board Committees

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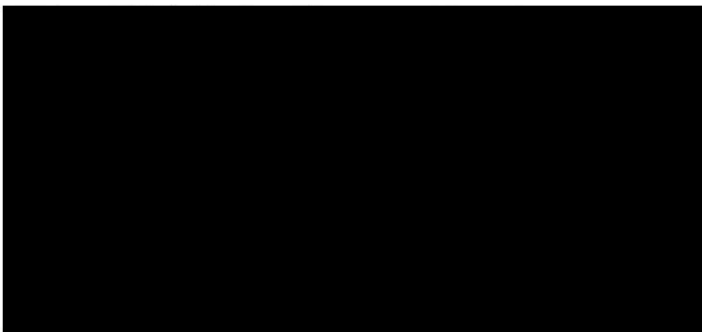
13. Other Business

Chair

14. *In Camera* Session

Chair

15. Supplementary Reading



***Decision required**

CEO—Chief Executive Officer (John Maher)
DCEO—Deputy Chief Executive Officer (Tricia Button)
GC—General Counsel (Nigel Wilson)
COO—Acting Chief Operating Officer (Hanne Damgaard)
P&C—Group Director, People and Culture (Jodie Stevens)
IPM—Integration Project Manager (Tim Larkin)
AAC—Chair, Audit and Assurance Committee (Maria Storti)
WHSC—Chair, Work Health and Safety Committee (Director Crossin)



Australian Government
Indigenous Land Corporation



The **ILC GROUP**

ILC BOARD MEETING No 223

Wednesday, 18 April 2018
Kamberrri Room (IBA)
Level 2, 15 Lancaster Place
Majura ACT

MINUTES

ATTENDANCE:

Mr Edward Fry	Chair
Mr Joseph Elu AO	Deputy Chair
Mr Anthony Ashby	Director
Ms Trish Crossin	Director
Ms Tanya Hosch	Director

Apology:

Dr Donna Odegaard AM	Director
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Not attending:

Mr Bruce Martin	Director
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The following attended all or part of the meeting:

Mr John Maher	ILC Group CEO
Mrs Tricia Button	Deputy CEO
Mr Tim Larkin	Integration Project Leader
Ms Jodie Stevens	Group Director, People and Culture
Mr David Silcock	ILC Group CFO
Ms Maria Storti	ILC AAC Chair (by telephone)
Ms Leah Ritchie	Associate Counsel (Minute taker)
Representatives from Gresham	
Representatives from Newgate	
Representatives from Gilbert and Tobin (by telephone)	

A copy of the agenda is attached.

The Chair welcomed participants and opened the meeting at 10.30 am AEST.

- 1. APOLOGIES/DECLARATIONS**
- 1.1 APOLOGIES/APPROVED LEAVE OF ABSENCE**

Apology from Director Odegaard.

7. TRANSITION IMPLEMENTATION

7.2 NATIONAL CENTRE OF INDIGENOUS EXCELLENCE—TRANSITION OPTIONS

The Chair advised that a letter was sent to the Chair of NCIE, confirming that transition has been put on hold until a Divestment Strategy is developed. Clarity was sought on the content of the letter and the extent it reflected the February Board discussions and the subsequent discussions with Director Ashby, Chair and Group CEO. It was acknowledged that Director Ashby had excused himself for some of the February Board discussions on NCIE transitional matters. It was reported that the NCIE Board was concerned by the outcomes of the February Board meeting as they were presented in the ILC Chair's letter. It was agreed that a follow-up meeting between Director Ashby, Alison Page, Clare McHugh, Chairman Fry, Tim Larkin and Group CEO would provide further clarity of the ILC Board's February decision concerning NCIE transition.

The focus on pursuing a divestment strategy for NCIE was discussed, and remains the immediate priority, noting that both the ILC and NCIE needed to undertake their own due diligence on NSWALC as a divestment option. It was noted that a Divestment Strategy, as opposed to a detailed and specific Divestment Plan (agreed to by the ILC and the future THB) would be presented to the June meeting.

Action:

A follow-up meeting between the NCIE Chair, NCIE CEO, Transition Project Manager, ILC Group CEO and ILC Chair be convened to discuss this matter and provide clarity on transition arrangements and the ILC Board's decision.





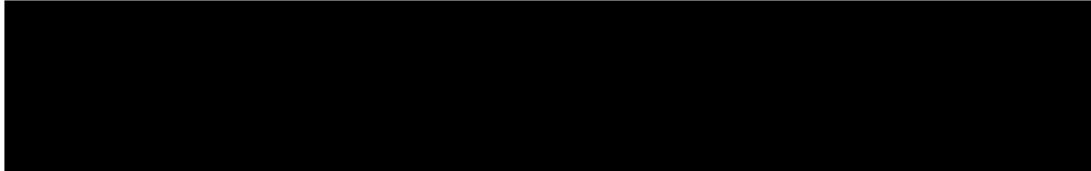
Board-in-Confidence

ILC BOARD MEETING No 223

10.15 am to 4.30 pm
 Wednesday, 18 April 2018

Kamberrri Room (IBA)
 Level 2, 15 Lancaster Place
 MAJURA ACT

AGENDA

	<i>Discussion Leader</i>
1. Apologies/Declarations 	Chair
2. <i>In Camera</i> Session	Chair
3. Presentation by Director (<i>deferred to next meeting</i>)	
4. Minutes of Previous Meetings * * 	Chair
5. Chair's Report * 	Chair
6. Chief Executive Officer's Report	CEO
7. Transition Implementation (<i>in camera</i>) *  7.2 National Centre of Indigenous Excellence—Transition Options (<i>verbal</i>) * 	PD
8. Strategic Issues * * 	

9. Governance

*
*



10. Finance and Corporate Reports

CFO



11. Land Acquisition, Land Management and Divestments—Nil

12. ILC Board Committees



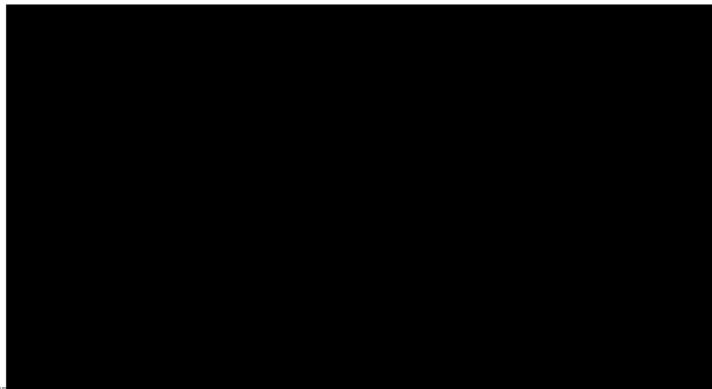
13. Other Business

Chair

14. *In Camera* Session

Chair

15. Supplementary Reading



*Decision required

CEO—Chief Executive Officer (John Maher)
DCEO—Deputy Chief Executive Officer (Tricia Button)
GC—Acting General Counsel
CFO—Acting Group Chief Financial Officer (David Silcock)
P&C—Group Director, People and Culture (Jodie Stevens)
PD—Executive Director, Program Delivery (Tim Larkin)
AAC—Chair, Audit and Assurance Committee (Marla Storti)
WHSC—Chair, Work Health and Safety Committee (Director Crossin)

15 May 2018



New South Wales
Aboriginal Land Council

ABN 82 726 507 500
www.alc.org.au

Mr Edward Fry
Chairperson
Indigenous Land Corporation Group
Level 2, 15 Lancaster Place
MAJURA PARK ACT 2609

Dear Eddie,

**Acquisition Proposal for National Centre for Indigenous Excellence Site
Property: 160 – 202 George Street, Redfern, NSW 2016**

Introduction

As you are aware, the New South Wales Aboriginal Land Council (**NSWALC**) has been in continued discussions with the Indigenous Land Corporation Group (**ILC**) regarding the future of the above property, being the NCIE Site at 160 – 202 George Street, Redfern, NSW 2016 (the **Property**). NSWALC recognizes that the Property is a significant asset within the ILC's NSW Indigenous Estate and we are keen to ensure that the Property is effectively managed and maintained as a key economic, cultural and community hub for the NSW Indigenous population – including but not limited to the Redfern area and broader Greater Sydney region.

It is in this light, that NSWALC would like to formally submit a proposal to the ILC Board to acquire the Property under your Divestment Policy. We hope that by acquiring the Property, NSWALC will be able to maximize the use of the Property and at the same time collaborate with the ILC to help achieve the outcomes set out in your *ILC Group Corporate Plan 2017 – 2018*, which will in turn help to maintain the Property as a key component of the Indigenous Estate.

Background

NSWALC understands that the site was previously the location of the Redfern Primary School and that following the school's closure, the site was bought in 2006 by the ILC from the NSW Department of Education. The ILC then invested significant funds to create and develop the Eora Campus which includes a 110 bed accommodation wing, corporate conferencing facilities and a commercial kitchen. The Eora Sports, Arts and Recreation Centre was also developed and includes a gym, a sports field, a 25m heated outdoor pool and sports stadium. In 2009 the Property was announced as the National Centre for Indigenous Excellence (**NCIE**) and was officially opened by the then Prime Minister Kevin Rudd in March 2010.

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Since this time the NCIE (which we understand is a wholly-owned but independent subsidiary of the ILC) has continued to provide services to the Indigenous community and is regarded by many to act as the urban heart of Aboriginal Australia. From 2010 onwards, the NCIE service delivery arm has directly impacted over 40,000 Aboriginal and Torres Strait Islander people through their provision of services, programs and enterprises.

However despite the continuing good work being done by the NCIE service delivery arm, NSWALC has been able to identify through our preliminary investigations as well as the documentation which was provided to us under our initial Request for Information that the Property is currently operating at a recurring financial loss and is costing the ILC fund a significant amount of money. We understand that the ILC spent approximately \$16 million to purchase the site in 2006 and that since then the ILC has spent in excess of \$50 million on the property, either through the development and construction of the site or through the continual funding of the NCIE. We note that since 2015, the ILC has provided \$7,498,859 in grant funding to the NCIE service delivery arm to help them cover their operational deficit of -\$7,055,210 and to ensure that the NCIE are able to continue to provide services.

NSWALC's Due Diligence

From the records provided to us it appears that the NCIE has been operating at a loss for some time now and due to this financial shortfall the maintenance and management of the Property has fallen by the wayside. It is for this reason that NSWALC has commissioned a Technical Due Diligence Report for the Property. The Due Diligence Report has identified a number of routine and deferred maintenance issues which would require a capital expenditure amount of \$961,200 to be spent over the next 10 years. These works include the repair and subsequent maintenance of the mechanical, hydraulic and electrical services of the buildings on site as well as the refurbishment of the buildings to ensure that they are compliant with current construction standards and legislative requirements. If NSWALC was to acquire the site, then we are in a position to spend this money to ensure that the Property is well maintained for the foreseeable future.

NSWALC has also read the KPMG report which the ILC commissioned in 2016 and, following your lead, we too have had high level conversations with town planners to discuss the future of the Property; particularly within the context of its location to the Waterloo Precinct. These meetings have highlighted that in order to ensure that the Property is fully utilized, it is necessary to begin consultation with government organizations such as UrbanGrowth NSW, the City of Sydney Council and NSW Department of Planning & Environment to discuss the future potential of the site. NSWALC has a vision in which we are able to maintain the Property as a key Aboriginal icon in the Indigenous Estate and we are keen to ensure that the site continues to stand out in Redfern whilst the rest of the surrounding area and community is revitalized as a part of the Waterloo Precinct.

Proposed Future Use of the Property

As previously mentioned, NSWALC is keen to acquire the Property so that we can effectively manage it and ensure that the site is continued to be used in the best interests of the local Aboriginal community as well as the wider Indigenous Estate. We have already identified through our due diligence that the Property is in need of repairs and maintenance works and NSWALC is prepared to undertake these works to ensure that the Property is sustained. NSWALC would then like to look to the future of the Property and its surrounding locations to ensure that the Property is utilized to its highest and best use and further enhanced as an icon in the urban Aboriginal landscape.

We are in the initial stages of connecting with creative consultants to develop a masterplan for the site which will hopefully compliment the Waterloo Precinct and contribute towards revitalizing the Redfern area. Our vision for the Property is to create an Indigenous Community Hub that operates effectively on a financial and commercial basis whilst simultaneously providing programs and benefits to the local Aboriginal community. We see the Property as a great opportunity to create a destination point for Indigenous people with multiple aspects including commercial activities, retail space, community programs and potentially a residential component as well.

It is not NSWALC's intention to simply build apartments on the site and then sell them off for a quick profit. On the contrary, NSWALC's proposal to acquire the Property is rooted in the idea that the site, which is already a key provider in community programs and services to Aboriginal people, remains a vital part of the Indigenous Estate and continues to operate for the benefit of Indigenous people.

Community Benefits & Consultation

Following on from the comments above, should the Property be successfully acquired by NSWALC, then it would be our aim to manage and potentially develop the site so that any financial returns generated from the Property would be put back into community benefit programs and schemes and would also be used to fund the management and maintenance of the site itself. NSWALC's proposal would see the site experience an uplift in value, not only from a fiscal point of view but also on a social and cultural level too.

NSWALC recognizes the great work that both the ILC and the NCIE service delivery arm have done over the past decade in providing services and programs to Indigenous people, particularly those who are most vulnerable; the youth. We admire the efforts the NCIE service delivery arm has made in ensuring young Aboriginal and Torres Strait Islander children receive quality education through their connections with Pathway Partners and their school based trainee programs. Similarly NSWALC understands the value in providing social enterprise programs which help Indigenous people with their health and long-term wellbeing. We applaud the success of the *Talking About Tobacco Use* program which the NCIE has run in partnership with a number of workplaces and schools as well as the operation of the fitness centre and the provisions made to encourage young Aboriginal people to look after their physical and mental health.

It is for these reasons that a core aspect of NSWALC's acquisition proposal is to ensure that the Property continues to be an asset which gives back to the community and wider Aboriginal community network across NSW and the country. NSWALC hopes that by making this formal acquisition proposal, we can use this process to act as a spring board for community consultation regarding the future of the Property. This consultation process will allow NSWALC to engage with local people and key stakeholders in the Property to ensure that any future plans we make for the Property are in line with the community's views. These conversations will also help us to continue to meet the ever changing and growing needs of the Indigenous population, not just in Redfern but hopefully for all of Australia.

NSWALC's Capability and Shared Values with the ILC

As you may be aware, NSWALC is a self-funding not-for-profit organisation that acts as the peak representative body for Aboriginal Land Rights in NSW. We are constituted under *the Aboriginal Land Rights Act 1983 (NSW)* and our objective is to improve, protect and foster the best interests of Aboriginal persons within NSW. NSWALC is the largest member based Aboriginal organisation in Australia, with a network of 120 Local Aboriginal Land Councils (LALCs) and over 23,000 members. We are the democratically-elected voice to empower all Aboriginal peoples in NSW and we provide strong leadership, support and advocacy for Aboriginal Land Rights and the Aboriginal people of NSW.

One of NSWALC's core functions is to manage and foster the protection and development of Indigenous land in NSW. We do this by actively claiming Crown Land, not just on our own behalf but also on behalf of LALCs, through the legislative framework provided by the ALRA. Furthermore NSWALC also proactively manages a portfolio of 105 properties spread across the state which include a mixed bag of commercial, residential, environmental and industrial land. The locations of these properties range from the heart of metropolitan Sydney, along the East Coast and inland to Central Western NSW. Currently, the combined value of NSWALC's property portfolio is \$36 million. The greater NSWALC land estate is currently worth more than \$2 billion.

NSWALC also works closely with both the NSW and Commonwealth Governments, advocating and lobbying for Land Rights and partnering with the Government to provide social enterprises for the Aboriginal community. Recently in February, the Prime Minister announced in his *2018 Closing the Gap* speech that both levels of Government were partnering with NSWALC to deliver the Western Sydney Indigenous Business and Employment Hub. This Hub will be a one-stop-shop for Indigenous people to access business and employment advice and connect with business and employment support services. The Hub will also provide Indigenous entrepreneurs and job seekers with a single go-to point to discuss their business or employment needs, and be guided to the most appropriate service and advice. During his announcement the Prime Minister said that the Government was excited to partner with NSWALC to ensure that The Hub was designed by and tailored for Indigenous Australians.

I highlight these achievements by NSWALC in the land rights and property arenas so as to demonstrate to you that we have the capability to achieve our vision for the NCIE site. As I mentioned, one of NSWALC's core functions is to promote the development of land for Indigenous people and we would love the opportunity to continue these efforts by acquiring and then maximising the value of the Property.

Similarly I believe that both NSWALC and the ILC share common values with regards to Indigenous land and property. The ILC's key purpose is to *"deliver social, cultural, environmental and economic benefits to Aboriginal and Torres Strait Islander people through land acquisition and land management"*. This purpose is clearly aligned with the goals of NSWALC's current Strategic Plan in which we aim to *"maximise the social, cultural and economic outcomes from our lands"*. Additionally in your ILC Group Corporate Plan 2017 – 2018 you have stated that you are *"committed to considering more commercial development of significant existing assets with a view to supporting their longer term sustainability"* and that you would like to *"manage [the NCIE] to ensure that, over time, its operations become self-supporting, with a progressive reduction in the ILC's operational subsidy"*. By divesting the Property to NSWALC and allowing us to follow through with a vision for future development of the site, both of our organizations can come together to help achieve these goals. We recognize that, through the development and operation of the Property, both the ILC and the NCIE have laid down strong foundations for Indigenous people in Redfern. Now, NSWALC would like to take this opportunity to build upon these foundations and work with the ILC to achieve like-minded goals. The synergies between NSWALC and the ILC are obvious and together we can create an outcome for the Property greater than the sum of our separate efforts.

I also note that, should NSWALC acquire the site, then a component to the Property's continuing viability and sustainability will be confirming that there are steps in place to create an independent NCIE service delivery arm, which operates separately to the site's facilities management. NSWALC may also look to have discussions with the NCIE to ensure that their services are resourced from appropriate program funding streams or revenue raising activities and are no longer dependent upon make-up funding from the ILC fund.

Conditional Acquisition Proposal

Understandably, given the significance of this matter, there are a few conditions for this acquisition proposal that I must highlight. These conditions include:

1. NSWALC's elected Councillors must resolve to approve to acquire the Property under the requirements of the *Aboriginal Land Rights Act 1983 (NSW)*;
2. The ILC must divest the Property and transfer it to NSWALC for nil financial consideration;
3. There needs to be agreeance between both parties (being NSWALC and the ILC) of the terms and conditions of the relevant Deed of Transfer;
4. NSWALC must be allowed to negotiate with all current tenants who currently occupy suites on the site, including the NCIE service delivery arm, to achieve market rental rates (unless otherwise agreed) and to secure new executed and registerable leases;

5. Should any or all of the current tenants not wish to pay market rent then NSWALC reserves the right to terminate current leasing / licensing arrangements and seek new tenants; and

6. The ILC consenting “*in principle*” to NSWALC developing a masterplan for the property.

Should the ILC agree to accept NSWALC’s acquisition proposal for the Property then it would be our intention to commence community consultation as soon as possible. Ideally, we would look to engage a third party to conduct this consultation process and NSWALC would allow for a six week engagement period. As previously mentioned, it is hoped that these conversations with the local Indigenous community, surrounding residents and the relevant stakeholders will help us to determine the future needs and demands of the site. NSWALC would then use this information as well as any further town planning advice that we receive to develop our proposed masterplan for the Property. It is at this point that NSWALC would then return to the ILC Board and present to you our masterplan proposal and seek your input and feedback.

In summary, I sincerely believe that should the ILC choose to divest the Property to NSWALC, then together we can ensure that the site is not only maintained and kept as a key asset in the Indigenous Estate, but we will also be able to look to the future and create a unique and vibrant property for the Aboriginal people of NSW. I thank you for your consideration in this matter and for the opportunity to present this acquisition proposal.

Yours sincerely,



James Christian PSM
Chief Executive Officer
NSW Aboriginal Land Council
Phone: 9689 4445
Email: james.christian@alc.org.au



Australian Government
Indigenous Land Corporation



The ILC GROUP

BOARD BRIEFING PAPER

BOARD MEETING No 225—20 June 2018

DEVELOPMENT OF NCIE DIVESTMENT PLAN

Purpose

To brief the Board on the approach to developing, and the proposed content of, a Divestment Plan for the National Centre of Indigenous Excellence (NCIE).

Recommendation

That the Board:

- 1. Notes the contents of this paper***
- 2. Advises of any further issues that should be addressed in an NCIE Divestment Plan.***

Background

The NCIE is a 1.7 hectare property in Redfern, NSW. The property was purchased by the ILC for \$14,800,000 in 2006, with expenditure of approximately \$31 million of ILC funds to build the Centre.

Under the *Aboriginal and Torres Strait Islander Act (2005)* the ILC has an obligation to divest land it acquires within a “reasonable timeframe”. Since its establishment, the ILC has not developed a detailed Divestment Plan for the NCIE property.

Currently, the ILC subsidises the operations of NCIE Ltd by approximately \$3 million per annum. The ILC Board’s Strategic Intent states that the ILC will work to reduce the annual subsidy of its subsidiaries to provide additional funds to invest in its core mandate.

At its February 2018 meeting, the ILC Board agreed to place the transition of NCIE on hold until a detailed Divestment Plan was developed and endorsed by the Board.

In October 2017, the ILC received an unsolicited request from the New South Wales Aboriginal Land Council (NSWALC) seeking agreement to enter into discussions on the divestment of NCIE to NSWALC. Since that time, NSWALC has completed its own due diligence on the asset. On 15 May 2018, the ILC received correspondence from NSWALC (see [Attachment A](#)) specifically requesting the ILC consider divesting the NCIE property to NSWALC.

The ILC met with NSWALC CEO James Christian on 28 May to discuss the contents of its letter and to outline the ILC’s requirements for divestment. It was made clear to NSWALC that NCIE is

a significant asset in the Indigenous Estate and thus the level of planning and evidence required to achieve a divestment will be higher than that of a standard ILC divestment. NSWALC has agreed to work with the ILC, and NCIE Ltd where necessary, to develop a proposal that meets the ILC's divestment criteria.

Issues

The ILC will work with NSWALC and NCIE Ltd to develop a detailed Divestment Plan for ILC Board endorsement. The Divestment Plan will cover the following issues as a minimum:

Proposed operating model and NSWALC's capability to deliver

The Divestment Plan will articulate the proposed operating model for the asset and must include supporting evidence to demonstrate NSWALC's capacity to deliver that model.

Initial advice suggests NSWALC will seek to operate NCIE as tenancy and facilities manager, much like was initially intended by the ILC when the asset was developed, with specialist service providers delivering their programs and services to the local Indigenous community as tenants of the property.

The ILC will need to impose criteria on the types of organisations that can lease space in NCIE to ensure the continued delivery of Indigenous benefits and to protect the NCIE brand. Lease arrangements with tenants would need to be negotiated and executed as part of an agreed transition of ownership from the ILC to NSWALC.

While NSWALC has significant property management experience and expertise, the ongoing delivery of Indigenous benefits, in line with the ILC statutory mandate, must be at the centre of the proposed operating model.

Financial viability and operating costs

The Divestment Plan will include detailed financial forecasts demonstrating how the proposed operating model will be financial sustainable, without the need for future ILC funding. The operating forecasts will be for a minimum of ten years, with a longer term Asset Management Plan required to identify ongoing repairs, maintenance and sinking fund requirements.

If NSWALC is to operate the asset as a facilities manager/landlord, it must demonstrate how sufficient income (rent) will be generated while retaining service providers that deliver benefits to the local Indigenous community. This will require market valuations of tenancies as well as negotiations with both current and prospective tenants.

NSWALC's correspondence of 15 May 2018 states that it has procured a technical due diligence building report that identifies approximately \$1 million in urgent repairs and maintenance to NCIE facilities. NSWALC provides a commitment to funding and completing these repairs in its correspondence.

Future development of property

NSWALC's proposal states that NSWALC would look to the future of the property and how it could be used for its highest and best use. While the ILC is supportive of a process to consider

future development opportunities, any future development must demonstrate the benefits it will deliver for the local Indigenous community in line with the ILC's mandate.

Community consultation

The Divestment Plan will outline how the ILC, NCIE and NSWALC will consult and interact with community stakeholders to ensure their views have been sought and considered as part of the divestment planning process. The Plan will articulate which stakeholders require consultation, when and how the engagement will take place and who will lead the process.

It is important to note that the ILC is not proposing to present stakeholders with a "blank canvas" regarding divestment, but rather to seek feedback on the key components of NSWALC's proposal for the future ownership, development and management of the property.

In addition to local community stakeholders and service providers, it will be expected that NSWALC engages with relevant Traditional Owner interest groups as well as Local Aboriginal Land Councils (LALCS) in its network, ie, Metro and La Perouse LALCs.

NCIE Ltd

The Divestment Plan must articulate what role NCIE Ltd will play in the operation of the NCIE asset into the future. This will require consultation with the NCIE Board and Executive, but will ultimately be a decision for the ILC Board.

One option is for NSWALC to become the sole member of NCIE Ltd. However, initial advice from NSWALC suggests it is unwilling to take on an entity that requires significant subsidy and one that is a service provider, which is not its core business. At the other end of the spectrum, the ILC could progressively wind up NCIE Ltd, or alternatively look to divest it (the company) to another Indigenous community development/service organisation.

Should the ILC pursue divestment of the property to NSWALC, there will be significant work for the ILC and NCIE Ltd in transitioning to a new operating model or ownership structure, including the employment arrangements for NCIE staff.

Each option will require comprehensive legal and industrial relations advice to ensure NCIE's employees are treated appropriately.

Governance and legal matters

The Divestment Plan will clearly articulate NSWALC's governance structure, functions and obligations under its enabling legislation, the *NSW Aboriginal Land Rights Act (1983)*, including its suitability to receive land from the ILC. It will outline the legal structure of the proposed ownership model, as well as relevant information on NSWALC's policies and procedures, its track record of property ownership and management and its financial security. The Divestment Plan will also describe NSWALC's obligations to represent the interests of its members.

NSWALC finances

The Divestment Plan will provide commentary and analysis on the state of the NSWALC Statutory Investment Fund, and NSWALC's finances in general. In particular, it must provide evidence of NSWALC's financial capacity to deliver on its proposed operating model.

Indigenous benefits

In line with the ILC's KPIs and benefits framework, the Divestment Plan will articulate the proposed Indigenous benefits that will result from divestment of the property to NSWALC.

ILC Deed of Grant of Land conditions

The Divestment Plan will outline the ILC's terms of divestment. That is, those conditions that the ILC will impose on NSWALC to ensure its ownership and use of the property remains in line with the ILC's mandate.

Risk Management and Work Health and Safety (WHS)

The Divestment Plan must outline how NSWALC will manage the WHS obligations associated with owning and managing the NCIE asset. The Divestment Plan will also include a risk management and treatment plan in line with the ILC Risk Management Framework.

Recommendation

That the Board:

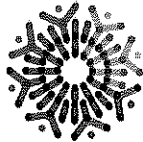
1. Notes the contents of this paper
2. Advises of any further issues that should be addressed in an NCIE Divestment Plan.

TIM LARKIN
Executive Director
Program Delivery

12 June 2018



Australian Government
Indigenous Land Corporation



The ILC GROUP

ILC BOARD MEETING No 225

Wednesday, 20 June 2018

MINUTES

ATTENDANCE:

Mr Edward Fry	Chair
Mr Joseph Elu AO	Deputy Chair
Mr Anthony Ashby	Director
Ms Patricia Crossin (telephone)	Director
Dr Donna Odegaard AM	Director
Mr Bruce Martin	Director

Apology:

Ms Tanya Hosch	Director
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Not attending:

Nil

The following attended all or part of the meeting:

Mr John Maher	ILC Group CEO
Ms Tricia Button	ILC Group Deputy CEO
Mr David Silcock	ILC Group CFO
Mr Tim Larkin	ILC Transition Manager
Mr Craig North	ILC Executive Director Agribusiness
Ms Jodie Stevens	ILC Group Executive Director People and Culture
Mr Barry Petty	Acting ILC Group General Counsel (minute taker)
Mr Mark Seatree	Voyages, CFO
Mr Neville Spry	Gresham, Director
Mr Simon Weller	Gresham, Director
Ms Maria Storti	ILC Audit and Assurance Committee, Chair

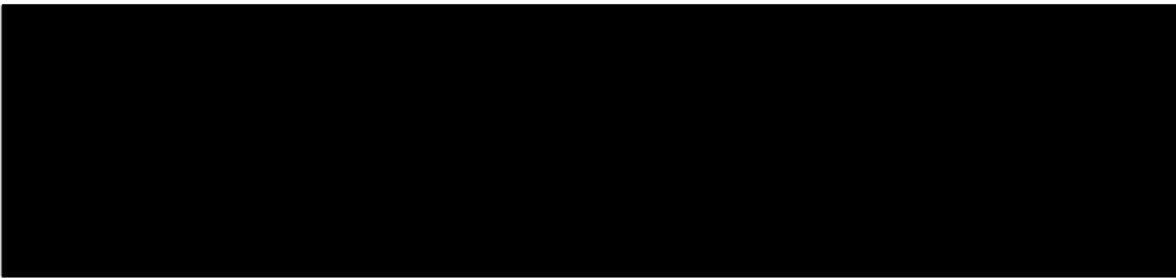
A copy of the agenda is attached.

The Chair welcomed participants and opened the meeting at 9:10am AEST.

1. APOLOGIES/DECLARATIONS

1.1 Apologies/Approved Leave of Absence

No apologies.



7.1 National Centre of Indigenous Excellence

Discussion was held around preparation of the ILC's divestment strategy for the NCIE facility. The Board put that it needed a detailed analysis of the proposed divestment and a complete understanding of the legislative remit and the stakeholder groups of the potential grantee, NSW Aboriginal Land Council (NSWLAC).

When asked by the Board, the Deputy CEO said that the ILC had not gone through a formal expression of interest process to find potential grantees. While the ILC has not been actively searching for potential grantees it is aware of the relevant organisations that operate in the area and could not readily identify a group that provided better indigenous representation, had better capacity to hold the land, and that's legislative mandate was better aligned to the purpose of the NCIE facility.

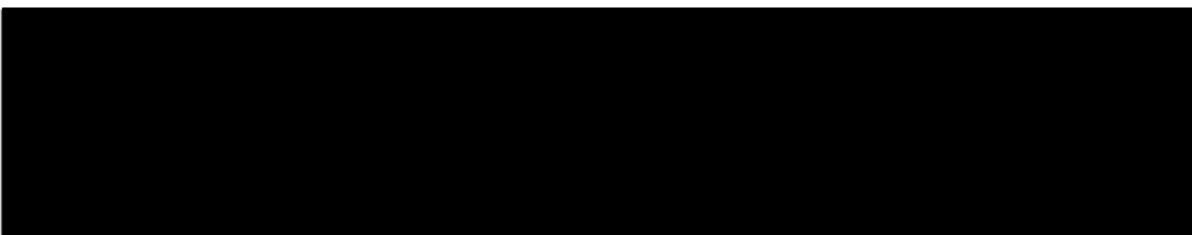
It was mentioned that NSWLAC would potentially be the landholder and also the facility manager. This would have to be factored into the divestment decision, for example the effect that this would have on NCIE staff, the community and the facility itself would have to be considered separately from any due diligence process on NSWLAC.

Director Ashby (a NCIE Director) mentioned that there was frustration from the NCIE Board and staff caused in part from the ILC Board shifting strategy from NCIE integration to divestment in the past 12 months. This has affected morale. There is a need to assess the matter as quickly as possible including undertaking community consultation. Until this is complete, NCIE staff are working in an uncertain environment and there is the potential for loss of key staff.

The Chair said that the ILC was not pro or anti NSWLAC but in any case needed the analysis to be performed and strategy to be completed properly and quickly, and that the ILC could include ILC looking outside of the local area for potential grantees. The Chair also asked that any strategy includes analysis on the implications for NCIE staff and whether any of the existing functions of NCIE can continue post divestment.

Action: prepare a NCIE divestment strategy by the August ILC Board meeting and keep NCIE management informed of the process.

Resolved: the Board notes the content of the paper.






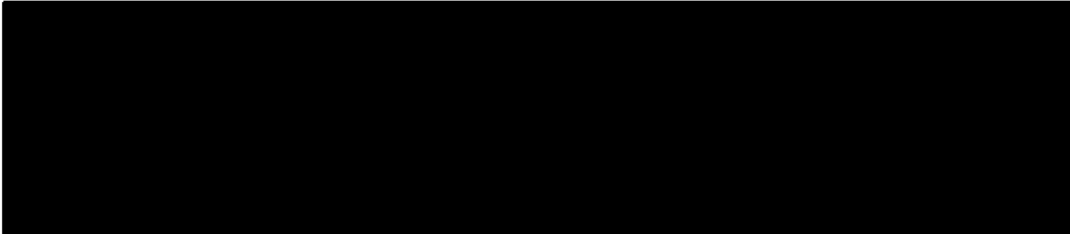
Board-in-Confidence

ILC BOARD MEETING No 225

8.30 am to 4.30 pm
Wednesday, 20 June 2018

Office of Voyages Indigenous Tourism Australia
Level 9
179 Elizabeth Street
SYDNEY NSW

AGENDA

	<i>Discussion Leader</i>
1. Apologies/Declarations 	Chair
2. <i>In Camera</i> Session	Chair
3. Presentation by Director	
4. Minutes of Previous Meetings * * 	Chair
5. Chair's Report	Chair
6. Chief Executive Officer's Report	CEO
7. Transition Implementation (<i>in camera</i>) 7.1 National Centre of Indigenous Excellence * 	PD
8. Strategic Issues * * * 	

9. Governance	GC
* [REDACTED]	
* [REDACTED]	

10. Finance and Corporate Reports	CFO
* [REDACTED]	

11. Land Acquisition, Land Management and Divestments	DCEO
* [REDACTED]	

12. ILC Board Committees	
[REDACTED]	

13. Other Business	Chair
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14. In Camera Session	
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15. Supplementary Reading	
[REDACTED]	

*Decision required

- CEO—Chief Executive Officer (John Maher)
- DCEO—Deputy Chief Executive Officer (Tricia Button)
- GC—Acting General Counsel
- CFO—Group Chief Financial Officer (David Silcock)
- P&C—Group Director, People and Culture (Jodie Stevens)
- PD—Executive Director, Program Delivery (Tim Larkin)
- AG—Executive Director, Agribusiness (Craig North)
- AAC—Chair, Audit and Assurance Committee (Maria Storti)
- WHSC—Chair, Work Health and Safety Committee (Director Crossin)



Australian Government

Indigenous Land and Sea Corporation



The ILSC GROUP

BOARD BRIEFING PAPER

BOARD MEETING No 233—20 February 2019

DIVESTMENT PLAN—NCIE, 180 GEORGE St REDFERN, NSW

Purpose

To brief the Board on the progress of developing the Divestment Plan for the National Centre of Indigenous Excellence (NCIE), Redfern, NSW and to seek feedback on proposed next steps.

Recommendation

That the Board:

- 1. Notes the contents of this paper***
- 2. Provides direction as to its appetite to wind up NCIE Ltd once the NCIE asset has been divested to an Aboriginal and Torres Strait Islander corporation (such as the NSW Aboriginal Land Council).***

Background

The NCIE is a 1.7 hectare property in Redfern, NSW. The property was purchased by the ILSC for \$14,800,000 in 2006, with additional expenditure of approximately \$31 million of ILSC funds to build the Centre.

Under the *Aboriginal and Torres Strait Islander Act (2005)* the ILSC has an obligation to divest land it acquires within a “reasonable timeframe”. Since its establishment, the ILSC has not developed a detailed Divestment Plan for the NCIE property.

Currently, the ILSC subsidises the operations of NCIE Ltd by approximately \$3 million per annum. The ILSC Board’s Strategic Intent states that the ILSC will work to reduce the annual subsidy of its subsidiaries to provide additional funds to invest in its core mandate.

In October 2017, the ILSC received an unsolicited request from the NSW Aboriginal Land Council (NSWALC) seeking agreement to enter into discussions on the divestment of NCIE to NSWALC. In May 2018, the ILSC received correspondence specifically requesting the ILSC consider divesting the NCIE property to NSWALC.

At its June 2018 meeting, the Board endorsed the ILSC to continue to work with NSWALC on the development of a plan based on the approved minimum divestment criteria and issues to be addressed towards divestment of NCIE. Since that time, the ILSC has worked with NSWALC to

facilitate the development of an operating model and enable NSWALC to complete further due diligence.

Issues

NSWALC has developed three potential scenarios that have been modelled to the extent of pre-feasibility only, and for a period of up to ten years.

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

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- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Therefore, the ILSC must come to a decision on its future plans for NCIE Ltd, including on what basis it would continue to hold NCIE Ltd as a subsidiary company post divestment.

[REDACTED]

Therefore, it is ILSC Management’s position that, should a divestment to NSWALC meet divestment criteria, a plan should be developed to gradually wind down NCIE’s operations over an agreed period before it is wound up and its assets distributed in line with its constitution.

Given the significance of this decision, ILSC Management seeks advice from the Board as to its appetite for the position outlined above. If endorsed, the ILSC will develop a plan for the Board’s consideration outlining how a gradual wind down might work.

The Board should also note that terms of reference for a community consultation process have been developed. Again, the question of NCIE Ltd’s future post divestment will be a key issue raised by stakeholders. It will be beneficial for the ILSC to have a clear position of this prior to the consultation process beginning.

Recommendation

That the Board:

1. Notes the contents of this paper
2. Provides direction as to its appetite to wind up NCIE Ltd once the NCIE asset has been divested to an Aboriginal and Torres Strait Islander corporation (such as the NSW Aboriginal Land Council).

Endorsements

Recommended by	Supported
Tricia Stroud Deputy CEO 11 February 2019 <i>In making this recommendation, I declare I have no conflict of interest.</i>	John Maher ILSC Group CEO 11 February 2019 <i>In supporting this recommendation, I declare I have no conflict of interest.</i>

ATTACHMENT A NSWALC Capability Assessment

NSWALC is the State's peak representative body in Aboriginal Affairs working for the return of culturally significant and economically viable land and pursuing cultural, social and economic opportunities for Aboriginal people in NSW. NSWALC's functions under the *Aboriginal Land Rights Act (1983)* (ALRA) provides a mandate to facilitate benefits, in conjunction with a network of Local Aboriginal Land Councils through:

- Land acquisition either by land claim or purchase
- Establishment of commercial enterprises and community benefit schemes to create a sustainable economic base for Aboriginal communities
- Maintenance and enhancement of Aboriginal culture, identity and heritage (including the management of traditional sites and cultural materials within NSW).

Financial Viability and Sustainability of NSWALC

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Suitability to Receive Land from the ILSC

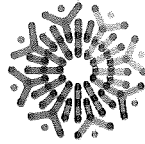
Section 104 of the ALRA confirms that NSWALC is a body corporate and Section 120 makes it clear that all of NSW Aboriginal Land Council's members (ie, councilors) are Indigenous controlled.

The ILSC's enabling legislation states (inter alia) that an ATSI Corporation means a body corporate where "all the members of the body corporate are Aboriginal persons or Torres Strait Islanders, or both".

Therefore, it follows that the NSWALC meets the ILSC's definition of an ATSI corporation and is entitled to receive a grant of land. As a statutory body with significant resources, governance and management experience, NSWALC is considered a highly desirable entity to own and manage the NCIE asset.



Australian Government
Indigenous Land and Sea Corporation



The ILSC GROUP

ILSC BOARD MEETING No 233

Tuesday 19 February to Wednesday 20 February 2019

MINUTES

ATTENDANCE:

Mr Edward Fry	Chair
Mr Joseph Elu AO	Deputy Chair
Mr Anthony Ashby	Director
Ms Patricia Crossin	Director
Dr Donna Odegaard AM	Director
Mr Bruce Martin	Director
Ms Tanya Hosch	Director

Apologies:

Nil

Not attending:

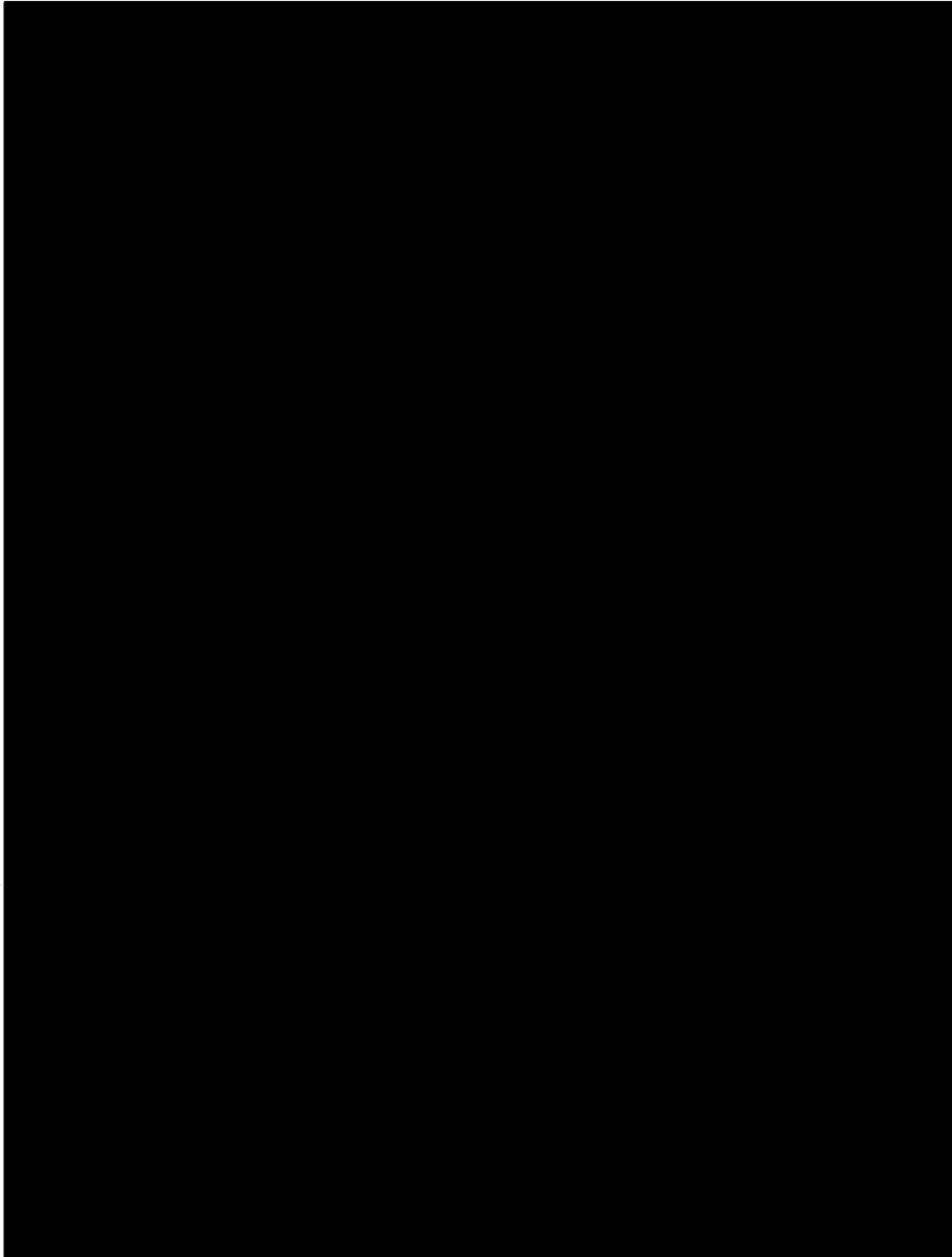
Nil

The following attended all or part of the meeting:

Mr John Maher	ILSC Group CEO
Ms Tricia Stroud	ILSC Group Deputy CEO
Mr Trevor Edmond	ILSC Group General Counsel
Mr David Silcock	ILSC Group CFO
Mr Craig North	ILSC Executive Director Agribusiness
Mr Tim Price	ILSC Group CIO
Mr Tim Larkin	ILSC Integration Project Manager
Ms Jodie Stevens	ILSC Group Director People and Culture
Mr Neville Spry	Gresham, Director
Mr Simon Weller	Gresham Director

A copy of the agenda is attached.

The Chair welcomed Directors and opened the meeting at 8.30 am ACDT on the 19th February having noted a quorum of Directors was present. The Chair noted Director Hosch was an apology at that stage, as she had a prior commitment, but would join the meeting as soon as she could.



3.5 NCIE Divestment

The Deputy CEO talked to the paper and summarised the issues that the Board was being asked to consider. In particular the Deputy CEO noted there was no firm proposal to wind up NCIE Ltd

for the Board to consider, but the Executives were looking for some guidance as to the appetite the Board had on this matter and the possibility of winding up NCIE if certain scenarios are played out.

The Directors discussed the background and history to the acquisition of the property in question and the development of activities on the site.

The Chair noted the significance of the site and the need to ensure at a bare minimum any future title holding body would need to achieve a mandated return and as such any divestment proposal needs to be benchmarked against this. This was noted for future Due Diligence purposes, and it confirmed that the ability to sustain Indigenous Benefits generated from the property is a fundamental part of any business case recommending a decision to grant a property. It was however noted that for equity the ILSC's subsidy to NCIE would be factored into any comparative assessment of Indigenous Benefits currently being achieved (by NCIE) and needing to be sustained by a future THB.

The Deputy CEO restates that while an un-solicited approach has been received from NSWALC, there is still significant due diligence to be undertaken, but if the Board did not want to contemplate the possible disposal and/or winding up of the NCIE operations, that needed to be understood. This being because NSWALC's proposal does not include a continuation of the current NCIE Pty Ltd operations (pool, catering, gym etc) and as such it might be a future consideration for the Board.

The Directors indicated that while they acknowledged properties needed to be divested within a reasonable time, they had no appetite to consider divestment unless and until all due diligence was completed and a final decision to grant was being presented to the Board. The Directors indicated that as NSWALC's proposal (and operating model) was yet to be fully tested through the ILSC's due diligence, turning its mind to the possible implications for NCIE Ltd and whether it had an appetite to wind up the company were premature.

The Directors noted the suggested resolutions but, based upon the discussion resolved as follows:

Resolved:

That at present the Board had no appetite to proceed with a disposal of the NCIE as proposed in the paper presented.



There being no further business, the Chair closed the meeting at 2.50pm ACDT.



Mr Edward Fry
Chair