



Annual Report 2021-22

Indigenous Land and Sea Corporation



Australian Government
Indigenous Land and Sea Corporation



The ILSC GROUP

PEOPLE. COUNTRY. OPPORTUNITY.

Contents

Introduction	2
Part One: Overview	8
Part Two: ILSC Group Performance	17
Part Three: ILSC Group Subsidiaries	70
Part Four: Governance	82
Part Five: People	104
Part Six: Finance	120
Part Seven: Guide to Access	180

Introduction

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.

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

About this Report

September 2022

© COMMONWEALTH OF AUSTRALIA 2022

ISSN 1325 3395

Information about the ILSC can be obtained from:

Indigenous Land and Sea Corporation

GPO Box 652

Adelaide SA 5001

Telephone: (08) 8100 7100 Facsimile: (08) 8180 0489 Email: ilscinfo@ilsc.gov.au

Website: www.ilsc.gov.au

Contact officer: Joe Morrison, ILSC Group CEO

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

Published by the Indigenous Land and Sea Corporation. Printing and graphics by Print Junction, an Indigenous owned and operated company.

Cover photo: Roebuck Plains Station, Yawuru Country WA

With the exception of the Commonwealth Coat of Arms, and where otherwise noted, all material presented in this publication is provided under a <https://creativecommons.org/licenses/by/3.0/au> licence. Relevant licence conditions details are available on the Creative Commons website, as is the <https://creativecommons.org/about/cclicenses> The document must be attributed as the Indigenous Land and Sea Corporation Annual Report 2021-22.

Letter of Transmittal

20 September 2022

The Hon Linda Burney MP
Minister for Indigenous Australians
Parliament House
Canberra ACT 2600

Dear Minister Burney

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 2022.

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 2022 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, appearing to be 'I. Hamm', with a long horizontal stroke extending to the right.

Ian Hamm
ILSC Chair

Foreword from the ILSC Chair

On behalf of the ILSC Board, I am pleased to present the ILSC's 2021-22 Annual Report.

This past year has been characterised by change: a changing of the guard at the ILSC, as many Board Director terms came to an end; a change in federal leadership with the election of the Albanese Government; and a changing organisational profile with progress in exiting from ILSC subsidiaries.

Firstly, we acknowledge the groundwork set by the previous Board, led by Chair Eddie Fry, in providing a strong foundation for continuing our work to return Country to Indigenous Australians and assist Indigenous people to manage their assets and realise their aspirations.

Despite another challenging year for global and national economies, our Annual Performance Statement (page 17) will show that we met, or exceeded, nine of our 10 performance measures. The land and water-based projects that we funded and the Country that we acquired and returned to Indigenous people is contributing to training and employment for Indigenous Australians and is supporting Indigenous businesses and enterprises.

We were exceptionally pleased to further extend our water acquisitions. This has been a focus of our work since the 2019 extension to our legislative remit to include water interests, and this year abalone units and a yabby farm joined our two other water acquisitions (pipi and tuna).

Through our focus on partnerships, we have leveraged \$16.7 million investment into Indigenous-held land and water assets from proponents and external partners – \$13.3 million committed and \$3.4 million pledged – in addition to significant in-kind capability and/or capacity assistance.¹

The move to exit from subsidiary management is also progressing with the divestment of the National Centre of Indigenous Excellence site from our subsidiary portfolio. This year Primary Partners further reduced its operational footprint from eight to seven commercial agribusinesses while Voyages Indigenous Tourism continues efforts to rebuild the value and financial sustainability of Voyages' assets in readiness for future granting.

It is against this strong performance, that I take the opportunity to welcome my fellow Board members: Claire Filson, Kathryn (Kate) Healy, Nigel Browne, Lynette (Gail) Reynolds-Adamson, and Kristy Masella, and continuing member Roy Ah-See. As our profiles will attest (page 85), collectively we hail from regions and cities across Australia and bring decades of experience working with and for Indigenous Australians.

We are honoured to be leading the ILSC and its critical role in partnering with Indigenous Australians to generate economic, cultural, social and environmental capital from the ownership and management of Country.

¹ Inclusive of proponent contribution. Refer to page 56 for analysis.

We are also pleased to enter the ILSC at a time when the new Australian Government is working to actualise the Uluru Statement from the Heart and enshrine a First Nations Voice to Parliament. We look forward to being part of a healthy and informed conversation ahead of the referendum.

Accordingly we extend a warm welcome to the new Minister for Indigenous Australians, the Hon Linda Burney MP, and gives sincere thanks to her predecessor the Hon Ken Wyatt AM. We also acknowledge the appointment of Senator the Hon Malarndirri McCarthy as Assistant Minister for Indigenous Australians and Senator Patrick Dodson as Special Envoy for Reconciliation and the Implementation of the Uluru Statement from the Heart.

The new Board took the reins at about the same time that the ILSC launched its largest ever engagement campaign to gather insight from Aboriginal and Torres Strait Islander peoples on how – as demand for Indigenous-led products and services grows – we will continue to work together, strengthening our role as facilitators and partners in delivering positive outcomes from Country.

By 30 June we had travelled to 27 locations across Country – from Alice Springs to Longreach to Launceston, Kununurra, Shepparton and Coober Pedy – gathering ideas and aspirations from 236 participants. This three-month engagement process will inform the new National Indigenous Land and Sea Strategy, a document that will set new horizons for our Board and inform our performance targets and decision-making.

2021-22 also saw the ILSC strengthen its capacity to operate as a default ‘agent’ Prescribed Body Corporate (PBC). Under specific circumstances, the *Native Title Act 1993* allows for the ILSC to be appointed by the Federal Court to operate as an agent PBC for an initial five-year period or until such time as a PBC is established by native title holders, a role evoked only once since 1993. In July 2022 the ILSC was appointed as an agent PBC for the Birriman-gan native title holders of the Kimberley region, WA.

Borders within and outside Australia largely re-opened in 2021-22 but the impacts of the COVID-19 pandemic and its disruption to the global and national economic and social landscape are now being compounded by the war in Ukraine, climate change and an escalating cost of living. The ILSC again extended its emergency response grants to be available to assist Aboriginal and Torres Strait Islander corporations directly affected by the 2022 east coast floods, and we encourage our Indigenous partners and communities who may be experiencing hardship to reach out to see where we might be able to offer support.

In presenting our Annual Report for the 2021-22 period I extend my thanks, on behalf of all the Board, to our many Indigenous partners who share in our achievements. I also take this opportunity to commend to you our new ‘friendly’ companion to the compliance-based Annual Report where case studies and infographics will showcase how the activities the ILSC supported in 2021-22 are leading to positive change for Indigenous people. Look out for it on our website www.ilsc.gov.au towards the end of 2022.



Ian Hamm, ILSC Chair, October 2022

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:

- > maintaining and growing the value and productivity of Country
- > owning and managing Country sustainably
- > influencing policy and opportunity for Country
- > strengthening 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

Welcome

Welcome to our 2022 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.

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.***

The ILSC works towards this vision 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.

By 'Country' we mean the tangible and intangible aspects of Indigenous Australia collectively held by Indigenous Australians – sometimes referred to as the Indigenous Estate. Physically, this refers to land under Indigenous care and control 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.

Established to partially 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 diverse landscapes and demographics.

Through our activities Indigenous people are generating capital from Country – economic, cultural, social and environmental assets that persist and develop in value over time – providing greater opportunities for a more prosperous and culturally-centred future.

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.

Aligned with our purpose under the ATSI Act 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:

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

The 2021-22 Annual Performance Statement (page 17) shows the ILSC's 2021-22 contribution to our four 'pathways of change' while also reporting against the performance measures in our Corporate Plan and Key Performance Indicators and Deliverables set out in the 2021-22 Portfolio Budget Statements.

Reflecting our ongoing work to transition our approach from activities to outcomes reporting and to renew our connection with community, a 'friendly' companion to the compliance-based Annual Report is being introduced in 2021-22 to showcase the range of changes (outcomes) Indigenous people have experienced as a result of involvement in ILSC projects and activities.

ILSC funding

The ILSC is funded by the Aboriginal and Torres Strait Islander Land and Sea Future Fund. The ILSC received \$55.7 million in 2021-22, equivalent to the legislated annual allocation of \$45 million (in 2010 values). A full account of ILSC finances is provided in Part Six.

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 page 7. 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 of the ILSC's functions and to determine the ILSC's policy with respect to any matter (see section 191W of the ATSI Act). As the governing body (as defined in the PGPA Act) the Board is also the Accountable Authority under the PGPA Act.

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, benefitting 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 seven agribusiness operations (at 30 June 2022), mainly in the north Australian beef industry.

Yamanah Investments Pty Ltd

Established January 2020 as a 12-month pilot program seeking to identify and accelerate ILSC partnership opportunities in the Murray-Darling Basin region of NSW. The program ceased operations in December 2020 and was formally de-registered 14 July 2021.

See Part Three for a full account of 2021-22 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

In 2021-22, the ILSC continued operation of the Real Jobs Program (RJP) in the NT. Funded from the Federal Budget since 2007, the RJP provides up to 130 full time equivalent positions each year for unemployed Indigenous people seeking careers in the land management, tourism and agribusiness sectors. The program provides employment and training opportunities that build individuals' capacity to gain employment in the workforce. At year end, 241 Indigenous people were employed and completed 296 training courses through RJP involvement.

Savanna Fire Management Program, NT

The ILSC manages the Savanna Fire Management Program in the NT 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 seven projects covering a total of 3.9 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 27 participants to undertake training in firefighting, aerial incendiary training and remote sensing technologies; and generated temporary employment for over 68 Indigenous participants. The Program has partnerships with six Indigenous organisations and 12 Indigenous ranger groups to deliver savanna fire management activities, improving access to and management of Country.

The project continues to refine its deliverables: improving fire management at landscape scale, creating regional governance structures and delivering social, cultural and environmental benefits to the communities involved.

Reef Trust Project, Qld

In 2017, the ILSC commenced a gully erosion remediation project on its 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 2021-22, the project employed four Indigenous crew members to undertake on-ground activities.

Other programs and packages

Emergency Response Grants

With the east coast of Australia once more experiencing disastrous flooding, the ILSC again initiated its rapid response natural disaster model, offering emergency grants to any Indigenous corporation whose property was either directly affected by flooding, or to those who were assisting with the immediate recovery and clean-up efforts on Indigenous lands. The ILSC funded 11 eligible applicants; additional detail is provided on page 58.

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 2021-22, the ILSC supported one new project via this funding stream.

Default Prescribed Body Corporate

The ILSC is named as a default Prescribed Body Corporate (PBC) under Regulation 4 of the Native Title (Prescribed Bodies Corporate) Regulations 1999. In May 2021, the ILSC was advised by the Federal Court of Australia of a potential appointment in relation to a Determination of Native Title in Western Australia. Over 2021-22, the ILSC has undertaken significant preparations to enable it to effectively perform the role of an 'agent' PBC. These preparations include the establishment of a PBC Unit within the ILSC's Office of the CEO, the development of a suite of operational guidance and policies to direct the ILSC's implementation of this function, and the provision of tailored PBC induction training to the ILSC Board

The ILSC was appointed as an agent PBC for the Birriman-gan Common Law Holders on 2 July 2022.²

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 – particularly target 15 which aspires to increase Indigenous people's ownership of Australia's land and sea by 15 per cent and, once determined, the proposed inland water target will see the ILSC working in collaboration with agencies to support achievement in this area
- 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 2021-22 (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.

² See the National Native Title Register for further details www.nntt.gov.au

2021-22 focus areas

As set out in the National Indigenous Land and Sea Strategy 2021-23, the ILSC Board continued its focus in 2021-22 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, grant and refurbishment of a property in Adelaide aligns with three focus areas – niche Indigenous products; tourism; and urban investment. This project provides a secure, permanent base for the APY Art Centre Collective's art gallery, studio and office, from which it can explore and develop new markets, increase its income from art and associated business activities, and support innovative and collaborative regional artistic projects.

Conservation and healthy Country

Conservation and healthy Country relates to the management and protection of environmental and cultural heritage, and the development of enterprises based on the delivery or maintenance 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 provide economic benefits in payment for ecosystem services.

In 2021-22, nine new projects aligned with this focus area, and one other with both this and other focus areas. Of these, three – Budj Bim Ranger and Tourism Depot, Murujuga Head Office and QMDCL St George Ranger Base – are acquisition and grants that will provide permanent, secure locations from which to base ranger, tourism and other operations. A fourth project – Diana's Basin – is the acquisition of a coastal bush property in Tasmania for the purpose of managing and protecting its significant environment and cultural heritage values.

The other five are management projects that involve provision of support for an existing ranger program (Jidi Jidi Ranger Program Equipment); development of a philanthropic intermediary organisation to raise funds on behalf of Indigenous ranger groups in remote desert regions (Indigenous Desert Alliance Funding Intermediary); sponsorship for attending the Private Land Conservation Conference (Australian Land Conservation Alliance Conference Sponsorship); assistance to develop a business plan, policy and procedure manual and code of conduct for a carbon industry network (Indigenous Carbon Industry Network); and the development and application of an accredited ecological co-benefits methodology to existing savanna burning projects (APN Co-Benefits Methodology).

In addition, one other new project – Milmerran Camp Site Planning Project – is aligned to both the conservation and healthy Country and tourism focus areas. This project will develop a feasibility plan, business case, concept designs and cost estimates for a conservation park and ecotourism facility.

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 Indigenous people live in urban or large regional centres. Activities supported under this focus area seek to expand the Indigenous physical and cultural footprint in urban and regional areas, providing meeting places, supporting culturally-appropriate service provision, and raising the profile of Indigenous culture in the surrounding community.

In 2021-22 five new projects align with this focus area. These projects will result in the construction of the first stage of a cultural and language centre in the Albany area, WA (Kairli Cultural and Language Centre); construction of an expanded store in Goodooga, NSW, that will provide training and employment to local Indigenous people, as well as improving food security for families in the community (Goodooga Store); refurbishment of three adjoining houses, and installation of solar panels to create accommodation in Newman, WA, for 12 students from remote communities (Martu Student Hostel); preparation of a business case on the relocation of existing culturally-appropriate health and well-being services from multiple sites to new central premises in Moorundi, SA (Moorundi New Premises Planning); and planning activities to inform future sustainable economic development on Indigenous-held land at Hope Vale, Qld (Hope Vale Congress Aboriginal Corporation).

Agribusiness

Seven projects this year focused on developing or enhancing agribusiness operations.

All management projects, they will enable the expansion of pastured egg business (Barossa Valley Pastured Eggs); purchase of equity in Abundance Fresh Farms Pty Ltd for the operation of Baldivis Farm Greenhouse (Abundance Fresh Farms Equity Purchase); development of an alliance to represent Indigenous producers in the bushfoods sector (First Nations Bushfood and Botanical Alliance Australia Business); establishment of a commercial sheep enterprise (Walitj Mia Mia Farm); creation of a wattle seed, medicinal honey and native tree nursery (Yorta Yorta Native Food Diversity Production System); purchase of plant and equipment for tree farm nursery (Boola Boornap Tree Farm Plant and Equipment); and development of a baseline for Indigenous agriculture activity across Australia (Activating the Indigenous Estate for Agriculture Baseline Study).

Tourism

The tourism sector has continued to be impacted by the COVID-19 pandemic and the restrictions on movement and gathering implemented to mitigate its spread into 2021-22. 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.

Four new projects were primarily aligned with the tourism focus area this year, with funding provided to enable development of a campground on the Dampier Peninsula (Djarindjin Campground); installation of interpretive and welcome to Country signage, including explanations of how to engage with Ngurrara Country using culturally respectful protocols (Ngurrara Interpretive Shelter); construction of a new art and culture centre in Tjukurla (Tjarlirli Art Centre Construction); and purchase of a vehicle for a new tourism enterprise offering guided tours from local Indigenous perspectives, based in Bundaberg (Taribelang Bunda Cultural Tours).

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 Indigenous Australians.

In 2021-22 two new projects aligned primarily with this focus area. The ANFAB Think Tank project provides support for Indigenous people to participate in the Australian Native Foods and Botanicals workshop on building the bushfoods industry. The Jinyadii Strategic Planning project supports strategic planning and business development to inform the establishment of a cultural tourism and bushfood venture on the Dampier Peninsula.

Water-based

The ILSC prioritises facilitating partnerships and promoting Indigenous interests to find ways to address barriers to Indigenous participation in water-based industries. It also prioritises investment in water-based projects that show strong potential for delivering economic, social, environmental or cultural benefits to Indigenous Australians.

This year, two new projects align with this focus area. The Dja Dja Wurrung Yabby Farm project involves the acquisition of a freshwater interest – a water licence – as well as the design, construction and establishment of a yabby farm. The yabbies represent the first step in the establishment of a larger food and fibre business, as well as arts, culture and tourism enterprises. The LSACT Abalone Units project involves acquisition of a saltwater interest – an abalone quota – for commercial harvest. This is the first time Aboriginal Tasmanians have been enabled to actively participate in the commercial fisheries sector.

Part Two: ILSC Group Performance

Introductory statement

I, Ian Hamm, as Chairperson of the Board of the Indigenous Land and Sea Corporation (ILSC) (the Accountable Authority) present the 2021-22 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.

A handwritten signature in black ink, appearing to be 'I. Hamm', with a long horizontal stroke extending to the right.

Ian Hamm

Chair

16 September 2022

ILSC Group performance in 2021-22

Welcome to the ILSC's Performance Statement for 2021-22.

This statement provides:

- an overarching summary of 2021-22 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) 2021-22 and the ILSC Corporate Plan 2021-22

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

- there remains some overlap between the ILSC Corporate Plan 2021-22 targets and PBS 2021-22 Key Performance Indicators (KPIs) and Deliverables with work continuing to align these
- baseline results have been provided for some of the Corporate Plan measures where this is the first year of reporting; this is clearly noted in the narrative describing achievements, and targets are expected to be developed during 2022-23, where appropriate.

Additional background on the ILSC Performance Framework and ongoing work occurring within the ILSC to mature and expand the scope of this framework and the impact of this work on the 2021-22 Performance Statement is provided on page 17.

Measures and targets – performance summary

Table 1 sets out a summary of the ILSC's performance against its Corporate Plan and PBS 2021-22 measures and associated targets.

Overall, the ILSC has met (or exceeded) nine of the 10 targets for Deliverables and KPIs set out under the Portfolio Budget Statements 2021-22.

The ILSC is very proud of its progress this year in which we have successfully attained our key acquisition and divestment targets – **Deliverable 1** and **Deliverable 2**. These targets were kept at the same level as 2020-21 to sustain the growth outlook sought by the ILSC Board and achieved despite the continued impacts arising from COVID-19 and other international influences on the global and domestic economy and society. These achievements include the acquisition of eight land-based assets and the return of just over 200 hectares of land, comprising 11 land-based interests, one freshwater interest, and one saltwater interest.

We consider the return of these parts of Country to Indigenous control a great success, demonstrating the effectiveness with which the ILSC adapted its business approach to COVID-19 and other economic disruptions. It also speaks to the resilience, adaptability and capability of Aboriginal and Torres Strait Islander enterprises across Country to respond to emerging challenges while progressing the aspirations of Indigenous Australians.

Targets for KPIs 1 and 2, associated with training and employment outcomes were maintained at 2020-21 levels despite the anticipated impact of COVID-19 on the ability of our partner organisations to generate these outcomes through 'on-ground' activities.

All employment and training targets have been exceeded during 2021-22, as has **KPI 3** for the number of Indigenous enterprises supported by our activities.

KPI 4 and **KPI 5** targets were also both maintained at 2020-21 levels; KPI 4 was the only PBS target not achieved, but KPI 5 was achieved.

KPI 2, KPI 3 and KPI 5 were all exceeded at levels commensurate with pre-COVID-19 achievements.

These excellent results were achieved despite the National Indigenous Centre of Excellence (NCIE) contributing data only to 31 March for KPIs 1b, 2b, and 3. This incompleteness reflects the movement of key personnel and the planned wind-down of services associated with the NCIE's transition to divestment process (page 79). Following review of the data not included in this report, the ILSC considers that the impact is a minor under-reporting of achievement against these KPIs. Based on a forward projection of results to 30 June 2022, the ILSC has concluded that the absence of these figures does not represent a material impact to the completeness and accuracy of performance reporting across the ILSC Group as a whole.

Regarding performance against the eight Corporate Plan measures (Table 1):

- 1 and 2 are cumulative targets intended to track long-term trends relating to acquisitions, grants and interests returned or lost to the Indigenous Estate; these are all on track.
- 3 – the proportion of projects achieving all projected deliverables – has not been achieved against the target of 80 per cent.
- 4 is an aggregate measure of participation in capability building activities intended to complement KPI 2a and 2b; there has been no target set for this measure, but fewer participations were reported overall this year compared with 2020-21.
- 5 reports the proportion of projects that include activities intended to raise the profile of Indigenous culture; this target was significantly exceeded.
- 6 is equivalent to KPI 4 which was not achieved.
- 7 – the proportion of new projects involving establishment of Indigenous Australians in decision-making structures – is new and reported for the first time so the achievement of 16 per cent represents the baseline.
- 8 – a collaboration measure equivalent to KPI 5 – was achieved.

The ILSC is satisfied that its 2021-22 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’.

Throughout the Annual Performance Statement we also align our performance and measures 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

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

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

Outcome/pathway of change	Corporate Plan and PBS targets	2021-22 target	2021-22 actual	Performance summary	Page reference
Indigenous people are growing the value and productivity of Country	Corporate Plan target	280	279	<i>On track</i>	Page 26
	1.By 2025 the ILSC will have acquired 291 and returned 256 land or water-based interests to the Indigenous Estate since inception	230	234	<i>On track</i>	
	PBS targets	8	8	<i>Achieved</i>	Page 26
	Deliverable 1 Properties acquired				
	Deliverable 2 Properties granted	8	13	<i>Achieved</i>	Page 28
	Deliverable 3 Active projects	90	139	<i>Achieved</i>	Page 33
	KPI 1a Indigenous staff directly employed by the ILSC Group	450	515	<i>Achieved</i>	Page 43
	KPI 1b Indigenous employees indirectly employed (enabled through projects)	250	666	<i>Achieved</i>	Page 43
KPI 3 Indigenous enterprises assisted by active ILSC Group projects	60	109	<i>Achieved</i>	Page 50	

Indigenous people are owning and managing Country sustainably	Corporate Plan targets	<12.6%	11.96%	<i>On track</i>	Page 28
	2.The proportion of ILSC granted assets returned to the ILSC and/or lost to the Indigenous Estate is decreasing year on year				
	3.Proportion of projects achieving all projected deliverables	80%	70%	<i>Not achieved</i>	Page 23
	4.The extent of Indigenous participation in and completion of capability building activities related to ownership and/or management of Country and/or enterprise	n/a	2,902	<i>Target to be developed 2022-23</i>	Page 47
	PBS targets	150	194	<i>Achieved</i>	Page 46
KPI 2a					
Indigenous trainees hosted					
KPI 2b	800	1,099	<i>Achieved</i>	Page 46	
Indigenous people training completions					
Indigenous people are preserving and protecting culture through reconnection with Country	Corporate Plan targets	20%	68%	<i>Achieved</i>	Page 52
	5.Proportion of new active projects during 2021-25 that contribute to raising the profile of Indigenous communities and their achievements in the broader community				
	6.Indigenous Australians are supported to:		<i>as per KPI 4</i>		Page 52
	- maintain and/or protect Country - 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				
PBS target KPI 4	50%	42%	<i>Not achieved</i>	Page 52	
Proportion of new projects enhancing Indigenous culture, heritage and the environment					

Indigenous people are driving and influencing policy and opportunity for Country	Corporate Plan target	Baseline	16%	<i>Target to be developed 2022-23</i>	Page 52
	7.The proportion of new projects involving Indigenous people and/ or corporations established in decision-making structures across geography, industry or sector leadership bodies assisted by ILSC				
	8.Extent of formal partnerships and informal collaboration			<i>as per KPI 5</i>	Page 56
	PBS target KPI 5	60%	65%	<i>Achieved</i>	Page 56
Proportion of new projects involving a contribution from third parties					
PBS target KPI 6			Qualitative		Page 57
ILSC Group contribution to the Indigenous Estate					

Value for Money – performance summary

In addition to its PBS and Corporate Plan measures, for the first time in 2021-22, the ILSC is including a quality assured assessment of its performance using the Value for Money (VfM) evaluation methodology.³

The VfM methodology views performance through different lenses – economy, efficiency, effectiveness and equity – which are intended to complement the quantitative measures set out in Table 1. This methodology incorporates consideration of contextual factors associated with project delivery which can either add value to performance, or impact delivery in ways that are out of the control of project proponents, such as COVID-19 travel and meeting restrictions, international conflict and inflation.

This is the second year that the ILSC has collected this information, and future refinement and expansion is expected. Table 2 sets out the results.

Table 2 Assessment of ILSC projects against Value for Money criteria

Criteria	Assessment /definition	Results**
Technical efficiency Are projects meeting expectations considering context?	A. Proportion of active projects* that met or exceeded all projected indicators	70%**
	B. Proportion of active projects# with 'adequate' or better performance rating	88%##
Dynamic efficiency Are proponents actively considering and adapting to change?	Proportion of active projects# with 'adequate' or better performance rating	87%##
Effectiveness Are project activities leading to outcomes?	Proportion of active projects# with 'adequate' or better performance rating	87%##
Equity Are project activities inclusive of different Indigenous beneficiaries?	Proportion of active projects# with 'adequate' or better performance rating	85%##

*Calculated by comparing the value of planned vs achieved values for each project indicator. For unplanned indicators 'zero' planned value is used to compare against achieved value.

Performance ratings represent evaluative judgements of performance made by ILSC project staff against a standard rubric that takes into consideration project and proponent characteristics, reported information and operating context using five standards (not known, poor/at risk, adequate, good, excellent).

** Results from 100 active projects with completed and verified reporting against indicators.

Results from 92 active projects with completed and verified performance assessment ratings.

³ Further detail on the application of the Value for Money Methodology by the ILSC can be found in the National Indigenous Land and Sea Strategy 2021-23: www.ilsc.gov.au/about/ilsc-publications/national-indigenous-land-and-sea-strategy

Efficiency

Technical efficiency relates to whether projects are delivering planned outputs on schedule and on budget. The purpose of this measure is to incorporate ILSC staff evaluative judgements of project performance considering delivery context (Technical efficiency B) as well as assessing whether a project achieved expected outputs (Technical efficiency A). This combination of measures is currently of particular value when considering the impacts of global conflict, inflation and COVID-19.

Results: During 2021-22 70 per cent of projects achieved all expected outputs (Technical efficiency A) and an even higher proportion (88 per cent) have been assessed by ILSC project staff as performing at a standard of 'adequate' or higher when considering the context in which delivery occurred.

Despite being impacted by COVID-19 restrictions on meeting and travel, many Indigenous proponents reported that they were able to pivot their focus to alternative approaches for achieving project objectives to ensure delivery momentum was maintained.

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

Results: This year, 87 per cent of proponents were reported to be planning and adapting to change, with many identifying COVID-19 and climate change as a significant driver for ongoing project adaptation. The majority of these were proactively carrying out 'informal occasional' (52 per cent) or 'formal regular' (26 per cent) project plan reviews to identify lessons, emerging risks or opportunities and to make decisions about adjustments to improve outcomes.

Activities reported included work planning; active development and maintenance of partnerships; development of Indigenous staff retention strategies; the development of governance groups to monitor project performance, and identify issues and solutions; and, importantly, changing project direction in response to changes in operational viability in the current operating context.

Effectiveness

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

Results: This year 87 per cent of projects were considered effective in that activities delivered were reported as bringing about desirable change and progressing towards the achievement of project objectives or outcomes.

Reported outcomes include improved protection from environmental damage through track closure; establishment of forward ranger camp in inaccessible Country; successful diversification and/or expansion of products and services offered by enterprises, frequently as a result of property acquisition; protection of cultural sites through invasive species management; rehabilitation of culturally significant wetland systems; establishment of carbon farming and environmental restoration enterprises; and the establishment of new, more effective partnerships.

Equity

Equity considers who the project is benefitting, and whether efforts are made for the project to be inclusive of as many people as practical, and of different ages, genders and abilities within Indigenous communities across Australia to ensure that project benefits are shared as broadly as possible.

Results: Eighty-five per cent of responses were rated as ‘adequate’ or higher, reflecting that project activities were involving multiple beneficiaries where possible. Of these, 74 per cent indicated that a reasonable proportion of the proponent group (43 per cent) or the majority of the proponent group and/or Indigenous Australians more broadly (31 per cent) were involved and/or benefitting from different project activities.

Collectively, project reporting indicates that project activities are benefitting a broad range of people at varying scales. Groups specifically targeted by project activities include enterprise employees; volunteers; shareholders; corporation members; clients; customers; ranger groups; art workers; artists; cattle workers; community groups; local residents; families; communities; as well Indigenous children, students, and people of all ages and genders at local, regional, state and national scales.

Economy

Economy is broadly defined by the ILSC as good stewardship of resources: choosing the right investments. Assessment of *Economy* is currently limited to reflecting on the effectiveness of the ILSC’s selection processes for *Our Country Our Future* funding, which aims to identify projects for funding that represent the best use of resources. This is done by carefully considering the opportunity, likely outcomes, deliverability, viability and cost of a project as well as the opportunity cost of funding projects that are unsuccessful.

In future, assessment of *Economy* will be expanded to consider the ILSC’s internal corporate practices for human and financial resources management, probity and transparency. At this stage, specific criteria, standards and complementary measures for the *Economy* lens will also be developed.

Results: Although criteria and standards are still to be developed, the results reported above for Efficiency, Effectiveness and Equity are very positive indications that the ILSC is achieving very good Economy, in that the right projects are being selected for investment. From an ILSC perspective, funded proponents are performing very well in managing projects effectively and dynamically; projects are progressing towards the attainment of desirable outcomes; and project benefits are being shared across different Indigenous beneficiaries and at varying scales.

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 outcome/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 3 Performance against Deliverable 1 Interests in land and water/waters acquired

Performance target	Definition	2020-21 targets	2020-21 achieved	2021-22 targets	2021-22 achieved
PBS Target Deliverable 1	Interests in land and water/waters acquired	7	6	8	8
Corporate Plan target	By 2025, the ILSC will have acquired 291 land or water-based interests on behalf of Indigenous corporations since inception	272	271	280	279

Analysis

The target for Deliverable 1 was achieved in 2021-22 (Table 3) with the acquisition of eight locations against a target of eight. The eight acquisitions that have seen Country returned to Indigenous control include six land-based interests covering just over 200 hectares; one saltwater interest – an abalone harvesting quota – and one freshwater interest – a water licence. Note that one of these locations – Bunya Camp – was acquired and granted in 2020-21 but not reported then due to settlement delays arising from the vendor being placed into administration. The situation has since been resolved and settlement finalised, so it has been included in reporting for 2021-22.

The ILSC increased its acquisition target for 2021-22 which reflects the growth outlook pursued by the ILSC Board over recent years. Despite the context of the ongoing COVID-19 pandemic and other global influences resulting in economic impacts, and the numerous complex and time-consuming transactions required with multiple stakeholders where the ILSC is not in control of all elements, the ILSC considers that the achievement of eight acquisitions represents a highly successful year of engagement with the Indigenous Estate. It also demonstrates the robustness of ILSC program processes and the resilience and capability of Indigenous corporations to pursue outcomes despite significant disruption.

Achievement against the cumulative Corporate Plan target in Table 3 identifies that 279 acquisitions have been acquired since inception; although this is one less than expected for 2021-22, the ILSC is on track to achieve the target over the long-term.

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 4 provides an overview of each acquisition completed during 2021-22.

Table 4 Interests in land and water acquired, 2021-22

Property name	Location	Size (ha)	Date acquired	Acquired to:
Bunya Camp*	Bunya Mountains Qld	0.76	21.05.2021	Provide for an administration hub and base for core land management and tourism operations; to grow and maintain a continuous Aboriginal presence on the mountain; and to enable improved business efficiency, increased safety, and strengthened protection, use and management of the location's significant environmental and cultural values
Diana's Basin	St Helens Tas	197.1	17.08.2021	Return the first land to Aboriginal ownership in the north-east of Tasmania, enabling preservation of the coastal bush property's significant biodiversity values; and reconnecting the community with culturally and environmentally significant Country and to the delivery of emotional, social and cultural well-being programs and community events
QMDCL St George Ranger Base	St George Qld	0.45	21.12.2021	Provide a central and permanent base to expand and improve the efficiency and resilience of the regional property's existing land and water management business in a location where Aboriginal people have not enjoyed fair opportunities to derive benefit from Country
APY Art Centre Collective gallery and studio	Thebarton SA	0.20	01.03.2022	Provide permanent, urban headquarters for an existing gallery, studio and office which is also expected to position the organisation to deliver significant and sustainable economic, social and cultural returns to artists and the broader community over the long-term
Budj Bim Ranger and Tourism Depot	Portland Vic	0.60	01.05.2022	Provide a permanent base for a tourism visitor centre previously leasing the land and a depot to house machinery and equipment required for ranger services; ownership will enable confident investment in property improvements, improve efficiency and productivity of the existing operations, and enable future expansion into complementary enterprises such as a café and nursery

LSACT Abalone Units	Hobart Tas	n/a (saltwater interest)	17.05.2022	Enable the commercial harvest of abalone to generate revenue and create employment outcomes, in what is the first time Aboriginal Tasmanians have been enabled to actively participate in the commercial fisheries sector via formal recognition from the Tasmanian Government
Dja Dja Wurrung Yabby Farm Water Licence	Greater Goulburn Vic	n/a (freshwater interest)	31.05.2022	Support the creation of a yabby farm, establishing yabbies as a key gateway product for a food and fibre business (to be established) which will provide employment and training opportunities, host cultural events and run commercial operations that align with traditional and cultural links
Murujuga Head Office	Burrup WA	1.11	17.06.2022	Provide headquarters and a new base for existing land management operations, bringing certainty and enhanced capacity for delivery of a ranger program and cultural awareness training

* Bunya Camp was acquired in 2020-21 but was not reported due to delays arising from liquidation of the vendor.

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 5 Deliverable 2 Interests in land and water/waters granted

Performance target	Definition	2020-21 targets	2020-21 achieved	2021-22 targets	2021-22 achieved
PBS target Deliverable 2	Interests in land and water/waters granted	8	7	8	13
Corporate Plan targets	By 2025 the ILSC will have returned 256 land or water-based interests to the Indigenous Estate since inception	222	221	230	234
	The proportion of ILSC granted assets returned to the ILSC and/or lost from the Indigenous Estate is decreasing year on year*	<12.6%	12.6%	<12.6%	11.96%

* Total losses/acquisitions 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 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, and/or securing/expanding the delivery of culturally safe services.

The target to grant eight land or water-based interests for Deliverable 2 was significantly exceeded this year (Table 5). Of the 13 grants achieved, eight were acquired and granted simultaneously.⁴

One of these was a saltwater interest (abalone quota), one was a freshwater interest (water licence) and the remaining 11 were interests in land, encompassing just over 200 hectares, and were valued collectively at just under \$45 million.

As with Deliverable 1, the achievement of 13 grants in a period so significantly impacted by COVID-19 and other global economic influences reflects the effectiveness of the ILSC's processes and partnership approach and the impressive resilience of Indigenous corporations in continuing delivery of key outcomes.

Achievement against Corporate Plan measures relating to the proportion of acquired interests (Table 3) compared with granted interests (Table 5) identifies that 234 of the 279 properties acquired since the ILSC's inception have been granted (just under 84 per cent), representing a three per cent improvement from the 2020-21 achievement of 81 per cent, so the cumulative target remains on track.

The second Corporate Plan measure in Table 5 tracks the proportion of granted assets returned to the ILSC and/or lost from the Indigenous Estate since ILSC inception. During the 2021-22 year, zero properties were re-acquired by the ILSC and zero were lost from the Indigenous Estate. This calculates as an overall total of 11.96 per cent, an improvement from the 12.6 per cent calculated in 2020-21, so the cumulative target remains on track.

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 that the property is not at risk of being lost to Indigenous control. Where a landholding group experiences difficulties in maintaining their land or water holdings, the ILSC may move to reacquire the land or water asset to prevent it being lost to Indigenous care and control. The ILSC may then seek to grant the asset to an alternative group in due course. This is consistent with the requirements of the ATSI Act that the ILSC grant all acquired rights and interests and ensuring that beneficial outcomes can be delivered to Indigenous Australians through the care, use and management of the asset. Table 6 provides more information on each of the interests granted.

⁴ These acquisitions were achieved via a Grant of Monies to the new titleholding entity, enabling their direct acquisition of the relevant asset.

Table 6 Interests in land and water granted, 2021–22

Property name	Location	Size (ha)	Date granted	Title-holding body
Bunya Camp*	Bunya Mountains Qld	0.76	21.05.2021	Bunya Peoples' Aboriginal Corporation
Diana's Basin	St Helens Tas	197.1	17.08.2021	Tasmanian Aboriginal Corporation
88 Renwick St	Redfern NSW	0.02	06.09.2021	Aboriginal Dance Theatre Redfern
CRAC 31 Taylor St	Coen Qld	0.10	27.09.2021	Coen Regional Aboriginal Corporation
CRAC 7 Shepherd St	Coen Qld	0.20	27.09.2021	Coen Regional Aboriginal Corporation
Ground Floor Black Theatre Site	Redfern NSW	0.10	27.09.2021	Tribal Warrior Aboriginal Corporation
QMDCL St George Ranger Base	St George Qld	0.45	21.12.2021	Queensland Murray-Darling Catchment Limited
APY Art Centre Collective gallery and studio	Thebarton SA	0.20	01.03.2022	APY Art Centre Collective Aboriginal Corporation
Budj Bim Ranger and Tourism Depot	Portland Vic	0.60	01.05.2022	Winda Mara Aboriginal Corporation
LSACT Abalone Units	Hobart Tas	n/a (saltwater interest)	17.05.2022	Land and Sea Aboriginal Corporation Tasmania
Dja Dja Wurrung Yabby Farm Water Licence	Greater Goulburn Vic	n/a (freshwater interest)	31.05.2022	Dja Dja Wurrung Clans Aboriginal Corporation
Murujuga Head Office	Burrup WA	1.11	17.06.2022	Murujuga Aboriginal Corporation
National Centre for Indigenous Excellence	Redfern NSW	1.65	30.06.2022	New South Wales Aboriginal Land Council

* Bunya Camp was acquired in 2020–21 but was not reported due to delays arising from liquidation of the vendor.

Additional grants of interests in land and water approved but not completed in 2021-22

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. 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.

In total, four projects are well progressed along this divestment pathway but have experienced delays in completion of the grant process (Table 7). One of these was approved for grant in 2019-20; one in 2020-21; and two in 2021-22 by the ILSC Board; and all have been carried into 2022-23 due to delays. The ILSC is actively working with the future title holders for these properties to assure a transfer within the 2022-23 period.

Table 7 Properties approved for grant and awaiting transfer

Property name	Location	Size (ha)	Board approval date	Prospective Title-holding Body
Old Pooncarie	Pooncarie NSW	249.30	August 2019 (delayed – carried into 2022-23)	Barkandji Native Title Group Aboriginal Corporation
Panatana	Budehaven Tas	234.88	August 2020 (delayed – carried into 2022-23)	Six Rivers Aboriginal Corporation
Black Theatre Site, First Floor	Redfern NSW	0.10	July 2021 (delayed – carried into 2022-23)	New South Wales Indigenous Chamber of Commerce
Sister Kate’s Health and Well-being Centre	Queens Park WA	2.07	June 2022 (carried into 2022-23)	Sister Kate’s Home Kids Aboriginal Corporation

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 section 191S of the ATSI Act, as well as interests in properties transferred to the ILSC from organisations such as the former Aboriginal and Torres Strait Islander Commission.

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.

In 2021-22 two consents were approved (Table 8); one to remove the caveat to allow for private sale to recover rate arrears, and the second provided administrative consent to right of carriage way.

Table 8 Approved requests from Indigenous landholders

Group	State	Request
Bonalbo Aboriginal Corporation	NSW	Approval to remove caveat for private sale
Nari Nari Tribal Council	NSW	Consent for right of carriage way

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 9 Deliverable 3 Number of active acquisition and management projects

Performance target	Definition	2020-21 targets	2020-21 achieved	2021-22 targets	2021-22 achieved
PBS target Deliverable 3	Number of active acquisition and management projects	100	216	90	139

Table 10 Total active projects for 2021-22 by ILSC Group (by program/subsidiary)

Type of project	Number
<i>Our Country Our Future</i> projects	116
Projects managed by Voyages	2
Projects managed by National Centre of Indigenous Excellence	1
Projects initiated by ILSC Agribusiness*	20
Total	139

* Includes projects of the ILSC's subsidiary entity, Primary Partners Pty Ltd and those initiated by the ILSC's former Agribusiness Investment program which is now managed within ILSC Program Delivery.

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.

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 9 shows that the ILSC Group significantly exceeded its target of 90 for Deliverable 3 with 139 active projects in 2021-22; of these 31 projects commenced in 2021-22 and 108 projects continued from previous years.

As previously identified, the ILSC considers that this reported figure likely continues to slightly overstate the number of active projects for the 2021-22 period. The figure is the result of a systematised report, drawn from Sensei I⁵ – the ILSC's 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.

Significant progress has been made during 2021-22 to improve the processes related to identification and closure of projects, and additional systematised approaches are being developed to further expedite this process. The ILSC expects to continue to report a significantly lower achievement figure against this target in the next reporting period.

Table 10 provides more detailed information on contributions by the ILSC and its subsidiaries towards Deliverable 3.

At the end of 30 June 2022, there were 36 *Our Country Our Future* proposals under active assessment, estimated at \$33 million. Twelve of these proposals are acquisition projects worth an estimated \$9 million and 24 are management proposals worth an estimated \$24 million.

Table 11 (A-D) sets out more detailed information about each of the new land acquisition and land management projects approved for funding in 2021-22, noting those projects with ILSC funding of \$100,000 or more, and/or where funding has been carried over to 2022-23. New acquisition projects are also highlighted, and details of project partners are provided where relevant.

⁵ For more detail on the ILSC's project management system transition refer to page 69.

ILSC Group projects in 2021-22 Northern region

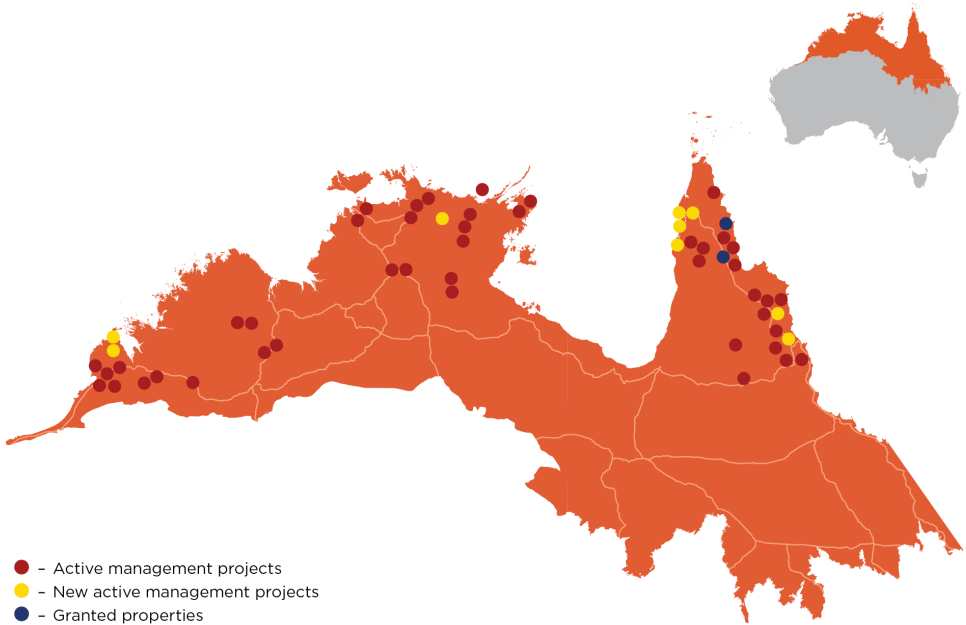


Table 11A ILSC funded acquisition and management projects commencing ‘active’ status in 2021-22, Northern region

Project name, proponent, location and partners	Description
<p>Project Name Djarindjin Campground^s</p> <p>Proponent Djarindjin Aboriginal Corporation</p> <p>State WA</p> <p>Partner Western Australian Indigenous Tourism Operators Council Association Inc</p>	<p>Redevelopment of Djarindjin Junction Campground on WA’s northern Dampier Peninsula</p>
<p>Project Name Indigenous Carbon Industry Network – Strategic Planning and Business Development^s</p> <p>Proponent Indigenous Carbon Industry Network</p> <p>State Multi State</p> <p>Partner Warddeken Land Management Limited</p>	<p>Development of business plan, policy and procedure manual, and code of conduct for members to improve capacity and capability of this recently incorporated organisation</p>

<p>Project Name Jinyadii Strategic Planning</p> <p>Proponent Jinyadii Aboriginal Corporation</p> <p>State WA</p>	<p>Strategic planning and business development support to establish cultural tourism and bushfood ventures</p>
<p>Project Name Hope Vale Congress Aboriginal Corporation RNTBC Planning Project</p> <p>Proponent Hope Vale Congress Aboriginal Corporation RNTBC</p> <p>State Qld</p>	<p>Economic development planning on Aboriginal land that will leverage local commercial opportunities through enterprise development to meet increased local demand for services</p>
<p>Project Name APN Co-Benefits Methodology[§]</p> <p>Proponent Aak Puul Ngantam t/a APN Cape York</p> <p>State Qld</p> <p>Partner North Australia Indigenous Land and Sea Management Alliance</p>	<p>Establish and apply a new Australian accredited ecological co-benefits methodology to existing savanna burning projects</p>

[§] ILSC funding of \$100,000 or more

ILSC Group projects in 2021-22 South-West Australia region

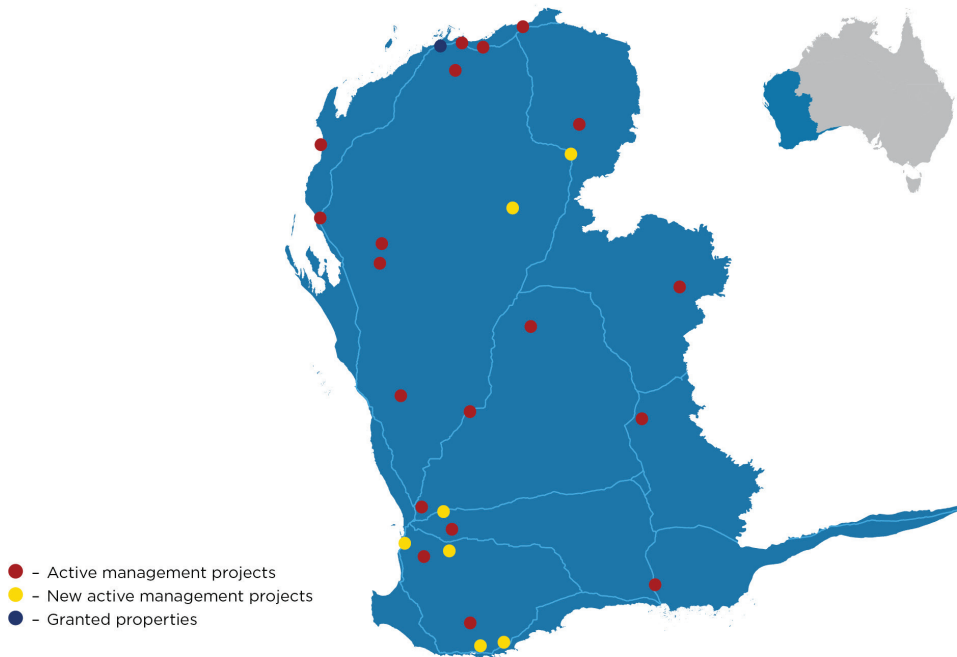


Table 11B ILSC funded acquisition and management projects commencing 'active' status in 2021-22, South-West region

Project name, proponent, location and partners	Description
<p>Project Name Murujuga Head Office^{S#}</p> <p>Proponent Murujuga Aboriginal Corporation</p> <p>State WA</p> <p>Partner Schlumberger Australia Pty Ltd</p>	<p>Purchase, refurbish and develop property infrastructure to support permanent headquarters and base for ranger group</p>
<p>Project Name Kairli Cultural and Language Centre^{S*}</p> <p>Proponent Southern Aboriginal Corporation</p> <p>State WA</p>	<p>Contribute to construction of the first stage of a cultural and language centre</p>
<p>Project Name Abundance Fresh Farms Equity Purchase</p> <p>Proponent The Aboriginal Housing Recovery Centre Limited</p> <p>State WA</p>	<p>Loan for the purchase of equity in Abundance Fresh Farms for the operation of Baldivis Farm Greenhouse</p>

<p>Project Name Walitj Mia Mia Farm[§]</p> <p>Proponent Walitj Mia Mia Aboriginal Corporation</p> <p>State WA</p>	<p>Establish a commercial sheep enterprise to improve productivity and efficiency, with increased profits to be reinvested into community</p>
<p>Project Name Jidi Jidi Ranger Program Equipment</p> <p>Proponent Jidi Jidi Aboriginal Corporation RNTBC</p> <p>State WA</p> <p>Partner Department of Biodiversity Conservation and Attractions</p>	<p>Support for ranger program activities</p>
<p>Project Name Boola Boornap Tree Farm Plant and Equipment[§]</p> <p>Proponent Noongar Land Enterprise Group Incorporated</p> <p>State WA</p> <p>Partners Allens; Commonland Foundation; COmON Foundation; Department of Regional Development, Agriculture and Food</p>	<p>Plant and equipment for existing tree farm nursery</p>
<p>Project Name Martu Student Hostel[§]</p> <p>Proponent Western Desert Lands Aboriginal Corporation (Jamukurnu-Yapalikunu) RNTBC</p> <p>State WA</p> <p>Partners Department of Primary Industries and Regional Development; Pilbara Development Commission</p>	<p>Refurbish three adjoining houses to establish student hostel for remote students to participate in secondary education</p>
<p>Project Name Indigenous Desert Alliance Funding Intermediary</p> <p>Proponent Indigenous Desert Alliance</p> <p>State Multi State</p>	<p>Creation of a philanthropic intermediary organisation for Australia's deserts to assist with raising funds for Indigenous ranger groups</p>

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

ILSC Group projects in 2021-22 South-East Australia region

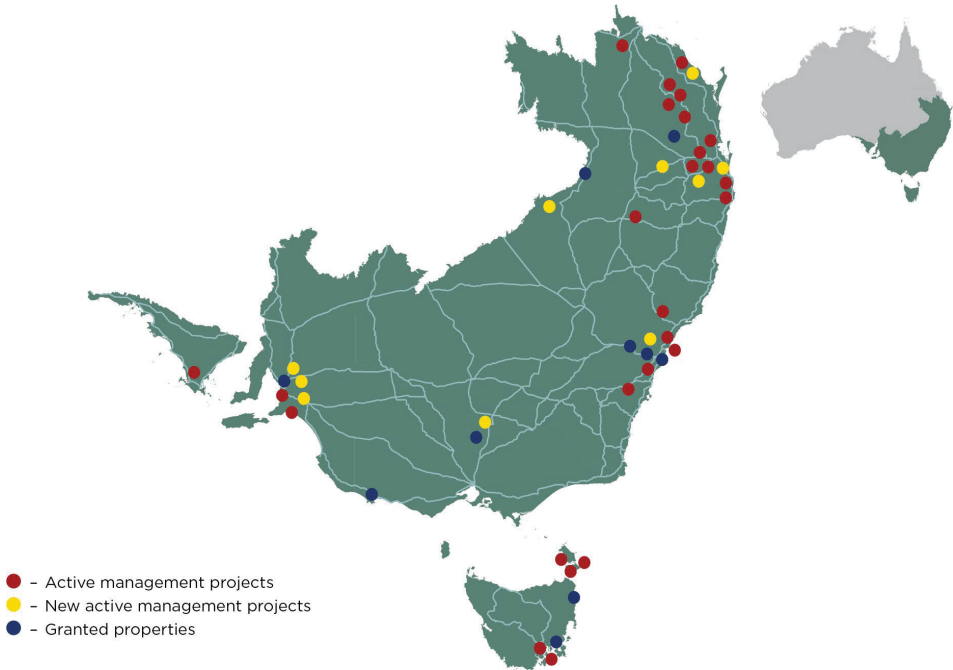


Table 11C ILSC funded acquisition and management projects commencing 'active' status in 2021-22, South-East region

Project name, proponent, location and partners	Description
<p>Project Name LSACT Abalone Units^{§#}</p> <p>Proponent Land and Sea Aboriginal Corporation Tasmania</p> <p>State Tas</p> <p>Partner Government of Tasmania</p>	<p>Acquisition and management of abalone quota for commercial harvesting operation</p>
<p>Project Name Bunya Peoples' Aboriginal Corporation^{§#}</p> <p>Proponent Bunya Peoples' Aboriginal Corporation</p> <p>State Qld</p>	<p>Acquisition and refurbishment of Camp Bunya to establish a base for core land management and tourism operations</p>

<p>Project Name Dja Dja Wurrung Yabby Farm^{##}</p> <p>Proponent Dja Dja Wurrung Clans Aboriginal Corporation</p> <p>State Vic</p> <p>Partner Dja Dja Wurrung Enterprises Pty Ltd</p>	<p>Purchase of water licence; and the design, construction and establishment of a commercial yabby farm</p>
<p>Project Name Diana's Basin^{##}</p> <p>Proponent Tasmanian Aboriginal Corporation</p> <p>State Tas</p> <p>Partner Tasmanian Land Conservancy</p>	<p>Acquisition of coastal bush property with significant environmental and cultural values</p>
<p>Project Name QMDCL St George Ranger Base^{##}</p> <p>Proponent Queensland Murray-Darling Catchment Limited</p> <p>State Qld</p>	<p>Purchase and refurbishment of property as permanent base for ranger program</p>
<p>Project Name APY Art Centre Collective Gallery and Studio^{##}</p> <p>Proponent APY Art Centre Collective Aboriginal Corporation</p> <p>State SA</p>	<p>Purchase and refurbishment of property as permanent location for art gallery, studio and office</p>
<p>Project Name Budj Bim Ranger and Tourism Depot^{##}</p> <p>Proponent Winda Mara Aboriginal Corporation</p> <p>State Vic</p>	<p>Purchase of property for permanent location for ranger and tourism operations</p>
<p>Project Name Barossa Valley Pastured Eggs Agribusiness Support[§]</p> <p>Proponent Riverside Farm Barossa Pty Ltd</p> <p>State SA</p>	<p>Support for expansion of existing pastured egg business</p>
<p>Project Name First Nations Bushfood and Botanical Alliance Australia Business[§]</p> <p>Proponent First Nations Bushfood & Botanical Alliances Australia Ltd</p> <p>State Qld</p>	<p>Support for alliance representing Indigenous producers in the bushfood sector</p>
<p>Project Name Goodooga Store[§]</p> <p>Proponent New South Wales Aboriginal Land Council; North West Land Corporation Pty Ltd; ATF North West Land Trust</p> <p>State NSW</p> <p>Partner National Indigenous Australians Agency; Outback Stores; Regional Enterprise Development Institute Ltd</p>	<p>Site preparation and store construction on Indigenous-held land</p>

<p>Project Name Yorta Yorta Native Food Diversity Production System[§]</p> <p>Proponent Yorta Yorta Nations Aboriginal Corporation Inc</p> <p>State NSW</p> <p>Partner Gather By</p>	<p>Creation of a wattle seed, medicinal honey and native tree nursery, backed by capability partners</p>
<p>Project Name ANFAB Think Tank</p> <p>Proponent Australian Native Food and Botanicals</p> <p>State Qld</p>	<p>Support for Indigenous representatives to participate in the Australian Native Foods and Botanicals workshop on building the bushfood sector</p>
<p>Project Name Moorundi New Premises Planning Murray Bridge</p> <p>Proponent Moorundi Aboriginal Community Controlled Health Service Ltd</p> <p>State SA</p>	<p>Develop business case to support relocation to new premises, to address inefficiencies and other challenges</p>
<p>Project Name Milmerran Camp Site Planning Project</p> <p>Proponent Bigambul Native Title Aboriginal Corporation</p> <p>State Qld</p> <p>Partners QGC Pty Ltd; Traditional Owners Transition Ventures Pty Ltd t/as Impact 250</p>	<p>Support development of a business case and masterplan, and associated stakeholder engagement, for a proposed conservation park and eco-tourism facility</p>
<p>Project Name Australian Land Conservation Alliance Conference Sponsorship</p> <p>Proponent Australian Land Conservation Alliance</p> <p>State Multi State</p>	<p>Sponsorship for Indigenous participants to attend the 2022 Private Land Conservation Conference run by the Australian Land Conservation Alliance</p>
<p>Project Name Activating the Indigenous Estate for Agriculture Baseline Study</p> <p>Proponent Indigenous Land and Sea Corporation</p> <p>State Multi State</p> <p>Partners Australia National University; Cooperative Research Centre for Developing Northern Australia; Department of Agriculture Water and Environment</p>	<p>Develop baseline information on Indigenous agriculture activity across Australia, develop scenarios and identify future opportunities</p>
<p>Project Name Taribelang Bunda Cultural Tours*</p> <p>Proponent Taribelang Aboriginal Corporation</p> <p>State Qld</p> <p>Partner National Indigenous Australians Agency</p>	<p>Vehicle purchased for new tourism start-up that offers guided tours from local Indigenous perspectives</p>

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

ILSC Group projects in 2021-22 Australian Desert region

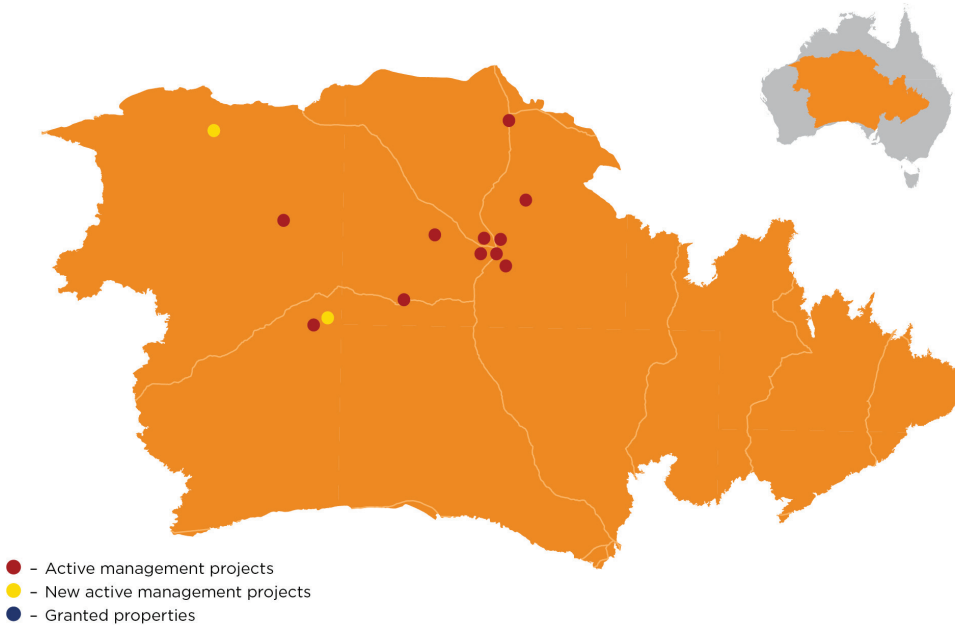


Table 11D ILSC funded acquisition and management projects commencing ‘active’ status in 2021-22, Desert region

Project name, proponent, location and partners	Description
<p>Project Name Ngurrara Interpretative Shelter and Signage*</p> <p>Proponent Yanunijarra Aboriginal Corporation RNTBC</p> <p>State WA</p> <p>Partner National Indigenous Australians Agency</p>	<p>Construct cultural interpretive shelter and signage to inform and educate visitors about culture and Country, and how to engage using respectful cultural protocols</p>
<p>Project Name Tjarlirli Art Centre Construction[§]*</p> <p>Proponent Tjarlirli Art Indigenous Corporation</p> <p>State WA</p> <p>Partners Indigenous Visual Arts Industry Support; Lotterywest</p>	<p>Construction of purpose-built art centre to provide critical infrastructure to secure the future of the existing enterprise, and improve well-being</p>

[§] ILSC funding of \$100,000 or more * 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 outcome/pathways of change:

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

The ILSC reports achievement (Table 12) against two employment categories:

- *Direct*: employment that is directly funded by the ILSC.
- *Enabled*: 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 1a⁶. Further information about employment for the ILSC and each of its subsidiaries is provided in Part Three and Part Five 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 12 KPI 1 Indigenous employment

Performance target	Definition	2020-21 targets	2020-21 achieved	2021-22 targets	2021-22 achieved
PBS target KPI 1a	Indigenous employment – direct	450	578	450	515
PBS target KPI 1b	Indigenous employment – enabled	250	353	250	666

⁶ ‘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.

Analysis

During 2021-22, both KPI 1a and KPI 1b were significantly exceeded (Table 12). This is particularly impressive considering the ongoing impacts of COVID-19 and other global economic influences on overall economic activity, travel restrictions and changed working arrangements.

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 Three and Part Five of the Annual Report.

ILSC

The ILSC directly employs Indigenous staff for its program delivery and corporate sections. In 2021-22, the ILSC employed 26 Indigenous people over the year (flow data) (2020-21: 28 Indigenous people).

At 30 June 2022 the proportion of Indigenous employees within the ILSC was 18.3 per cent (2020-21: 19 per cent).

Primary Partners

Primary Partners aims to increase Indigenous people representation at all levels and support the progression of aspiring Indigenous workers.

During 2021-22, Primary Partners employed 109 Indigenous people (flow data) who were fulfilling roles across that part of the business. This is a significant decrease from 152 in 2020-21 and is consistent with the ILSC's reduction in its property holdings as it transitions away from being a direct manager of agribusinesses on Indigenous-held land.

At 30 June 2022 the proportion of Indigenous employees within Primary Partners was 64 per cent (2020-21: 67.2 per cent).

Voyages

This year Voyages employed 338 (flow data) Indigenous people who were fulfilling roles across Voyages' two tourism properties and the corporate office in Sydney. This is a slight increase from 332 Indigenous people employed during 2020-21 and is consistent with a gradual recovery from the impacts of the COVID-19 pandemic on Voyages' operations.

At 30 June 2022, 270 Indigenous people (head count) were employed by Voyages (2020-21: 291 Indigenous people) and the proportion of Indigenous employees was 32.7 per cent (2020-21: 38.6 per cent).

Ayers Rock Resort provided the greatest number of opportunities with its 217 Indigenous employees representing 32 per cent of the Resort's workforce (2020-21: 252 Indigenous employees; 40.9 per cent).

Mossman Gorge Centre provided the greatest rate of participation with its 48 Indigenous employees representing 70.6 per cent of the Centre's workforce (2020-21: 39 Indigenous employees; 57.4 per cent).

National Centre of Indigenous Excellence

Over 2021-22, the National Centre of Indigenous Excellence directly employed 42 Indigenous people (flow data) (2020-21: 66 Indigenous people). This decrease is consistent with a planned operational wind-down ahead of property divestment in June 2022.

At 30 June 2022, the proportion of Indigenous employees was 42.3 per cent (2020-21: 40 per cent).

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 2021-22 the target for KPI 1b was maintained at the same rate as for 2020-21, in anticipation of continued COVID-19 lockdowns and social distancing measures leading to significantly reduced economic activity across Australia, and specifically the ability for Indigenous corporations to generate employment outcomes through land and water-based enterprises.

However, despite these ongoing issues, 666 Indigenous employees were engaged through these projects during 2021-22, significantly exceeding the target.

Of these, 11 employees were engaged through projects operating from assets held by the ILSC Group; these comprise one through the National Centre of Indigenous Excellence; eight employed through Voyages' Artists in Residence program at Ayers Rock Resort; and two visiting artists engaged at Ayers Rock Resort.

The ability of partner enterprises to meet their employment targets despite the disruptions of COVID-19 and other global economic issues is impressive. However, even though the target was significantly exceeded for this measure, the nature or term of employment is not captured. This means that the extent to which economic and other benefits are flowing to Indigenous Australians cannot be directly estimated.

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 in the Northern Territory. The program objective is to employ and train Indigenous people, building their individual capacity to take up employment outside the program.

In 2021-22, the program expended \$8.3 million supporting employment and associated training activities. In total, 241 Indigenous people were enabled to take up employment across 130 FTE positions, representing 36 per cent of the total achieved against KPI 1b.

In the healthy Country/conservation sector, 74 FTE ranger positions were funded through eight organisations, including Central Land Council, Northern Land Council, Larrakia Nation Aboriginal Corporation, Warddeken Land Management Limited, Laynhapuy Homelands Aboriginal Corporation, Julalikari Council Aboriginal Corporation, Demed Aboriginal Corporation, and Bush Heritage Australia.

In the agribusiness sector, the Real Jobs Program supported 27 FTE positions in pastoral work at ILSC subsidiary Primary Partners Pty Ltd and the Northern Territory Cattlemen's Association. In the horticultural industry, six FTE positions were supported at Tiwi Enterprises Pty Ltd.

In the tourism sector, 23 FTE positions were contracted to Kakadu Tourism, Nitmiluk Tours Pty Ltd, Adina Vibe Hotel Darwin Waterfront, and the ILSC subsidiary Voyages.

In addition to employment and training achievements, the Real Jobs Program also reported 113 cultural events attended by 472 Indigenous people and enabled improved access to Country for 400 Indigenous people. The program also reported 775 participants in on-ground management activities including cultural heritage management, biodiversity monitoring, fire management, 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 outcome/pathways of change:

2: Indigenous people are owning and managing Country sustainably

The ILSC prioritises capability building across the ILSC Group and invests in ongoing career development opportunities as well as providing funding support for projects that enable training outcomes to be delivered by external parties: Indigenous corporations, landholders, service delivery agencies and enterprises.

This includes both formal and informal learning activities, such as cultural traditional knowledge sharing, participatory planning, networking and working with partners, all of which contribute to improving participants' knowledge and skills in sustainably owning and managing Country.

For KPI 2, Table 13 reports achievement against two training categories:

- *Direct*: trainees directly hosted or employed by the ILSC Group (KPI 2a).
- *Enabled*: all training completed by participants in funded projects (KPI 2b).

In addition, achievement against the ILSC Corporate Plan measure encompasses broader participation in capability building activities undertaken as a result of ILSC investments.

Indigenous network development and use is also considered a significant capability indicator that will be measured in future years.

Results

Table 13 KPI 2 Indigenous training

Performance target	Definition	2020-21 targets	2020-21 achieved	2021-22 targets	2021-22 achieved
PBS target KPI 2a	Number of Indigenous trainees <i>directly</i> hosted /employed across the group	150	182	150	194
PBS target KPI 2b	Number of Indigenous training completions <i>enabled</i> by active projects	800	1,593	800	1,099
Corporate Plan target	Number of Indigenous participants in and completion of capability building activities related to ownership and/or management of Country and/or enterprise	n/a	4,282	n/a*	2,902

* Target to be developed for 2022-23

Analysis

In 2021-22, both KPI 2a and 2b training targets were exceeded, but the Corporate Plan measure did not exceed its baseline achievement set last year (Table 13). A target will be developed for this measure in 2022-23.

More information on KPI 2a, KPI 2b and the Corporate Plan training measure is provided in the next sections.

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

In total, 194 trainees were directly hosted/employed by the ILSC Group; more detail is provided here.

ILSC

The ILSC engaged one Indigenous trainee who was hosted internally.

Voyages

Voyages had 178 Indigenous trainees in 2021-22 of whom 97 were newly engaged. These represent 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 seven Indigenous apprentices across chef and trade roles in 2021-22.

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

Mossman Gorge Centre not only hosted NITA trainees but also facilitated traineeship work placements with a range of leading regional employers. A broad range of training programs delivered via its Employment and Education Pathways Programs also supported job seekers with foundation skills to transition into traineeships and jobs.

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 one trainee during 2021-22 compared to two in 2020-21. This reduction is the result of reduced operations throughout the first half of 2021-22 due to COVID-19 restrictions on gatherings and activities, and the planned wind down of some NCIE functions in the second half of 2021-22 ahead of the NCIE site divestment.⁷

Primary Partners

Primary Partners hosted 14 trainees through agricultural operations in 2021-22, including two trainees who were re-engaged. Primary Partners seeks to provide opportunities for career progression through the agribusiness sector and promotes the continued learning and development of Indigenous employees.

⁷ Note that its reported contribution towards KPI 2a was only to 31 March, as per page 79.

KPI 2b Indigenous training completions enabled by active projects

During 2021-22, 1,099 Indigenous training completions were enabled through 51 active projects. This result significantly exceeded the ILSC's target which had been reduced in anticipation of COVID-19 and other global economic impacts preventing face-to-face training.

This positive result has been enabled through the rapid uptake of online learning technology which has seen Indigenous corporations building momentum on capability building activities when other planned project activities are unable to be progressed.

Real Jobs Program

As stated earlier, 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 2021-22, 296 accredited training courses were completed by 190 Indigenous participants, representing almost 27 per cent of the total training completions reported for KPI 2b across the ILSC Group.

The completed training courses were short-, medium-, and long-term – days to months to >12 months – and included courses specific to land management and conservation, pastoralism and horticulture, and tourism and hospitality.

National Centre of Indigenous Excellence

This year the National Centre of Indigenous Excellence contributed 387 enabled Indigenous training completions, representing 35 per cent of the total achieved against KPI 2b. This includes 152 training completions through the Talking About Tobacco Use program; and 235 through Blak Impact.⁸

Our Country Our Future active projects

During 2021-22, 416 additional training completions were reported through *Our Country Our Future* funded projects, representing almost 38 per cent of the total achieved against KPI 2b.

The majority were completed in the short- to medium-term – days to months – with only 12 completed over a long-term (>12 months) duration. The completions comprised a range of training categories – industry-specific, professional development, WHS, schooling, and management of Country – and 42 were accredited training courses.

Specific training and learning completions included fire training, GIS mapping, evaluation, driving licence, fishing, ongoing professional development, conservation and land management, risk analysis, safety, mental health, chainsaw operation, tourism, café, nursery operations, coxswain, first aid, welding, fencing, agrifood operations, art, pest management and attendance at conferences.

⁸ Note that its reported contribution towards KPI 2b was only to 31 March, as per page 79.

The Corporate Plan measure in this section is intended to provide additional insight into the total breadth of Indigenous participation in capability building activities as a result of ILSC support, to supplement the training completions already reported through KPI 2b.

This year, 2,092 Indigenous participant⁹ were reported against this measure, across a range of capability activities. This includes 944 Indigenous participants in professional development, industry-specific, enterprise and Country management training categories, with the majority participating over a short- (days) to medium-term (months) duration. Specific courses include WHS, GIS mapping, evaluation, Food Safety Governance, art, stock breeding, fire management, mental health as well as progress towards longer-term accredited training outcomes such as Bush Foods Certificate of Attainment; Certificate III in Agriculture; Certificate II in Conservation and Land Management; Certificate II in Horticulture; Certificate I in Agrifood Operations; Certificate III in Business Administration; and Certificate III in Aboriginal Sites Work.

Forty-five projects reported the involvement of 487 Indigenous participants in a range of planning activities, including the development of property or healthy Country plans; enterprise and feasibility planning; program or project action planning; and strategic planning including consultation processes.

Finally, 51 projects reported the participation of 1,471 Indigenous people in activities focusing on the sharing of traditional knowledge as part of cultural events, Country visits and other activities such as cultural gardening, weaving, bush medicine making, arts and crafts, biodiversity monitoring, fire management, bush tucker planting, youth events, cultural mapping, and language-sharing groups. Specific events include NAIDOC Week, Headspace Youth Activity, RAAF community engagement activities, Red Earth School Immersion Camp, Smoking Babies Cultural Camp, and attendance at conferences and infrastructure launch events.

Reported participation in cultural knowledge sharing activities was less than half the amount projected for delivery during 2021-22; this is likely due to ongoing impacts from COVID-19 social distancing and travel restrictions.

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:

⁹ Includes participation in planning, training and traditional knowledge sharing activities reported through active projects.

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 inter-generational wealth creation, and considers economic outcomes as a common prerequisite for the achievement of sustainable 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 reports all Indigenous majority-owned commercial enterprises that have been created and/or have improved productivity, efficiency and/or resilience as a result of ILSC funding. Note that KPI 3 reports only the number of unique enterprises, many of which have undertaken more than one improvement; further information on improvements is provided in the analysis.

Results

Table 14 KPI 3 Indigenous business development

Performance target	Definition	2020-21 targets	2020-21 achieved	2021-22 targets	2021-22 achieved
PBS target KPI 3	Number of Indigenous enterprises assisted through active projects	70	104	60	109

Analysis

During 2021-22, 109 unique enterprises were assisted through 38 active projects, representing a significant over-achievement against this KPI (Table 14). The target was not increased from 2020-21 in expectation of ongoing COVID-19 related impacts, and it has been exceeded again for the third consecutive year, despite global economic impacts. This is a strong reflection of the ILSC’s commitment to supporting economic development and Indigenous financial independence through successful commercial Country-based enterprises, and the impressive resilience of Indigenous enterprises to significant and ongoing changes to their operating environment.

Of these, the National Centre of Indigenous Excellence supported the development of 26 enterprises, primarily through the operations of its fitness enterprises; Voyages supported 38 through its retail and training venues; and the Real Jobs Program supported 10 enterprises.

Our Country Our Future projects reported seven new enterprises, focusing on hospitality, horticulture, agriculture or Indigenous products.

Also reported through *Our Country Our Future* projects were 43 enterprises which improved productivity through upgrades in infrastructure and/or plant and equipment such as expanded greenhouse capacity; construction of a fit-for-purpose facility to expand the capacity of a preschool program; and power and water upgrades to increase the capacity of a fish processing plant.

Another 17 enterprises improved their operational efficiency through improvements in workforce capability, increasing workforce capacity; changes to inefficient systems or processes; and/or implementing changes in infrastructure, plant and/or equipment. Specific activities included securing local accommodation to significantly reduce travel time; purchasing a new grader and other equipment and implementing staff training to improve harvesting efficiency; and re-locating water points and installing fencing to improve the efficiency of livestock management.

Finally, 15 enterprises improved their resilience through improvements in governance, development of enterprise partnerships, strategic and operational planning, and/or through diversification of products, services and/or income streams. Specific activities included the development of a business or marketing plan; engaging highly skilled and knowledgeable Directors; undertaking proactive risk management processes prior to field activities; and developing understanding of emerging and impact markets for improved strategic enterprise positioning.

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 practice and environment values. This reflects the ATSI Act, and the ILSC Board's commitment to supporting projects that foster and strengthen Indigenous cultural practices, 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 manage and protect Country; to practise culture and language; and to engage in traditional knowledge-sharing.

The ILSC also supports the development of viable Indigenous-owned enterprises which deliver culturally-appropriate, safe services and activities that can holistically meet the needs of the growing Indigenous population.

These aims are also reflected in two Corporate Plan measures (Table 15) relating to raising the profile of Indigenous culture; and increasing Indigenous representation in decision-making at all levels. These broader measures were introduced in recognition that these aspects of projects deliver significant positive change but are impossible to capture using a simple indicator.

Both KPI 4 and the associated Corporate Plan measures consider the proportion of active projects (as identified in Deliverable 3) that *commenced* in the current financial year with *either* planned *or* actual achievements against relevant sub-measures. This is intended to enable the ILSC to more effectively track its success in prioritising projects that contribute towards these important outcomes.

Results

Table 15 KPI 4 Protection of Indigenous culture, heritage and environment

Performance target	Definition	2020-21 targets	2020-21 achieved	2021-22 targets	2021-22 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%	58.5%	50%	42%
Corporate Plan targets	Proportion of new active projects during 2021-25 will contribute to raising the profile of Indigenous communities and their achievements in the broader community	20%	48.7%	20%	68%
	Indigenous Australians are supported to: <ul style="list-style-type: none"> - maintain and/or protect Country - 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 			<i>As for KPI 4</i>	
	The proportion of new projects involving Indigenous people and/or corporations established in decision-making structures across geography, industry or sector leadership bodies assisted by ILSC	n/a	n/a	Baseline*	16%

* Target to be developed 2022-23

Analysis

In 2021-22, the target for KPI 4 (and equivalent Corporate Plan measure) was not quite achieved, with 42 per cent of new active projects including cultural and environmental heritage aspects (Table 15).

Results achieved against each of the contributing indicators relating to cultural and environmental heritage associated with new projects are summarised here:

- Improved access to Country for 510 Indigenous Australians was reported through three projects. This indicator does not count actual on-Country visits but identifies the number of Indigenous people with an improved ability to access Country, in alignment with the ILSC's purpose of redressing historical dispossession.
- Cultural activity and revitalisation activities reported through 10 projects included 12 events relating to knowledge and language sharing, arts and crafts and visits to Country; specific events identified included Yarning Circles, Uluru Statement meeting, arts and crafts and a Food Safari Tour. These events were primarily by invitation or internal to the group and involved 155 Indigenous people and two non-Indigenous people.
- Culturally safe service provision activities reported through three projects were related to health and well-being and education services that were accessed by 10 Indigenous people during 2021-22.
- On-ground management activities were reported through eight projects. Activities reported for the purpose of maintaining or improving the condition of productive Country included spreading fertiliser across 260 hectares; and infrastructure upgrades to expand the capacity of a nursery. Activities reported for the purpose of maintaining or improving the condition of cultural heritage sites focused on weed and track mapping; weed control; fencing to exclude feral animal species; and surveys of the condition of cultural heritage sites. Activities reported for the purpose of improving ecosystem health were Buffel Grass control and fire management activities.

The ILSC Corporate Plan 2021-22 target of 20 per cent of new projects contributing to improving the profile of Indigenous culture has again been significantly exceeded at 68 per cent. The contrast between the achievement against this indicator and KPI 4 highlights the complexity in capturing cultural participation and strengthening activities using conventional indicators and validates the decision to introduce this broader measure to capture this important information.

Relevant project activities reported against this measure include:

- securing high profile, centrally located premises for ranger groups, cultural and language centres, grocery store, art and crafts centres and regional cultural tourism ventures
- strong involvement in industries that have historically been difficult to access for Indigenous Australians such as the abalone industry
- elevation of the role and achievements of Indigenous Australians as land and sea managers of culturally significant locations
- investment in bush products – food and medicinal – knowledge, markets and supply chains

- the continued elevation and showcasing of First Nations culture and food, including being an instrumental driver in the decision to name the City of Greater Bendigo the first UNESCO City of Gastronomy in Australia.

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 (and equivalent Corporate Plan collaboration measure) considers only the proportion of active projects (as identified in Deliverable 3) that *commenced* in the current financial year with committed contributions by project proponents, and external project partners including government and non-government. This is intended to enable the ILSC to report more fully on partnership contributions and more effectively track its success in leveraging external funding from other parties year on year.

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; however, these are reported separately in the analysis
- 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 16 KPI 5 Collaboration

Performance target	Definition	2020-21 targets	2020-21 achieved	2021-22 targets	2021-22 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%	39%	60%	65%

Analysis

In 2021-22, 20 new projects reported partner collaborations, representing 65 per cent of new active projects (Table 16).

Collectively, these projects attracted almost \$9.3 million funding contributions committed by external partners, including Schlumberger Australia Pty Ltd, Western Australian Indigenous Tourism Operators Council, National Indigenous Australians Agency, Department of Biodiversity Conservation and Attractions, Commonland Foundation, COmON Foundation, Department of Regional Development Agriculture and Food, Stul Family Foundation, Indigenous Visual Arts Industry Support, Department of Primary Industries and Regional Development, QGC Pty Ltd, Cooperative Research Centre for Developing Northern Australia, Australian National University, and the Department of Agriculture, Water and Environment.

Although not counted as part of KPI 5, an additional \$3.4 million partner funding has been reported but currently remains uncommitted. This often occurs when potential funding partners prefer to delay their commitment to a project until after approval of other funding has been attracted, to maximise project viability.

In addition, nine of the proponent groups associated with new active projects committed just over \$4 million in their own funding towards their projects.

Finally, nine projects have received a commitment from external organisations to contribute in-kind capability or capacity assistance, plus one acting as an enterprise partner. Organisations included Regional Enterprise Development Institute Ltd, Gather By, Allens, BHP Billiton, Government of Tasmania, Pilbara Development Commission, Traditional Owners Transition Ventures Pty Ltd, Warddeken Land Management Ltd, North Australia Indigenous Land and Sea Management Alliance, Australian National University and the Department of Agriculture, Water and Environment.

In summary, for a total ILSC project budget of \$22.3 million, \$16.7 million was leveraged from proponents and external partners – \$13.3 million committed and \$3.4 million not yet committed – in addition to significant in-kind capability and/or capacity assistance.

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 previous 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 engagement, 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 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.

The ILSC also collects 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 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 17 KPI 6 ILSC Group contribution to the Indigenous Estate

Project name, proponent and location	Description
Project Name Activating the Indigenous Estate for Agriculture Baseline Study Proponent ILSC State Multi State	Develop baseline information on Indigenous agriculture activity across Australia, develop scenarios and identify future opportunities
Project Name Flood Response Grant Program Proponent ILSC State Multi State	Grant program offering emergency grants in response to the east coast floods

Analysis

In 2021-22 the ILSC initiated one project focused on the development of baseline information on Indigenous agricultural activity across Australia, for the purpose of identifying future opportunities and positioning Indigenous Australians at the forefront of development of the Indigenous Estate (Table 17).

In addition, the ILSC rapidly developed an emergency grant program in response to the widespread east coast floods that occurred during 2021-22. The ILSC offered emergency grants of up to \$20,000 (GST exclusive) to any Indigenous corporation whose property was either directly affected by the flood disaster, or those who were assisting with the immediate recovery and clean-up efforts on Indigenous lands.

During the three months that the program was active, 36 enquiries were received, resulting in 13 applications. The 11 applicants found to be eligible on the grounds that they were Indigenous corporations directly impacted by the floods were provided with \$206,500 (GST exclusive) with an average grant amount of \$18,772.

Projects that drive policy and opportunity

Projects that include activities that broadly drive policy and legislation development and/or opportunities advantageous to the interests of Indigenous Australians are an ILSC priority.

This year 12 projects (38 per cent of projects in scope for this measure) have been reported as involving activities that could leave a lasting influence on the lives of Indigenous Australians well beyond the project footprint.

This includes:

- developing a precedent for transfer of fishery (abalone) quota to Indigenous ownership
- global recognition of the City of Bendigo as a City of Gastronomy, leveraged primarily through the significant profile of local Indigenous agriculture and food systems
- development of high profile, central and inclusive art centres to drive opportunity for on-Country artists

- enhancement of knowledge and networks by Indigenous rangers to facilitate opportunity on Country and drive improvements in policy for Indigenous land management
- advocacy on behalf of Indigenous Australians to ensure they have a coherent voice that contributes to ensuring rights and knowledge are appropriately managed in the bushfoods sector
- investment of increased profits associated with expanded native food production into the delivery of training courses and employment for the broader groups
- development of policy relating to methodologies and measurement of co-benefits for savanna burning projects.

Projects that involve transformative activities

Similarly, the ILSC prioritises projects that have a transformative element intended to drive planned and ongoing change in the trajectory of the enterprises, Country and/or lives of proponents and/or broader Indigenous beneficiaries.

This year, 16 projects (51 per cent of projects in scope for this measure) reported transformative elements such as:

- facilitation of Indigenous participation in lucrative new sectors that will enable the generation of training, sustainable employment and ongoing economic returns that can be reinvested in the broader group
- ownership of premises enabling security for future planning and investment in ongoing improvements and new opportunities aligned with group priorities
- ability to diversify products and/or services to generate additional opportunities in communities with previously limited options
- establishment of a hostel to enable remote students to attend secondary school and cultural activities near their home communities
- assisting in raising philanthropic funding to transformative levels
- development of strategic, business and governance planning as the precursor for significant further change
- development of the first Indigenous-led, co-benefit measurement methodology which will unlock further investment and raise the profile of Indigenous knowledge and expertise.

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 events in 2021-22 (Table 18).

Table 18 Events attended by ILSC officers

Date	Forum/conferences	Location
July 2021	National Farmers Federation Roundtable – Value of the Indigenous economy in contributing to the National Farmers Federation’s aspiration for a \$100b agricultural industry by 2030	Virtual
July 2021	Australian Council of Superannuation Investors (ACSI) 2021 Annual Conference – Speaker Session – Working together with First Nations communities	Virtual
July 2021	University of Melbourne – Discuss collaboration – How Indigenous knowledge can be applied in contemporary Australia	Virtual
August 2021	Partnership Meeting – Indigenous Business Australia/ILSC/National Indigenous Australians Agency/Northern Australia Infrastructure Facility (scheduled quarterly)	Virtual
August 2021	National Landcare Conference – Plenary Panel Speaker	Virtual
August 2021	NT Farmers Federation – NT Plant Industries (Meeting)	Virtual
August 2021	National Farmers Federation – Workshop 1 – Regional economies	Virtual
August 2021	Various government agencies – Roundtable – Prescribed Bodies Corporate	Virtual
August 2021	Australian Indigenous Engagement Roundtable with the Australian Ambassador for the Environment	Virtual
September 2021	Australian Institute Workshop – Panel Discussion – What comes after CDP?	Virtual
September 2021	National Farmers Federation – Workshop 2 – Indigenous agriculture engagement	Virtual
September 2021	Minister for Indigenous Australians – National Roadmap for Indigenous Skills, Jobs and Wealth Creation: Roundtable – financial services and capital access	Virtual
September 2021	University of Melbourne – Panel Session – Water rights for First Nations people: Establishing a Cultural Flows model on Tati Tati Country	Virtual
September 2021	Minister for Indigenous Australians – National Roadmap for Indigenous Skills, Jobs and Wealth Creation: Roundtable – commercial activation of land, sea, water and cultural resources	Virtual

September 2021	Minister for Indigenous Australians – National Roadmap for Indigenous Skills, Jobs and Wealth Creation: Roundtable – agriculture, forestry and fisheries	Virtual
October 2021	Australian Department of Agriculture, Water and the Environment and other agencies – Indigenous Agriculture 2030 Roundtable	Virtual
October 2021	Australian Land Conservation Alliance’s Private Land Conservation Conference 2022: Panel session – Bridging climate and biodiversity	Virtual
November 2021	First Nations Clean Energy Network Forum: Panel – Putting best practice principles of renewable energy development into action	Virtual
December 2021	Australian Emissions Reduction Summit 2021: Plenary – Climate Change Q&A	Virtual
December 2021	Australian Department of Agriculture, Water and the Environment – Indigenous Agriculture 2030 Roundtable	Virtual
March 2022	ILSC Workshop – Equitable benefit-sharing of renewable energy developments on Indigenous Land	Melbourne
April 2022	United Nations Permanent Forum on Indigenous Issues – Side Event, Economic Reconciliation and the Implementation of the United Nations Declaration on the Rights of Indigenous Peoples – Speaker Session	Virtual
April 2022	8 th Annual National Indigenous Economic Development Forum – Speaker Session – How to drive Indigenous economic and cultural prosperity Post-Determination	Virtual
June 2022	Australian Institute of Aboriginal and Torres Strait Islander Studies Summit – Panel Session – Prescribed Body Corporate	Virtual
June 2022	ILSC National Indigenous Land and Sea Strategy engagement sessions	Multiple locations
June 2022	Minister for Agriculture, Fisheries and Forestry – Roundtable – agriculture industry	Canberra
June 2022	Australian National University – First Nations Wealth Forum including inaugural First Nations Economic Development Symposium	Canberra

Review of the National Indigenous Land and Sea Strategy

In 2021-22, the ILSC initiated a review of its National Indigenous Land and Sea Strategy (NILSS). The NILSS is the ILSC's primary policy document under the ATSI Act and shapes the organisation's strategic direction as well as influencing performance assessment, reporting and continuous improvement.

While a revised NILSS is not a statutory requirement until 2024, the commencement of a new ILSC Board in 2022 provided an opportunity to refresh the ILSC's previous approach, strengthen relationships with Indigenous stakeholders, and explore the evolving aspirations, needs and priorities that Indigenous people have for Country.

The NILSS consultation process – the largest to date – was launched on 13 May 2022 and included a schedule of 45 face-to-face engagement sessions across Australia, an online survey, and options to provide a written submission and/or participate in a confidential phone call. It was supported by a suite of supporting materials including a welcome brochure, seven sector factsheets and 10 detailed discussion papers.

The primary purpose of the consultation process was to listen to people's ideas and aspirations for Country and to understand the role Indigenous people want the ILSC to play. This information will be used to inform the development of the NILSS, improve internal processes and will influence the ILSC's Performance Framework.

As at 30 June 2022, the ILSC had conducted 27 face-to-face sessions and met with 236 people. Each session was attended by at least one senior member of the ILSC's staff. Ninety-three online surveys had been received and more than 500 people have been reached through the communications campaign. A further 16 face-to-face sessions, including three virtual sessions, are planned for 2022-23 and six industry-specific, virtual roundtables are scheduled for August 2022.

The whole process will be reported on in 2022-23 via a public consultation report published on the ILSC website with highlights included in the 2022-23 Annual Report.

Measuring and evaluating 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 ongoing improvements to internal ILSC processes, systems and associated methods for performance monitoring, evaluation and reporting.

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, and the ILSC's performance in maximising these outcomes.

In 2021-22, the ILSC continued its investment 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 in this section.

Performance measures and targets

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 2021-22 Portfolio Budget Statements (PBS) continue the ILSC's commitment 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.

Corporate Plan targets

The ILSC's Corporate Plan 2021-22 includes additional measures intended to provide extra information that complements the PBS measures (see Table 1). Targets will be identified for some of these measures in 2022-23, where noted.

Figure 1 The ILSC Program Logic




The Value for Money evaluation approach

Underpinned by the ILSC Program Logic (Figure 1), the ILSC’s Performance Framework builds upon the four outcomes/pathways of change and employs a Value for Money¹⁰ (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 2), 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 generating significant positive change, and maximising return on our purposes and investment.

Figure 2 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

¹⁰ 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).

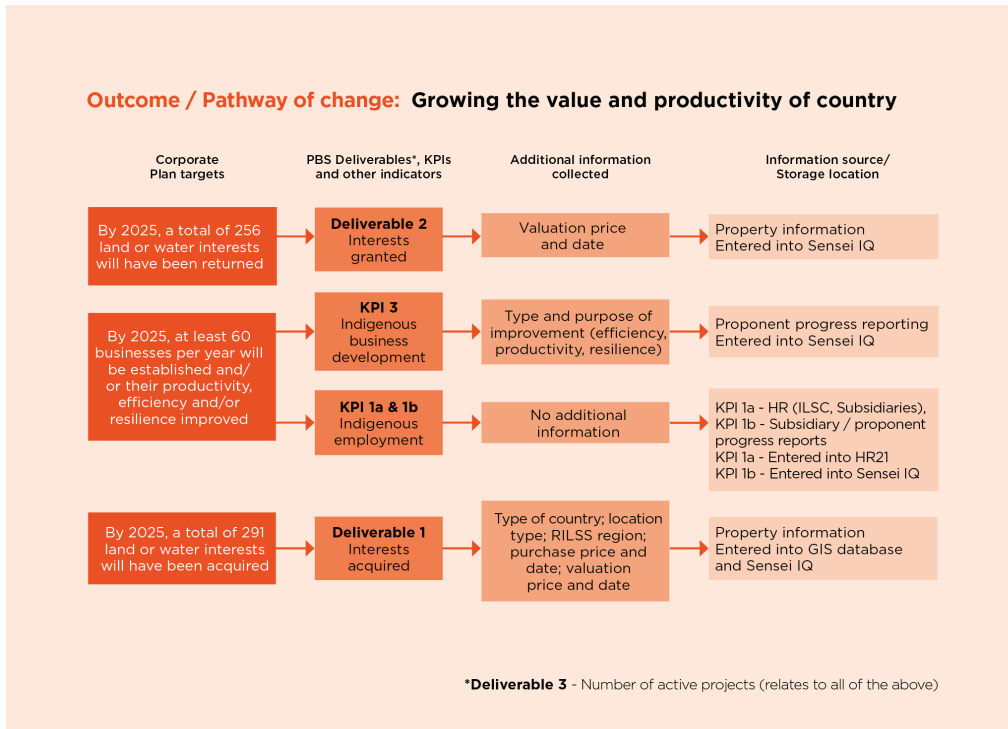
Data sources

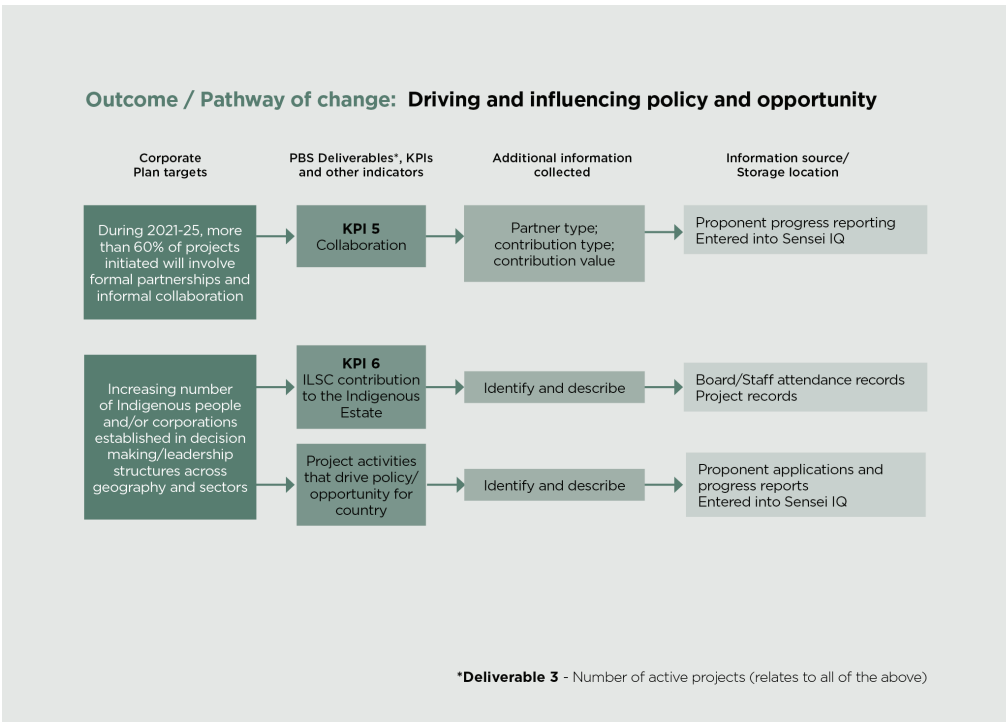
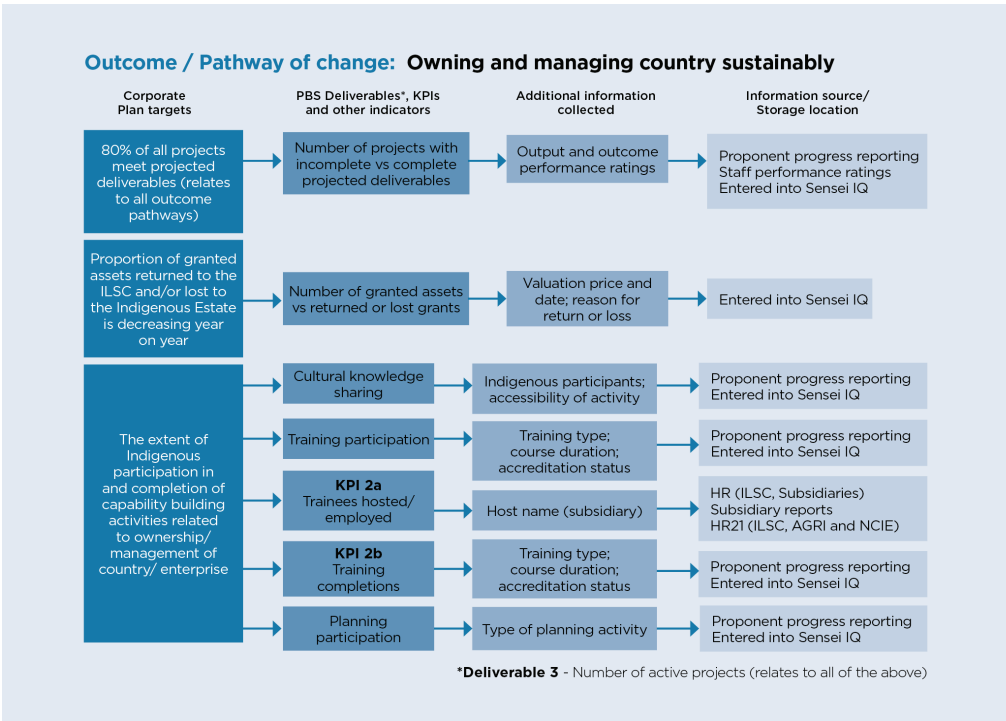
To report performance against the ILSC’s performance measures, information is collated on all active projects related to the acquisition and/or management of land and water-related rights and interests, as well as relevant internal achievements generated across the ILSC Group during 2021-22. The ILSC draws on information from:

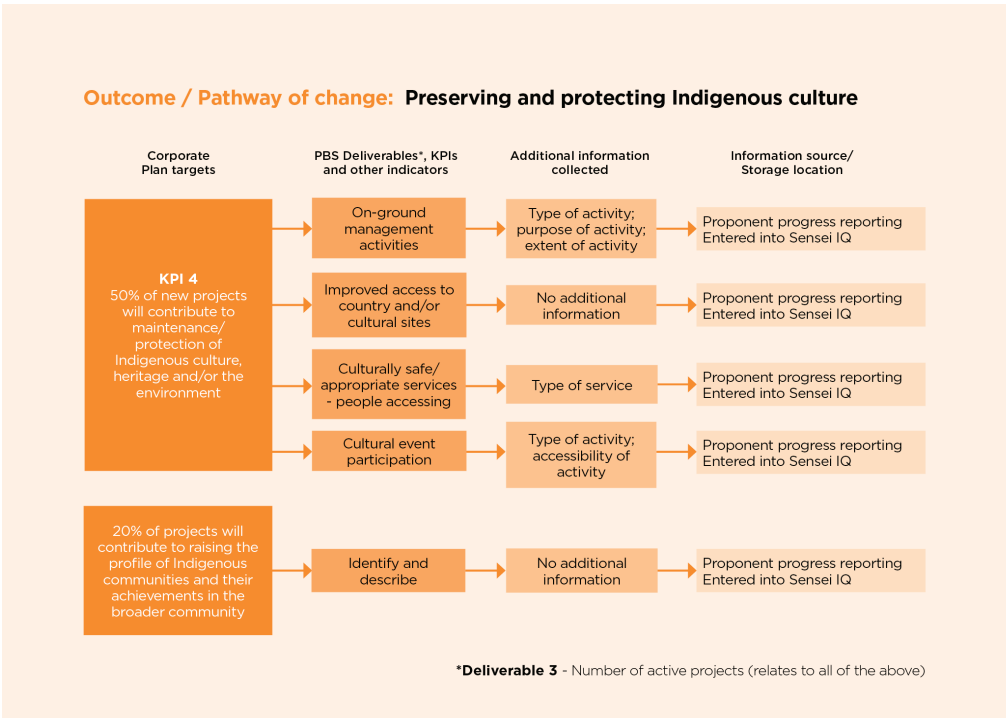
- corporate databases (HR and training data from the ILSC Group)
- data supplied by ILSC subsidiaries (data on benefits achieved by subsidiary activities)
- progress reports provided by recipients of ILSC assistance (data on benefits achieved by funding recipients) and entered into Sensei IQ, the ILSC’s project management system
- rubric-based assessments conducted by project staff against Value for Money criteria (based on knowledge accumulated throughout the year and including progress reports and correspondence with proponents).

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. In Figure 3 the ILSC’s Deliverables and KPIs have been mapped to the ILSC Program Logic where they represent a combination of progress and outcome indicators along the four ‘pathways of change’ or long-term outcomes.

Figure 3 Information sources and indicators for the ILSC targets, deliverables and KPIs







Internal audit

The ILSC’s Internal Audit program – conducted by KPMG for 2021-22 – includes an annual review of the process by which data for the Annual Performance Statement is extracted, analysed and reported. The scope of work includes:

- a review of the 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 Annual 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 2021-22 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 and Value for Money results.

System change

In 2021-22, as part of the ongoing ,broader Digital Transformation Project, the ILSC continued to improve the general functionality and user experience of Sensei IQ, the project management system that was launched in 2020-21.

In the short- to medium-term, additional enhancements to Sensei IQ include:

- continued improvements to Sensei IQ functionality and user experience
- extension across other ILSC business units for improved management of corporate projects
- more active portfolio management, including consistent, transparent and more effective performance reporting across the ILSC.

Looking ahead

In 2021-22 and beyond the ILSC will:

- review potential amendments and/or additions to performance assessment to align with Indigenous input collected through the National Indigenous Land and Sea Strategy consultation process
- establish efficiency measures across other business units of the ILSC to complement the ILSC's overall performance story
- progress the extension of the revised ILSC Performance Framework aligned with the Productivity Commission's Indigenous Evaluation Strategy
- implement continuous improvement activities to improve staff practices, system features and reporting processes.

Part Three: ILSC Group Subsidiaries

ILSC Group at 30 June 2022

ILSC Group at 30 June 2022 Indigenous Land and Sea Corporation Head office: Adelaide, SA ABN 59 912 679 254		
Voyages Indigenous Tourism Australia Pty Ltd ABN 82 146 482 59 Head office: Sydney, NSW CEO: Matthew Cameron-Smith	Primary Partners Pty Ltd ABN 28 108 266 548 Head office: Adelaide, SA CEO: Joe Morrison	National Centre of Indigenous Excellence Ltd ABN 98 133 644 578 Head Office: Redfern, NSW CEO: Jasmine Ryan Past 2021-22: Darren Hammond, Sara Hamilton
Anangu Communities Foundation ABN 63 494 833 077 Head Office: Sydney, NSW CEO: Joe Morrison		

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.

Part Three includes detailed 2021-22 reports for each subsidiary. Additional subsidiary information – including on governance, Work Health and Safety, employee arrangements and performance – are addressed in other parts of the report.

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 2021-22, Voyages also operated one other tourism enterprise developed by the ILSC on ILSC-held land: Mossman Gorge Centre, a cultural tourism centre situated on Kuku Yalanji land 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 founder and 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 2021-22 the ILSC continued to underwrite capital expenditure for Mossman Gorge Centre.

Results in 2021-22

Business performance

Ayers Rock Resort continued to be heavily impacted by the effects of COVID-19 and the resulting international and domestic border closures, as well as NT vaccination requirements.

In 2021-22, there was no COVID-19 support funding and subsequently Voyages' operations generated an Earnings Before Interest, Taxation, Depreciation and Amortisation (EBITDA) loss of \$7.4 million, down from an EBITDA profit of \$18.1 million in 2020-21.

2020-21 included a net contribution (after pass-through payments to employees) of \$26.7 million from the COVID-19 support package, provided by the National Indigenous Australians Agency (NIAA), and EBITDA, excluding NIAA COVID-19 support, was \$(8.6) million.

The reported EBITDA in 2021-22 also includes \$4.8 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); \$3.2 million from NIAA; and \$0.2 million from the Qld and NT Governments.

Despite the EBITDA loss in 2021-22, monthly trading results have improved significantly since April 2022 with the market rebound and further re-opening of the resort.

Ayers Rock Resort

Ayers Rock Resort recorded hotel occupancy of 34 per cent for 2021-22, up from 27 per cent in the previous year. Average room rate increased significantly to \$293 per night, up \$68 from 2020-21.

Hotel occupancy has only rebounded in a meaningful way since April 2022.

Key activities and highlights for 2021-22 included the:

- full launch of the Gallery of Central Australia – following its soft launch in 2020-21 due to COVID-19 restrictions – now supporting 19 artists across the Anangu Pitjantjatjara Yankunytjatjara lands
- return of special events including a strategic partnership with Opera Australia, and Imagine Holidays concert series (Human Nature, Jessica Mauboy, Guy Sebastian and Icehouse) with dates confirmed for seven further concerts in 2023
- 10-year anniversary of the iconic Tali Wiru (Beautiful Dune) dinner
- record revenue and EBITDA results produced by Mossman Gorge Centre in the last quarter of 2021-22 in 10 years of Voyages' operation
- recruitment of 176 employees (to date) via the Pacific Labour Scheme to fill vacancies in operations as the resort occupancy increased to its highest levels since before COVID-19
- refurbishment of the Sails in the Desert pool and Gecko's restaurant
- re-opening of the Outback BBQ and bar after COVID-19 with the Outback Pioneer Hotel to follow in July 2022.

Debt facilities

Voyages has a bank loan facility with ANZ that matures on 1 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 parent company guarantee from the ILSC.

As at 30 June 2021, the loan was \$102.5 million and in February 2022, a new \$10 million facility was provided for the purpose of funding a particular capital expenditure project, which has not yet commenced. As at 30 June 2022, the total loan facility with ANZ is \$112.5 million with \$102.5 million drawn down, all being classified as a non-current interest-bearing loan with quarterly instalment repayments required between July 2023 and July 2025.

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.

Mossman Gorge Centre

Mossman Gorge Centre welcomed 229,261 visitors in 2021-2022, a 16 per cent increase from the previous year. EBITDA for the Mossman Gorge Centre (not including Indigenous employment and training programs) was \$0.8 million.

Indigenous employment and training

See the Annual Performance Statement (page 17) 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 eight Anangu participants (as at 30 June 2022) to engage in meaningful work and skills development through employment at Ayers Rock Resort.

Other developing 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 – over 122 students visited Yulara, and the Indigenous Engagement Team engaged with over 59 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 2021-22
- 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 2021-22.

Well-being Program

Implementing a well-being 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 well-being 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 well-being programs for staff that are responsive to staff-identified need and proactively enhance staff well-being
- 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 inter-community 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
- designing and implementing culturally safe strategies to enhance the cultural, physical, social and emotional well-being of National Indigenous Training Academy trainees.

Anangu Communities Foundation

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

The Foundation has maintained a focus on implementing projects in 2021-22 to support Anangu communities and initiatives through COVID-19 and into recovery, funding six projects totalling \$133,666. This ranged from support for the Uluru Festival launch and Toorak Sculpture Exhibition, to repair and maintenance of the Docker River Recreation Hall.

The closing balance of net assets at 30 June 2022 was \$847,214 (compared to \$783,779 at 30 June 2021). Annual revenue for 2021-22 was \$232,502, representing a \$198,291 increase from the previous year (\$34,211). Voyages continued to match guest and staff donations to the Foundation, dollar for dollar. The total matching donations reached \$58,003 in 2021-22, with an additional \$45,000 received as an end-of-financial year donation.

Looking forward

Australia's tourism outlook remains divided between the resilience of the domestic market and the return of the international markets.

Historically, approximately 48 per cent of Voyages' business at Ayers Rock Resort came from international guests and despite high levels of pent-up demand, it will take some time to return to pre-pandemic levels.

The recovery of air capacity is restraining the international market with Australia only experiencing approximately 43 per cent of pre-pandemic capacity and airlines struggling for staff. Domestic aviation is stronger at 105 per cent of pre-pandemic capacity; however, new routes have eroded some core source markets and capacity is interdependent on the relationship between domestic carriers and their international partners in terms of interline obligations.

While both Jetstar and Qantas (mainline brand) have returned to Uluru from Sydney, Melbourne and Brisbane, Virgin services are not expected to fully return until international markets are active again in Australia.

Ayers Rock Resort is experiencing strong demand from the domestic market and much has been done to ensure that despite the challenges around maintaining staffing levels, the focus remains on delivering education and employment opportunities for Indigenous Australians and a superior cultural experience for our guests.

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.

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 agribusiness sector.

At the start of 2021-22, Primary Partners oversaw eight commercial agribusiness operations on Indigenous-held land (either ILSC-held or leased from Indigenous landholders). By 30 June, Primary Partners had reduced its operational footprint to seven commercial agribusinesses across 689,737 hectares of Indigenous-held land (Table 19) with the exit of Roebuck Plains Station near Broome, which is now managed by Nyamba Buru Yawuru.

The reduction in operational footprint is in line with the 2021 ILSC Board's determination to transition from owner-operator of businesses to instead focus on its core functions of land acquisition and land management. Discussions are ongoing with relevant stakeholders regarding the transitioning of the remaining seven agribusinesses.

Results in 2021-22

Operations

Much of northern Australia received average or below average wet season rainfall, resulting in some challenging conditions for animal production. The only southern property in the portfolio had good rainfall over the year, which is a change from the drying trend of recent years.

The COVID-19 pandemic had a minimal impact on the agribusinesses during 2021-22, although production at the Gunbalanya Meatworks was affected by a period of community closure early in 2022.

Indigenous employment and training

See the Annual Performance Statement (page 17) for more information.

Business performance

At 30 June 2022, the ILSC's agribusiness properties carried 15,540 head of beef cattle and 9,638 sheep – a total of 25,178 livestock (Table 19). Consistent with the focus on reducing the portfolio size, during 2021-22 the number of livestock held, decreased by 45.2 per cent or 20,750 head.

Consistent with the reduction in stock numbers, the total value of livestock decreased during the year. The total value of the livestock portfolio decreased by 54.5 per cent or \$19.3 million, to close at \$16.2 million.

The gross trading profit for all livestock was \$9.9 million for the year ending 30 June 2022. Within the agribusiness portfolio, the export depot and meatworks contributed net income of \$2.1 million and \$0.7 million respectively and agistment income of \$0.2 million was received.

The agribusiness portfolio generated a total income of \$16.9 million – mostly from its agribusiness operations – and total operating expenses of \$13.1 million. Agribusiness operations contributed \$3.6 million to ILSC's earnings before tax, interest and depreciation in 2021-22.

Table 19 Agribusiness portfolio as at 30 June 2022

Property	Areas in hectares	Status at 30 June 2022	Livestock numbers at 30 June 2022
Queensland			
Bulimba, via Chillagoe	294,740	Leased	6,544 (cattle)
Crocodile/Welcome, via Laura	124,800	ILSC-held	6,031 (cattle)
Meripah, via Coen	186,000	ILSC-held	1,174 (cattle)
Western Australia			
Roebuck Export Depot	100	Leased	n/a
Northern Territory			
Gunbalanya Station	80,000	Leased	1,791 (cattle)
Gunbalanya Meats	n/a	Leased	n/a
Tasmania			
Murrayfield, Bruny Island	4,097	Leased	9,638 (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 Ltd

The National Centre of Indigenous Excellence (NCIE) Ltd is a social enterprise that builds capability and creates life-changing opportunities for Aboriginal and Torres Strait Islander peoples to positively impact well-being. NCIE Ltd was established to operate the NCIE site developed by the ILSC at 180 George Street Redfern (the former Redfern Public School). The land and historic buildings were purchased from the NSW Government in 2006. The redeveloped centre opened in 2010, and encompasses 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.

The ILSC's primary focus for NCIE Ltd in 2021-22 has been to prepare for the divestment of the 180 George Street site on which the subsidiary operates. As reported in the ILSC's Annual Performance Statement (Part Two), the NCIE site was transferred to Indigenous control on 30 June 2022, following almost two years of engagement with the New South Wales Aboriginal Land Council (NSWALC).

Preparations for the divestment included an external review of NCIE Ltd operations designed to identify a sustainable and 'least cost' operating model for the subsidiary going forward. This review recommended the discontinuance of some NCIE Ltd services in order to minimise the need for a future operator of NCIE Ltd to underwrite operational losses associated with the social enterprise.

The planned wind down of services was implemented from 2021 with the formal closures of accommodation and Blak Impact in November. In June 2022, the anticipated transfer of NCIE Ltd to alternative management meant funding contracts were not renewed for partnership-funded services Talking About Tobacco Use – supported by the Australian Government's Tackling Indigenous Smoking program – and Job Ready – supported by the Australian Government and corporate sponsorship – and the programs' ceased. Catering and hospitality functions ceased at 30 June 2022.

In 2021-22 the NCIE site provided tenancies or user agreements for National Aboriginal Sporting Chance Academy, Australian Indigenous Mentoring Experience, Tribal Warrior Aboriginal Corporation, Inner Sydney Empowered Communities, Redfern Youth Connect, NPM Indigenous, BlaQ Aboriginal Corporation, Wildflower, Huff Digital, Link-Up (NSW) Aboriginal Corporation, and People First Hire. These critical community-based organisations provide activities which support thousands of Aboriginal and Torres Strait Islander people.

Results in 2021-22

NCIE Services

NCIE Ltd delivered five discrete yet inter-related services from the NCIE site in the 2021-22 year:

- 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
- 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 offering has targeted NCIE's goal of delivering long-term improvements to Aboriginal and Torres Strait Islander well-being. As noted, most of these services were discontinued in preparation for divestment, with the aquatic and fitness centre operations retained as key to the offering of the NCIE site.

During divestment planning the ILSC and NSWALC prioritised continuity of tenancy arrangements with service providers operating from the site. Prior to 30 June, new tenancy agreements were provided to tenants including Redfern Youth Connect, BlaQ Aboriginal Corporation, Inner Sydney Empowered Communities and the National Aboriginal Sporting Chance Academy. This secured ongoing access to the site for these critical community services in Redfern.

The ILSC's Corporate Services functions have continued to provide NCIE with support in finance, human resources, Work Health and Safety, information and communications technology, communications and marketing, governance and risk management.

Business performance

The NCIE is a not-for-profit social enterprise.

In 2021-22, its own-source income (before grant funding from the ILSC) was \$2.6 million (2020-21: \$6.2 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 deficit of \$1.3 million in 2021-22 (2020-21: profit \$0.6 million).

Before financial support from the ILSC of \$4.2 million (2020-21: \$4.5 million), the result was a deficit of \$5.5 million (2020-21: deficit \$3.9 million). The financial support includes a concessional lease contribution of \$2 million (2020-21: \$2 million).

Engagement and social impact

As set out in the ILSC's Annual Performance Statement – Part Two of this report (page 17) – reduced service demand due to the COVID-19 pandemic continued to hamper the NCIE's achievements and contribution towards ILSC KPIs in 2021-22, with shutdowns substantially impacting services to November 2021.

In addition, service changes associated with divestment planning both reduced outputs in terms of service offerings and generated substantial key personnel movements. These changes have limited the availability of detailed NCIE performance reports for inclusion in this report.

Key metrics have been provided by the NCIE for the period to 31 March 2022, using established data recording, management and reporting processes and these have been included in Part Two. Qualitative and descriptive reports of performance have not been included in this report as they are not able to be adequately validated due to key staff turnover.

Consistent with the guidelines in relation to the preparation of Commonwealth entity Annual Reports¹¹, the ILSC has assessed the impact of not including this material in its Annual Performance Statement and Annual Report. On the basis that key metrics contributing to Portfolio Budget Statement targets have been provided and assured, the ILSC has concluded that this information's exclusion, while representing reduced completeness in describing the local NCIE impact, is not material in relation to its overall performance reporting for the 2021-22 period.

2021-22 highlights

In addition to activities already reported under KPI 1b, 2b and 3, NCIE programs, initiatives and collaborations included:

- 635 Indigenous and 1,306 non-Indigenous people participated in a range of cultural activities and events associated with NCIE's Fitness and Aquatics, Hospitality, Blak Impact programs, and other collaborators, including the Kylie Captain book launch, Yabun Festival, First Nations Circle at Mardi Gras Fair Day, Moree Youth Forum and Block Party, Pathfinders National Aboriginal Birth Certificate Program, NITV Reconciliation Action Plan launch, and the launch of the National Rugby League Indigenous Board

¹¹ See Resource Management Guideline 136 on the Australian Department of Finance website: www.finance.gov.au

- 31,438 Indigenous and 41,034 non-Indigenous people participated in social and community activities associated with NCIE's Fitness and Aquatics, Hospitality, TATU and Blak Impact programs; these included meal preparation for locked down community organisations (in collaboration with Australian Unity, Kinchela Boys Home Aboriginal Corporation, Guriwal Aboriginal Corporation and Wyanga Aged Care); free COVID-19 vaccines (Koori Vaccination Clinics); Paralympics Australia Come and Try Day; Autumn Holiday Swim Intensive program; Family Fun Day; and new fitness class launches
- 222 internal Indigenous people (employees and trainees) participated in training initiatives hosted by Blak Impact, Fitness and Aquatics, Hospitality and TATU programs including free pool lifeguard and/or swim teaching training for young Indigenous people (Royal Life Saving Australia and Belgravia Leisure Centres); and training in turning paintings and drawings into surface designs for textiles (collaboration with The Print School).

As was forecast in the ILSC's previous Annual Report, the NCIE site is one of the ILSC's most valuable landholdings. The ILSC is pleased to have transferred this politically and socially important part of Australia's First Nations contemporary history to the NSWALC in fulfillment of the ILSC's core mandate of divesting improved land back to Indigenous control.

Indigenous employment and training

See the Annual Performance Statement (page 17) for more information.

Looking forward

2021-22 focused on the divestment of the NCIE site, 180 George Street Redfern. Throughout divestment planning, the ILSC's expectation was that NCIE Ltd, or its operations, would be simultaneously divested, providing ongoing services and access to the Redfern Aboriginal community and Indigenous Australians more broadly.

However, late in the stages of divestment negotiations, the ILSC was advised that this transfer would not be possible. Despite working in good faith over many months, NSWALC and the ILSC were not able to reach a satisfactory transition agreement. At 30 June 2022, the future of operational arrangements for NCIE Ltd were unresolved and the ILSC continues to underwrite the operations of NCIE Ltd and to provide corporate services to support these operations.

The divestment of the NCIE site to NSWALC signals the beginning of a new period for the site. Subject to community consultation and consent processes, NSWALC envisage further development of the NCIE site, bringing additional investment to the location to realise additional community benefits.

Yamanah Investments Pty Ltd

Yamanah Investments Pty Ltd was established as a wholly owned subsidiary of the ILSC in January 2020 seeking to create opportunities for investment in the Murray-Darling Basin region of NSW. This 12-month pilot project ceased in December 2020, having completed its initial scoping activities and was deregistered on 14 July 2021. Additional detail is available in previous Annual Reports.

Part Four: Governance

ILSC overview (excluding subsidiaries)

ILSC BOARD

BOARD COMMITTEES

Audit and Risk
Remuneration and Nomination
Project Aurora Steering Committee

ILSC GROUP CHIEF EXECUTIVE OFFICER

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 and Prescribed Body Corporate administration
Policy, Strategy and Performance including Engagement, Communications and Media
Corporate including Finance, Information Communication and Technology, and People and Capability
Legal, 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 – Minister for Indigenous Australians
Department of the Prime Minister and Cabinet – lead portfolio agency
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

While the operations of the ILSC are primarily funded by the Aboriginal and Torres Strait Islander Land and Sea Future Fund (Part Six), 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 2021-22 the ILSC had two responsible Ministers:

- The Hon Ken Wyatt AM MP, Minister for Indigenous Australians
- The Hon Linda Burney, MP, Minister for Indigenous Australians from 1 June 2022

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 2021-22, the ILSC has reported a series of transactions with nine 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 2021-22.

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 for Indigenous Australians. During 2021-22, the Minister appointed Ian Hamm as Chair – replacing Edward Fry – along with appointing Directors Claire Filson, Kathryn (Kate) Healy, Nigel Browne, Lynette (Gail) Reynolds-Adamson and Kristy Masella who replaced Directors Donna Odegaard and Patricia Crossin and filled two vacancies. The Minister also terminated the appointment of Director, Bruce Martin. Initially appointed in March 2019, Director Roy Ah-See was appointed from 1 April 2022 for a further three-year period.

Director	Appointed from	Appointed to*
Mr Edward Fry, Chair	20 Oct 2015	30 Nov 2021
Ms Patricia Crossin	20 Oct 2015	27 Oct 2021
Mr Bruce Martin	20 Oct 2015	21 Oct 2021
Dr Donna Odegaard	15 Jun 2017	27 Oct 2021
Mr Roy Ah-See	16 Mar 2019	31 Mar 2025
Mr Ian Hamm, Chair	1 Dec 2021	30 Nov 2024
Ms Claire Filson, Deputy Chair	6 Aug 2021	5 Aug 2024
Ms Kate Healy	28 Oct 2021	27 Oct 2024
Mr Nigel Browne	28 Oct 2021	27 Oct 2024
Ms Gail Reynolds-Adamson	4 Jan 2022	3 Jan 2025
Ms Kristy Masella	16 Mar 2022	15 Mar 2025

* Under the ATSI Act 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 15 Board meetings held in 2021-22. Directors' attendance is outlined in Table 20. The following are short biographies of the seven current ILSC Directors. All are non-executive Directors, and all except Directors Filson and Healy are Indigenous Australians.

Mr Ian Hamm, ILSC Chair

Ian Hamm is a Yorta Yorta man from Shepparton in central Victoria.

Ian has overseen major policy and strategic reforms for government and community organisations, including his work with the Australian Government (Office of Aboriginal and Torres Strait Islander Health) and the Victorian Government (Department of Justice, Department of Planning and Community Development, and the Department of Economic Development, Jobs, Transport and Resources).

Having worked with people from a vast array of backgrounds, managing complex and sensitive relationships to achieve mutually beneficial outcomes, Ian is now devoting himself to improving the representation of Aboriginal people on boards and other high-level governance, through strategic action, advocacy and mentoring.

Ian is Chair of the First Nations Foundation and Koori Heritage Trust, and President of the Community Broadcasting Foundation. He is also a Board Director on The Healing Foundation, Yarra Valley Water, Inclusive Australia, Australian Red Cross, the National Trust of Australia (Victoria) and Aboriginal Housing Victoria, and a sessional panel member on the Australian Financial Complaints Authority and Planning Panels Victoria.

Ms Claire Filson, ILSC Deputy Chair

Claire Filson is an experienced non-executive director with more than 20 years' experience on State and Australian Government boards and in superannuation and infrastructure businesses.

Chairing audit, risk, finance, and remuneration committees, Claire has extensive experience in financial services, superannuation, insurance, funds management, infrastructure and property including ports, roads, rail and utilities. Her knowledge and skills include corporate legal advice, strategic risk management, compliance and governance.

Claire currently sits on the board of Greater Western Water in Victoria and is the Deputy Chair of the Port of Hastings Development Authority and the Portable Long Service Benefits Authority. She is also Chair and Independent Member of the City of Kingston Audit and Risk Committee.

Mr Roy Ah-See

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

Roy 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, Roy 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-controlled organisations.

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

Mr Nigel Browne

Nigel Browne is a descendant of the Larrakia and Wulna peoples. His traditional Country encompasses the lands and waters of the Greater Darwin Region including Darwin and Bynoe harbours, Shoal, Adam and Chambers Bay, Cox Peninsula, Vernon Islands, Adelaide and Mary Rivers, Acacia, Cape Hotham, Fogg Dam, Humpty Doo and Koolpinyah Stations, and Djukbinj National Park.

He is the current CEO of the Larrakia Development Corporation, having served as a Director on the board since 2005 and Chair from 2010-13. Nigel studied at Northern Territory University where he graduated with a Bachelor of Laws in 2001. Other professional roles include Crown Prosecutor (Office of the Director of Public Prosecutions NT), Aboriginal Lands (Strong Futures NT), and Policy Adviser (Chief Minister's Office).

Nigel is also a Director at The Healing Foundation, Aboriginal Area Protection Authority and the National Centre for Indigenous Excellence. He has served as a Patrolman with North-West Mobile Force and is currently serving as a Legal Officer, Royal Australian Naval Reserve. In August 2011 Nigel was announced as the National Indigenous Legal Professional of the Year, in recognition of his advocacy, representation, and contribution to Larrakia people. He is also a member of the Australian Institute of Company Directors.

Ms Kathryn (Kate) Healy

Kate Healy is a purpose-driven leader with a decade of experience working in the field of First Nations economic development in Australia and New Zealand. She is an experienced property lawyer who also has operational commercial knowledge having held the role of Chief Operating Officer for an Auckland-based Māori corporation. Kate joined PwC's Indigenous Consulting in 2019, and brings her skills, strategic approach and broad-based knowledge to a wide range of projects that focus on achieving greater economic participation and prosperity for Aboriginal people and Torres Strait Islanders.

Kate is a non-Indigenous ally, motivated to work with and for Aboriginal and Torres Strait Islander peoples as they realise greater self-determination. She believes that strong First Nations' economies are intimately connected with improvements in the social and emotional well-being of Australia's First Peoples.

Ms Lynette (Gail) Reynolds-Adamson

Gail Reynolds-Adamson is a descendant from the Noongar people of Western Australia on the eastern border of the Noongar nation, the Nudju people from the Norseman/Balladonia area, and the Mirning people, whose Country stretches along the coast between Western Australia and South Australia.

Gail operates a specialist consultancy firm working with, and for, Indigenous Australians and has significant experience working with industry and organisations to design and promote strategies for social, economic, and organisational development change. Gail was previously the National Manager of the Aboriginal and Torres Strait Islander unit for Telstra and National Manager Indigenous Affairs for Newmont Mining.

Gail is currently the Chair of Esperance Tjaltjraak Native Title Aboriginal Corporation and South-East Aboriginal Health Service; Owner-Director of Blue Waters Tourism Pty Ltd, Esperance Eco-Discovery Tours, Kaata Tidje Pty Ltd and Indigenous Consulting Group Pty Ltd; and a Director of Horizon Power. Gail is also a member of the Aboriginal Advisory Council WA and Marine Parks.

Ms Kristy Masella

Kristy Masella is a Murri/South Sea Islander from Rockhampton, Darumbal Country in Central Queensland who has dedicated her life to empowering Aboriginal and Torres Strait Islander communities.

Kristy brings more than 30 years of experience working in Aboriginal affairs across multiple jurisdictions to assist Indigenous Australians to realise the economic, social, cultural and environmental benefits of their land, sea and water Country.

Kristy is currently Managing Director of the Aboriginal Employment Strategy, a national Aboriginal recruitment and group training company that empowers Indigenous people through brokering employment opportunities and supporting candidates to have successful careers. Prior to this, she was the head of Social Justice for Aboriginal Affairs New South Wales and led a major review of the New South Wales *Aboriginal Land Rights Act 1983*.

Kristy studied Journalism at the University of Queensland and holds a Master of Human Rights Law and Policy at the University of New South Wales specialising in Indigenous Rights. She is the current Chair of Tranby National Indigenous Adult Education and Training; Director and Treasurer of Wunanbiri Preschool Incorporated; Executive Member of Just Reinvest NSW; and Member of the Redfern Aboriginal Community Alliance.

Table 20 ILSC Board Meetings 2021-22

Meeting No.	Date	Location	Attendees	Apology/ Approved Leave of Absence	Non-Approved Leave of Absence
276*	2 July 21	Teams	Fry, Crossin, Odegaard, Ah-See		Martin
277*	16 July 21	Teams	Fry, Crossin, Odegaard, Ah-See		Martin
278*	16 Aug 21	Teams	Fry, Filson, Crossin, Odegaard, Ah-See		Martin
279	18 Aug 21	Teams	Fry, Filson, Crossin, Odegaard, Ah-See		Martin
280	20 Sep 21	Teams	Fry, Filson, Crossin, Odegaard, Ah-See		Martin
281*	24 Sep 21	Teams	Fry, Filson, Crossin, Odegaard, Ah-See		Martin
282	20 Oct 21	Teams	Fry, Crossin, Odegaard, Ah-See	Filson	Martin
283*	5 Nov 21	Teams	Fry, Filson, Ah-See, Healy and Browne		
284*	29 Nov 21	Teams	Fry, Filson, Healy and Browne	Ah-See	
285	8 Dec 21	Teams	Hamm, Filson, Ah-See, Healy, Browne		
286	17 Feb 22	Teams	Hamm, Filson, Ah-See, Healy, Browne, Reynolds-Adamson		
287*	13 Apr 22	Adelaide	Hamm, Filson, Healy, Browne, Reynolds-Adamson, Masella	Ah-See	
288	14 Apr 22	Adelaide	Hamm, Filson, Ah-See, Healy, Browne, Reynolds-Adamson, Masella		
289*	5 May 22	Teams	Hamm, Filson, Ah-See, Browne	Healy, Reynolds-Adamson and Masella	
290	15 Jun 22	Yulara	Hamm, Filson, Ah-See, Healy, Browne, Reynolds-Adamson and Masella		

* Out of session meeting

Board committees

Three Board committees operated in 2021-22.

Project Aurora Steering Committee

The Project Aurora Steering Committee was established to support the ILSC in developing a pathway to divestment for the land in and around Ayers Rock Resort, including the disposal of the operations conducted there, and providing guidance on engagement with Traditional Owners.

The Committee was established by resolution of the ILSC Board on 14 April 2021. Committee members during 2021-22 were Co-Chairs Allert and Director Odegaard, Joe Morrison (ILSC Group CEO), Patricia Stroud (Chief Operating Officer, ILSC), Tim Larkin (Executive Director Programs, ILSC), Trevor Edmond (Group General Counsel, ILSC), David Silcock (Executive Director Corporate, ILSC), Matthew Cameron-Smith (CEO, Voyages), Mark Seatree (Company Secretary, Voyages) and Grant Hunt (Director, Voyages). The Committee was dissolved at the ILSC Board meeting on 17 February 2022 to focus on the immediate need for comprehensive community engagement.

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 2021-22 were Chair Fry, Director Martin and Independent Member, Ms Cathy Doyle. Following the expiration of Mr Fry's appointment as ILSC Chair, new ILSC Chair, Mr Ian Hamm assumed the position of Remuneration and Nomination Committee Chair. Following the termination of Director Martin, Director Filson joined the Committee on 20 Oct 2021. Ms Doyle was re-appointed as an Independent Member on 1 November 2021 for a six-month period until 30 April 2022, at which time her tenure expired.

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 www.ilsc.gov.au

The Committee has five members, four Independent Members and one ILSC Director (Table 21).

ILSC Director members during the year were Directors Crossin and Filson.

Table 21 Audit and Risk Committee, 2021-22

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 setting strategic direction for significant organisations in both public and private sectors. 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. 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>	7 of 7	\$39,029
<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 is a Fellow of CPA Australia, the Governance Institute of Australia and the Australian Institute of Company Directors.</p>	<p>From: 2 Feb 2021</p> <p>To: 1 Feb 2024</p>	6 of 7	\$22,809
<p>Ms Helen Moore, Independent Member</p> <p>Helen serves as an Independent Member on several 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>	7 of 7	\$25,086

Ms Maria Storti, Independent Member

A previous Chair of the ILSC Audit and Risk Committee, Maria serves as an Independent Member of several Commonwealth audit committees and as a non-executive director. Maria is a Fellow of the Institute of Chartered Accountants and Australian Institute of Company Directors and a member of the Australian Institute of Internal Auditors. She holds a degree in economics and a Master of Business Administration. Maria is a former Ernst & Young partner and has over 30 years' experience working as a consultant and executive at senior levels in finance, audit, risk and performance improvement.

\$25,086

7 of 7

From:

21 Feb 2018

To:

1 Feb 2023

Ms Claire Filson, ILSC Director[#]

See Director Statement

\$0

3 of 3

From:

5 Nov 2021

* GST inclusive

[#] Remuneration is included in Directors fees

Subsidiary governance and management

The ILSC's subsidiaries each have their own Board of Directors (Table 22). The activities of subsidiaries are managed by arrangements 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 which may 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 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.

Yamanah Investments Pty Ltd was deregistered on 14 July 2021.

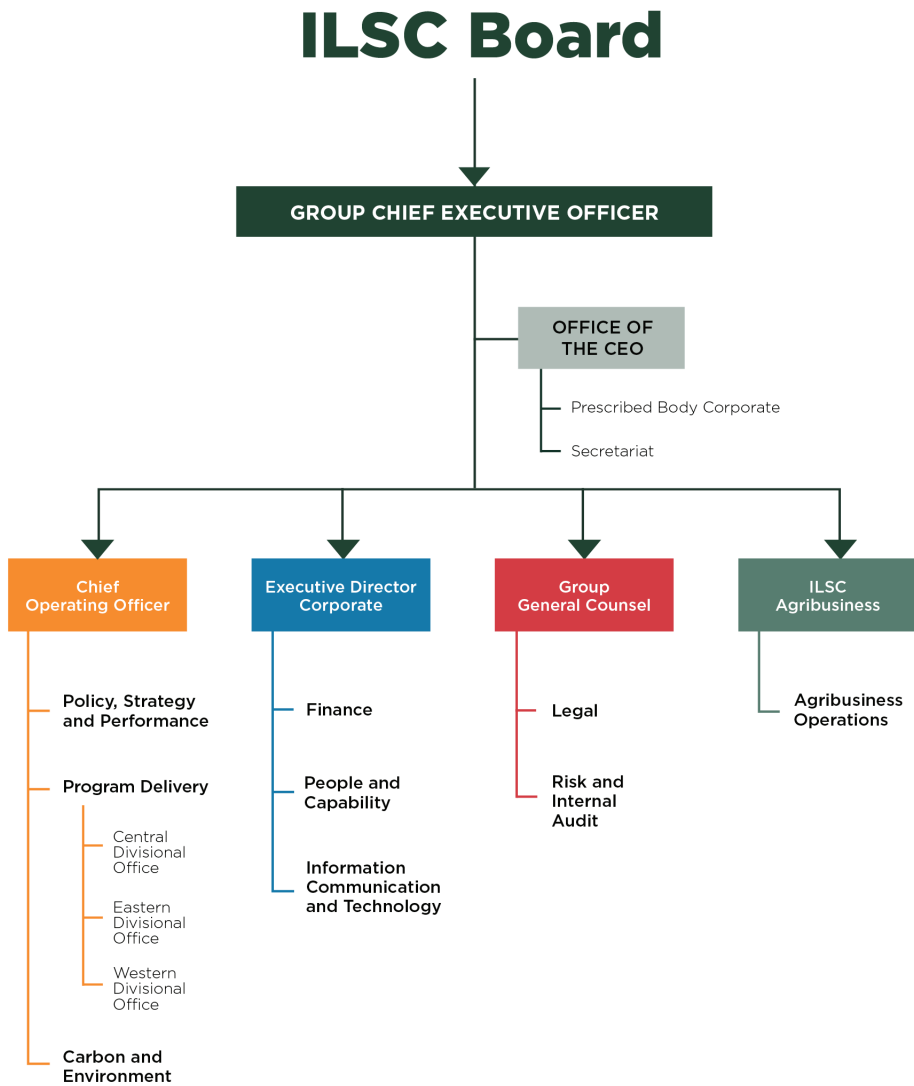
Table 22 ILSC subsidiary boards as at 30 June 2022

Voyages Indigenous Tourism Australia Pty Ltd	Primary Partners Pty Ltd	National Centre of Indigenous Excellence Ltd
Mr Richard Allert, Chair	Mr Roy Ah-See, Chair	Mr Roy Ah-See, Chair
Ms Patricia Angus	Mr Joseph Morrison	Mr Joseph Morrison (ex officio)
Ms Dorethea Randall*	Ms Kate Healy	Mr Nigel Browne
Mr Andrew McEvoy		
Ms Dana Ronan		
Mr Grant Hunt		

* A Deed of Agreement with Wana Ungkunya 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. Ms Randall was the only appointee for 2021-22.

ILSC Organisational Chart

ILSC Organisational Chart 30 June 2022



ILSC administration

The ILSC Group CEO 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.

The ILSC 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 continued to maintain business as usual capability through its 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 Five 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 23). The Executive Management Team meets regularly; other committees meet regularly or as required.

The ILSC Group Executive Management Team meets on a weekly or bi-weekly basis and quarterly for full day meetings. With the continuation of COVID-19 restrictions on movement, the quarterly meetings have been via video-conference.

Table 23 ILSC Management Committees, 30 June 2021

Team/Committee	Members	Description
Executive Management Team	<p>ILSC Group CEO</p> <p>Chief Operating Officer, Executive Director Corporate, Group General Counsel</p> <p>Business Planning and Support Manager, Agribusiness</p>	<p>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</p>
Consultative Committee	<p>Elected staff representatives, ILSC Group CEO (or CEO representative) and General Manager People and Capability</p>	<p>Forum for discussions of issues relating to general employee conditions and operations of the ILSC Enterprise Agreement</p>
Indigenous Consultative Group	<p>Elected Indigenous staff members, ILSC Group CEO, General Manager People and Capability</p>	<p>Forum for discussion of matters and policies relating to Indigenous employees including the Indigenous Employment Strategy</p>
Business Continuity and Crisis Management Team	<p>ILSC Group CEO</p> <p>Chief Operating Officer, Executive Director Corporate, Group General Counsel</p> <p>Business Planning and Support Manager, Agribusiness</p> <p>Manager WHS</p> <p>Manager Risk and Internal Audit</p> <p>Chief Information Officer</p>	<p>Responsible for reviewing and approving operational risk mitigation strategies related to disruption, including provision of advice to the ILSC Group CEO</p>
Group WHS Committee	<p>Group WHS Manager, ILSC and subsidiary WHS Business Partners/members</p>	<p>Forum to discuss monitor and address Work Health and Safety matters arising within the ILSC Group</p>

Strategic and operational planning

In 2021-22, the ILSC welcomed a new Chair and a substantially renewed Board. Building on the foundation business set in train by the previous Board, and with a focus on ensuring business continuity in the face of ongoing disruptions of COVID-19, the Board has continued to prioritise consolidation and return to the delivery of the ILSC's core mandate: the acquisition and granting of land and water assets to Indigenous control.

The ILSC has continued to operationalise its transition away from being an owner-operator of businesses and has invested in deepening its engagement with Indigenous people and organisations as the primary agents of opportunity for Country.

Over the period from 13 May to 30 June, the ILSC conducted the first tranche of a national program of conversations with Aboriginal and Torres Strait Islander people, communities, and organisations about their aspirations for Country. As of 30 June, the ILSC had conducted 27 conversations across the Country and connected with 236 people. To complement the in-person conversations, an online survey exploring aspirations and needs for Country was launched and a dedicated email inbox established.

A further 17 conversations are planned for early 2022-23 along with six industry specific roundtable sessions. Together, this represents one of the most significant engagement processes in the ILSC's history and demonstrates the organisation's commitment to resetting the relationship with Indigenous people and organisations through listening, deep engagement and responsiveness.

The primary purpose of these conversations is to strengthen the ILSC's relationship with its stakeholders and enable the aspirations of Indigenous people to be reflected within the ILSC's forthcoming National Indigenous Land and Sea Strategy (NILSS) and subsequent operational planning. The NILSS is the primary policy document that sets the ILSC's strategic direction and guides its performance and function and is required under the ATSI Act.

It is expected that the NILSS, scheduled for presentation to Parliament in early 2023, will set out a refreshed approach to the ILSC's mandate for the 2023-28 period, underpinned by the aspirations of Indigenous Australians. The refreshed NILSS will inform the realignment and ongoing improvement of the ILSC's Performance Framework, including the potential development of new measures to better capture the achievement of these aspirations.

The NILSS will also guide the establishment of an ILSC engagement framework reflecting the engagement needs of the Aboriginal and Torres Strait Islander people and supporting the operationalisation of the NILSS.

2021-22 also saw the establishment of a Prescribed Bodies Corporate (PBC) Unit within the ILSC. This unit has been established to enable the ILSC to meet its obligations as a default Prescribed Body Corporate under the provisions of the *Native Title Act 1993* and the Native Title (Prescribed Bodies Corporate) Regulations 1999. The PBC Unit sits within the Office of the CEO, with a direct reporting line to the CEO.

Through the establishment of this unit, the ILSC has progressed the development of policies, processes and delegations appropriate to the implementation of its role as an agent PBC. Noting that the ILSC was appointed as an agent PBC on 2 July 2022, it is anticipated that further development of this unit will occur in the coming year.

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

In line with the Australian Government's commitment to Indigenous procurement and the ILSC's legislative responsibilities (section 191F [2], ATSI Act), the ILSC's Indigenous Procurement Policy aims to maximise procurement of Indigenous goods and services and support Indigenous businesses to grow and employ more Indigenous people. In 2021-22 the ILSC Group recorded Indigenous procurement of 7.9 per cent at a value of \$7.4 million (Table 24).

Table 24 Total Indigenous procurement (GST exclusive) for 2021-22

Category	ILSC	Primary Partners	NCIE	Sub-Total	Voyages	Total
\$'000						
Total Indigenous procurement	1,819	1,275	871	3,965	3,435	7,400
Total procurement	17,967	8,301	2,587	28,855	65,287	94,142
% Indigenous procurement	10.1%	15.4%	33.7%	13.7%	5.3%	7.9%

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 Enterprise Risk Management (ERM) 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. It aligns with the Commonwealth Risk Management Policy 2014, Better Practice Guides and relevant Australian and international good-practice guides and standards.

The ILSC 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 Framework 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 21) 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 confirms 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.

Consultants

The ILSC engages consultants on the same basis as it procures all goods and services. In 2021-22 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 25 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.

During 2021-22 expenditure of \$5.4 million comprised 107 new consultancy contracts totalling \$2.5 million and 57 ongoing consultancy contracts totalling \$2.9 million.

Table 25 ILSC Group spending on consultants (GST exclusive)

Financial Year	2021-22	2020-21	2019-20
Expenditure (\$ million)	\$5.4	\$4.2	\$6.9

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 via video-link on:

- Friday 29 October 2021
- Friday 18 February 2022
- Friday 8 April 2022 (no questions were asked of the ILSC)

The ILSC Group CEO and then Chief Operating Officer Ms Patricia Stroud also appeared before the Joint Standing Committee on Northern Australia on 2 December 2021, via teleconference.

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 2021-22 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 well-being strategies and delivery of our commitments. As part of its commitment to WHS across the Group, the ILSC established a five-year strategic plan (2019-2023) 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 well-being 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 2021-22 significant WHS activities included:

- continuation of ILSC Group 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

Three workplace incidents occurred in 2021-22; none were notifiable. There were no workers' compensation claims.

The following WHS initiatives were conducted:

- Implementation and integration of WHS into acquisitions and land-holdings management.
- Continued implementation of contractor prequalification of all engaged contractors and online inductions.
- Refresh of fieldwork travel and remote community travel procedures and associated processes.
- Review of corporate roles for first aiders, wardens, harassment contact officers and Health and Safety Representatives.
- 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 well-being program.

WHS: National Centre of Indigenous Excellence (NCIE)

Two workplace incidents occurred in 2021-22; none were notifiable. There were no workers' compensation claims.

The following WHS initiatives were conducted:

- Annual Royal Lifeguard Aquatic Facility Assessment completed with a conformance of 84 per cent.
- Refresher training provided covering the identification, rectification, reporting of hazards including maintenance and incident reporting processes.
- Completed five-yearly emergency management review and updating of evacuation procedures, physical plans and emergency management risk profile; evacuation training provided to workers and tenants.
- Contractors were sourced, engaged and inducted through NCIE's Principal Contractor NPM Indigenous.

- COVID-19 – regular review and updating of COVID-19 safety plans and training of workers in correct use of personal protective equipment use and implementation of onsite procedures.
- Site-wide review of chemical storage and consolidation of quantities stored.
- Update of first aider and automated external defibrillator training to identified workers and review of first aid requirements onsite.
- Monthly site inspections to proactively identify hazards and maintenance items.

WHS: Primary Partners

Twenty-six workplace incidents occurred in 2021-22; none were notifiable. There were 12 workers' compensation claims.

The following WHS initiatives were conducted:

- Continued implementation of contractor prequalification of all engaged contractors and online inductions.
- Revision of Emergency Response Plans in consultation with property stakeholders.
- Continual review of COVID-19 risk management plans.
- Review of hazardous chemical stockholdings.
- First aid and emergency management training for property managers.
- Sharing of WHS alerts, incidents, lessons learned and information via internal 'Safety Share' initiative.
- Portfolio review of asbestos surveys, renewed asbestos management plans and site registers.
- WHS Dashboard enhanced to provide insights into organisational trends.
- Monthly toolbox topics and inspections coordinated centrally to focus on priority areas.
- Continuation of health and well-being program and associated activities.

WHS: Voyages

107 workplace incidents occurred in 2021-22; none were notifiable. There were 30 workers' compensation claims.

The following WHS initiatives were conducted:

- Contract continuation of the physiotherapy business partner and the completion of physiotherapist-facilitated hazardous Manual Task Risk Assessments and training program.
- Consistent focus on hazard identification, with hazard reporting and inspections exceeding annual targets; 'inspection completed' numbers rose from 138 to 168.
- The close out of audit actions for the Voyages Safety System Management Action Plan and ILSC Safety Management Systems Audits.
- The implementation and tracking of department specific WHS Plans.
- The initial development of the Safety Element Internal Auditing schedule and resourcing to commence July 2022.

Environmental performance

In 2021-22, 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.

In 2022-23 the ILSC's Internal Audit program will consider the ILSC's maturity in its treatment of its environmental management practices. This review will likely see a renewed focus on the ILSC's environmental performance and will be reported against in the 2022-23 Annual Report.

Part Five: People

Employee arrangements: ILSC

The ILSC Group CEO is responsible for the engagement of employees necessary to perform the functions of the ILSC. Table 26 and 27 set out ILSC employees by diversity group and employment status.

At 30 June 2022 the ILSC (excluding subsidiaries) had 93 employees (head count). This is a decrease from 2020-21 (105 head count).

During 2021-22 the ILSC engaged 25 new employees (13 female and 12 male) and 37 employees separated, resulting in a 37.5 per cent average turnover (2020-21: 15.7 per cent). At 30 June 2022 the proportion of Indigenous employees was 18.3 per cent and female employees 54.8 per cent.

Table 26 ILSC employees by diversity group (head count), 30 June 2022

	Non-Indigenous		Indigenous		Total	
	20-21	21-22	20-21	21-22	20-21	21-22
Northern Territory	2	1	-	-	2	1
Female	1	-	-	-	1	-
Male	1	1	-	-	1	1
Queensland	13	11	6	5	19	16
Female	5	7	4	3	9	10
Male	8	4	2	2	10	6
South Australia	58	53	10	8	68	61
Female	30	27	6	5	36	32
Male	28	26	4	3	32	29
Victoria	-	-	1	1	1	1
Female	-	-	-	-	-	-
Male	-	-	1	1	1	1
Western Australia	12	11	3	3	15	14
Female	7	7	1	2	8	9
Male	5	4	2	1	7	5
GRAND TOTAL	85	76	20	17	105	93

Table 27 ILSC employees by employment status (head count), 30 June 2022

	Non-Indigenous		Indigenous		Total	
	20-21	21-22	20-21	21-22	20-21	21-22
Ongoing, full time	45	45	15	12	60	57
Ongoing, part time	5	3	-	-	5	3
Fixed term, full time	32	25	4	5	36	30
Fixed term, part time	3	3	-	-	3	3
Casual	-	-	1	-	1	-
GRAND TOTAL	85	76	20	17	105	93

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 the 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 2022, the ILSC had 17 directors and executives who met the definition of Key Management Personnel (KMP).¹² Their names, details of remuneration and term as KMP are set out in Table 28 and 29.

Table 28 ILSC Key Management Personnel – appointments and tenure

Name	Position Title	Term as KMP
Roy Ah-See	ILSC Board	Full year
Nigel Browne	ILSC Board	Part year – appointed 28.10.2021
Patricia Crossin	ILSC Board and Audit and Risk Committee	Part year – ceased 27.10.2021
Trevor Edmond	Group General Counsel	Full year
Claire Filson	ILSC Board	Part year – appointed 06.08.2021
Edward Fry	ILSC Board – Chair	Part year – ceased 30.11.2021
Ian Hamm	ILSC Board – Chair	Part year – appointed 01.12.2021
Kathryn Healy	ILSC Board	Part year – appointed 28.10.2021
Timothy Larkin	Executive Director Programs	Full year
Bruce Martin	ILSC Board	Part year – ceased 21.10.2021
Kristy Masella	ILSC Board	Part year – appointed 16.03.2022
Joseph Morrison	Group Chief Executive Officer	Full year
Donna Odegaard	ILSC Board	Part year – ceased 27.10.2021
Lynette (Gail) Reynolds-Adamson	ILSC Board	Part year – appointed 04.01.2022
Matthew Salmon	Chief Operating Officer	Part year – Executive Director Programs 14.02.2022 to 08.05.2022, Chief Operating Officer 09.05.2022 onwards
David Silcock	Executive Director Corporate	Full year
Patricia Stroud	Chief Operating Officer	Part year – ceased 29.04.2022

¹² The ILSC defines Key Management Personnel in accordance with Department of Finance Resource Management Guideline (RMG) Number 138. RMG 138 consolidates information from and refers to the Public Governance, Performance and Accountability Rule and Australian Accounting Standards Board 124.

Table 29 ILSC Key Management Personnel remuneration

Name	Position Title	Short-Term Benefits ¹			Post-Employment Benefits ²			Other Long-Term Benefits ³	Termination Benefits ⁴	Total Remuneration ⁵
		Base Salary	Bonuses	Other Benefits and Allowances	Superannuation contributions	Long service leave	Other Long-Term Benefits			
Roy Ah-See	ILSC Board	\$38,678	-	-	\$5,956	-	-	-	-	\$44,634
Nigel Browne	ILSC Board	\$26,187	-	-	\$4,033	-	-	-	-	\$30,220
Patricia Crossin	ILSC Board, Audit and Risk Committee	\$15,307	-	-	\$2,357	-	-	-	-	\$17,664
Trevor Edmond	Group General Counsel	\$238,466		\$31,457	\$34,794	\$5,650	-	-	-	\$310,367
Claire Filson	ILSC Board	\$52,454	-	-	\$8,078	-	-	-	-	\$60,532
Edward Fry	ILSC Board – Chair	\$32,437	-	-	\$4,995	-	-	-	-	\$37,432
Ian Hamm	ILSC Board – Chair	\$45,233	-	-	\$6,966	-	-	-	-	\$52,199
Kathryn Healy	ILSC Board	\$26,187	-	-	\$4,033	-	-	-	-	\$30,220
Timothy Larkin	Executive Director Programs	\$132,490	-	\$24,337	\$26,064	-	-	-	-	\$182,891
Bruce Martin	ILSC Board	\$12,052	-	-	\$1,724	-	-	-	-	\$13,776
Kristy Masella	ILSC Board	\$11,457	-	-	\$1,764	-	-	-	-	\$13,221

Joseph Morrison	Group Chief Executive Officer	\$355,505	\$27,019 ⁶	\$2,880	\$21,778	\$6,885	-	\$414,067
Donna Odegaard	ILSC Board	\$12,647	-	-	\$1,954	-	-	\$14,601
Lynette (Gail) Reynolds-Adamson	ILSC Board	\$19,045	-	-	\$3,123	-	-	\$22,168
Matthew Salmon	Chief Operating Officer	\$94,846	-	\$9,148	\$13,123	\$1,511	-	\$118,628
David Silcock	Executive Director Corporate	\$248,849	-	\$30,912	\$27,654	\$6,824	-	\$314,239
Patricia Stroud	Chief Operating Officer	\$166,256	-	\$43,420	\$38,247	-	-	\$247,923

¹ Short-Term Benefits include:

- Base Salary – salary calculated on an accrual basis (actual earnings), annual leave expenses and higher duties allowance (where applicable).
- Bonuses – performance bonuses where eligible and payable within 12 months.
- Other Benefits and Allowances – motor vehicle, car parking benefits/allowances and fringe benefits tax.

Refer to Table 28 for details relating to terms of KMP.

² 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.

³ Other Long-Term Benefits include long service leave expenses for the period and bonuses deferred for more than 12 months.

⁴ Termination Benefits include voluntary redundancy and ex-gratia payments.

⁵ Total Remuneration includes Short-Term Benefits, Post-Employment Benefits, Other Long-Term Benefits and Termination Benefits.

⁶ Performance bonuses have been approved by the ILSC Board and are awaiting consultation with the Minister.

During the reporting period ending 30 June 2022, the ILSC had seven executives who met the definition of senior executive who are not Key Management Personnel.

Table 30 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.

Table 30 ILSC Senior Executive remuneration

Total Remuneration Bands	Number of Senior Executives	Short-Term Benefits			Average Other Benefits and Allowances	Post-Employment Benefits	Other Long-Term Benefits			Termination Benefits	Total Remuneration
		Average Base Salary	Average Bonuses	Average			Average Long Service Leave	Average Other Long-Term Benefits	Average		
\$0 - \$220,000	3	\$68,371	-	\$8,253	\$10,097	\$7,176	-	-	-	\$93,897	
\$220,001 - \$245,000	3	\$179,640	-	\$21,422	\$29,932	\$7,454	-	-	-	\$238,448	
\$245,001 - \$270,000	1	\$182,021	-	\$30,301	\$27,616	\$6,191	-	-	-	\$246,129	

During the reporting period ending 30 June 2022, the ILSC had no employees who met the definition of other highly paid staff.

Employee arrangements: Primary Partners Pty Ltd

Table 31 and 32 set out Primary Partners employees by diversity group and employment status.

At 30 June 2022, Primary Partners had 75 employees (head count) across 11 properties on Indigenous-held land compared to 125 (head count) across 12 properties at 30 June 2021. The proportion of Indigenous employees was 64 per cent, and female employees 24 per cent.

During the reporting period, 73 new employees were engaged; of these 33 were returning employees. 123 employees separated; of these 114 were casual or seasonal employees, resulting in a 118.7 per cent average turnover (2020-21: 100.4 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 Agreement.¹³ Benefits under the Enterprise Agreement include an employee assistance program, learning and development, time off in lieu provisions, board and/or lodging, and vaccinations.

¹³ 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.

Table 31 Primary Partners employees by diversity group (head count), 30 June 2022

	Non-Indigenous		Indigenous		Total	
	20-21	21-22	20-21	21-22	20-21	21-22
New South Wales	1	-	1	1	2	1
Female	-	-	-	-	-	-
Male	1	-	1	1	2	1
Northern Territory	10	9	34	28	44	37
Female	4	5	4	4	8	9
Male	6	4	30	24	36	28
Queensland	8	8	26	13	34	21
Female	4	4	2	1	6	5
Male	4	4	24	12	28	16
Tasmania	3	3	2	2	5	5
Female	1	1	-	-	1	1
Male	2	2	2	2	4	4
Western Australia	19	7	21	4	40	11
Female	9	3	2	-	11	3
Male	10	4	19	4	29	8
GRAND TOTAL	41	27	84	48	125	75

Table 32 Primary Partners employees by employment status (head count), 30 June 2022

	Non-Indigenous		Indigenous		Total	
	20-21	21-22	20-21	21-22	20-21	21-22
Fixed term, full time	15	12	4	6	19	18
Fixed term, part time	1	1	-	-	1	1
Casual	25	14	80	42	105	56
GRAND TOTAL	41	27	84	48	125	75

Employee arrangements: National Centre of Indigenous Excellence Ltd

Table 33 and 34 set out Voyages employees by diversity group and employment status.

At 30 June 2022, NCIE had 52 employees (head count) (2020-21: 75 headcount) all of whom are in New South Wales.

During 2021-22 NCIE engaged 22 new employees (11 female and 11 male); and 45 employees separated, resulting in a 65.5 per cent average turnover (2020-21: 70.4 per cent). At 30 June 2022 the proportion of Indigenous employees was 42.3 per cent, and female employees 51.9 per cent.

The NCIE management 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 (57.7 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.

Table 33 NCIE employees by diversity group (head count), 30 June 2022

	Non-Indigenous		Indigenous		Total	
	20-21	21-22	20-21	21-22	20-21	21-22
Female	26	15	16	12	42	27
Male	19	15	14	10	33	25
GRAND TOTAL	45	30	30	22	75	52

Table 34 NCIE employees by employment status (head count), 30 June 2022

	Non-Indigenous		Indigenous		Total	
	20-21	21-22	20-21	21-22	20-21	21-22
Fixed term, full time	13	10	14	11	27	21
Fixed term, part time	-	-	1	1	1	1
Casual	32	20	15	10	47	30
GRAND TOTAL	45	30	30	22	75	52

Employee Arrangements: Voyages Indigenous Tourism Australia Pty Ltd

Table 35 and 36 set out Voyages employees by diversity group and employment status.

At 30 June 2022, Voyages had 822 employees (head count) compared to 749 (head count) at 30 June 2021.

During 2021-22 Voyages engaged 704 new employees (379 female and 325 male) and 631 employees separated, resulting in an 89.1 per cent average turnover rate (2020-21: 80.7 per cent).

At 30 June 2022 the proportion of Indigenous employees was 32.7 per cent, and proportion of female employees was 48.4 per cent.

Table 35 Voyages employees by diversity group (head count), 30 June 2022

	Non-Indigenous		Indigenous		Total	
	20-21	21-22	20-21	21-22	20-21	21-22
New South Wales	66	70	-	5	66	75
Female	48	50	-	2	48	52
Male	18	20	-	3	18	23
Northern Territory	363	463	252	216	615	679
Female	159	207	127	104	286	311
Male	204	256	125	112	329	368
Queensland	29	20	39	48	68	68
Female	12	10	18	25	30	35
Male	17	10	21	23	38	33
GRAND TOTAL	458	553	291	269	749	822

Table 36 Voyages employees by employment status (head count), 30 June 2022

	Non-Indigenous		Indigenous		Total	
	20-21	21-22	20-21	21-22	20-21	21-22
Ongoing, full time	324	324	184	156	508	480
Ongoing, part time	19	11	5	3	24	14
Fixed term, full time	63	180	75	75	138	255
Fixed term, part time	2	2	8	1	10	3
Casual	50	36	19	34	69	70
GRAND TOTAL	458	553	291	269	749	822

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 the Voyages' CEO. Remuneration benchmarking is provided by Mercer and Korn Ferry on an annual basis.

Remuneration and benefits for the executive management (including the CEO) in 2021-22 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 2021-22 may include base salary, superannuation, 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.

Executive Management, senior management and senior professionals who have contributed to the performance of the company and as part of their employment contract were eligible to participate in the short-term incentive bonus plan which operated from 1 July 2021.

For Executive Managers, senior managers and senior professionals who participated in the short-term incentive plan, the proportion of fixed remuneration is 90 per cent compared to 10 per cent which is at risk and subject to performance conditions.

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 2022, Voyages had 15 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 37 and 38. Voyages had no employees who met the definitions of Senior Executive or Other Highly Paid Staff.

Table 37 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	Full year
Matthew Cameron-Smith	Chief Executive Officer	Full year
Des Dockery	Chief Finance Officer	Full year
Gemma Hillis	Chief People and Culture Officer	Part year, appointed 10.01.2022
Kristin Howden	Chief Legal and Compliance Officer	Full year
Grant Hunt	Voyages Board	Full year
Andrew McEvoy	Voyages Board	Full year
James McMorrone	Chief Finance Officer	Part year, appointed 15.06.2022
Roger Millar	Chief ICT Officer	Full year
Claire Pillans	Acting Director of Marketing	Part year, appointed 10.01.2022
Dorethea Randall	Voyages Board	Full year
Dana Ronan	Voyages Board	Full year
David White	Chief Operations Officer	Full year

Table 38 Voyages Key Management Personnel remuneration

Name	Position Title	Short-Term Benefits ¹			Post-Employment Benefits ²			Other Long-Term Benefits ³			Termination Benefits ⁴	Total Remuneration ⁵
		Base Salary	Bonuses	Other Benefits and Allowances	Superannuation contributions	Long service leave	Other Long-Term Benefits					
Richard Allert	Voyages Board – Chair	\$71,147	-	-	\$7,124	-	-	-	-	-	\$78,271	
Patricia Angus	Voyages Board	\$48,174	-	-	\$4,854	-	-	-	-	-	\$53,028	
Ana Ayala	Chief Marketing Officer	\$143,618	\$20,594	-	\$2,933	\$5,369	-	-	-	-	\$172,514	
Matthew Cameron-Smith	Chief Executive Officer	\$560,342	\$117,000	-	\$23,568	\$15,187	-	-	-	-	\$716,097	
Des Dockery	Chief Finance Officer	\$256,159	\$10,500	-	\$23,691	-	-	-	-	-	\$290,350	
Gemma Hillis	Chief People and Culture Officer	\$101,332	\$15,000	-	\$9,462	\$1,476	-	-	-	-	\$127,270	
Kristin Howden	Chief Legal and Compliance Officer	\$268,265	\$53,851	-	\$23,524	\$8,047	-	-	-	-	\$353,687	
Grant Hunt	Voyages Board	\$69,003	-	-	\$6,909	-	-	-	-	-	\$75,912	

Andrew McEvoy	Voyages Board	\$35,574	-	-	\$3,562	-	-	\$39,136
James McMorron	Chief Finance Officer	\$11,927	-	-	\$1,067	-	-	\$12,994
Roger Millar	Chief ICT Officer	\$206,949	\$40,907	-	\$20,468	\$6,019	-	\$274,343
Claire Pillans	Acting Director of Marketing	\$82,609	\$16,500	-	\$8,042	\$1,638	-	\$108,789
Dorethea Randall	Voyages Board	\$35,574	-	-	\$3,562	-	-	\$39,136
Dana Ronan	Voyages Board	\$35,574	-	-	\$3,562	-	-	\$39,136
David White	Chief Operations Officer	\$277,689	\$61,875	\$9,084	\$23,688	\$8,196	-	\$380,532

¹ Short-Term Benefits include:

- Base Salary – salary calculated on an accrual basis (actual earnings), annual leave expenses and higher duties allowance (where applicable).
- Bonuses – performance bonuses where eligible and payable within 12 months.
- Other Benefits and Allowances – motor vehicle, car parking benefits/allowances and fringe benefits tax.

Refer to Table 37 for details relating to terms of KMP.

² 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.

³ Other Long-Term Benefits include long service leave expenses for the period and bonuses deferred for more than 12 months.

⁴ Termination Benefits include voluntary redundancy and ex-gratia payments.

⁵ Total Remuneration includes Short-Term Benefits, Post-Employment Benefits, Other Long-Term Benefits and Termination Benefits.

Part Six: Finance

Aboriginal and Torres Strait Islander Land and Sea Future Fund

In 2021-22, the Aboriginal and Torres Strait Islander Land and Sea Future Fund (ATSILSFF) remained the primary ILSC funding source. Established on 1 February 2019¹⁴ 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 2022 was \$2.1 billion. Table 39 summarises ATSILSFF – and formerly Land Account – funding to the ILSC since July 2004.

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 ATSILSFF Act also provides for additional payments to be made as determined by the Minister for Finance and Minister for Indigenous Australians and based on advice from the Future Fund Board. In recent years, no additional payments have been made.

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. No such meeting was requested in the 2021-22 period.

Table 39 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	2021-22	\$55.7m

¹⁴ 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 ATSIILFF 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 \$96.8 million in cash reserves and investments at 30 June 2022 (30 June 2021: \$104.5 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 Indigenous corporations. At 30 June 2022, the ILSC held properties at a value of \$153 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 2022, the ILSC Group held 25,178 head of livestock at a value of \$16 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 Three 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 2022. At that date, the fair value of these assets was assessed to be \$427 million, representing a fair value increase of \$37 million compared with the 2020-21 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 and The Owners – Strata Plan No. 86156 (Owners Corp).

The Group generated a loss after income tax of \$56.8 million in 2021-22, which included losses of \$23.7 million in relation to Voyages and \$31.5 million in relation to the divestment of 180 George Street, Redfern.

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 (Table 40) 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.

Table 40: Agency Resource Statement*

	2021-22 Actual \$'000
Opening balance/cash reserves at 1 July	64,631
<hr/>	
Funds from Government	8,276
Ordinary annual services (Appropriation Bill No. 1)	
<hr/>	
Special Accounts	55,724
Aboriginal and Torres Strait Islander Land and Sea Future Fund	
<hr/>	
Total funds from Government	64,000
<hr/>	
Funds from other sources	
Interest	9,387
Other	16,078
<hr/>	
Total funds from other sources	25,465
<hr/>	
Total net resourcing for ILSC	154,096
<hr/>	
Payments made	(75,083)
<hr/>	
Closing balance/cash reserves at 30 June	79,013

*Represents the ILSC Group excluding its subsidiary Voyages



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 2022:

- (a) comply with Australian Accounting Standards – Simplified Disclosures and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial positions of the Entity and the Consolidated Entity as at 30 June 2022 and their financial performance and cash flows for the year then ended.

The financial statements of the Entity and the Consolidated Entity, which I have audited, comprise the following as at 30 June 2022 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 Statements 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 Entity and 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.

Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the 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 – Simplified Disclosures 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 Entity and the Consolidated Entity to continue as a going concern, taking into account whether the entities' 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 Entity and 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 Entity or 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 Entity or the Consolidated Entity's 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.

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
19 September 2022



PEOPLE. COUNTRY. OPPORTUNITY.

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 2022 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 fall due.

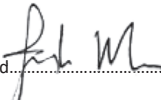
This statement is made in accordance with a resolution of the directors.

Signed.....

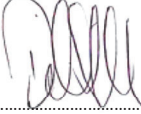

Mr Ian Hamm
Chair

Signed...


Ms Claire Filson
Deputy Chair

Signed.....


Mr Joseph Morrison
Group Chief Executive Officer

Signed.....


Mr David Silcock
Executive Director Corporate

16 September 2022

**Indigenous Land and Sea Corporation
Contents**

Primary Financial Statement

Consolidated Statement of Comprehensive Income
 Consolidated Statement of Financial Position
 Consolidated Statement of Changes in Equity
 Consolidated Cash Flow Statement

Notes to the financial statements**Overview****Financial Performance**

- 1 Expenses
 - A Provision for property held for grant and assets held in trust
 - B Employee benefits
 - C Suppliers
 - D Grant funding
 - E Depreciation and amortisation
 - F Finance costs
- 2 Own-source revenue
 - A Interest
 - B Revenue from contracts with customers
 - C Unsatisfied obligations
 - D Grants
 - E Other revenue
- 3 (Losses) / gains
 - A Net (loss) / gain in the net market value of livestock
 - B Other net gain
 - C Net loss from disposal of assets
- 4 Revenue from Government

Taxation

- 5 Income tax
 - A Income tax (benefit)
 - B Deferred income tax

Financial Position

- 6 Financial assets
 - A Cash and cash equivalents
 - B Trade and other receivables
 - C Investments
 - D Other financial assets
- 7 Non-financial assets
 - A Biological assets
 - B Inventory - other
 - C Inventory - property held for grant and provision for property held for grant
 - D Assets held in trust and provision for assets held in trust
 - E Land, property, plant and equipment
 - F Intangible assets
 - G Commitments - property plant and equipment

- 8 Payables
 - A Suppliers
 - B Other payables
 - C Interest bearing loans
 - D Leases
 - E Other financial liabilities
- 9 Other provisions
 - A Provision for make good
 - B Provision for property, plant and equipment

People and Relationships

- 10 Employee provisions
- 11 Key management personnel remuneration
- 12 Related party disclosure
 - A Related party relationships
 - B Transactions with related parties
 - C ILSC Group
 - D Transactions with wholly-owned entities

Managing Uncertainties

- 13 Contingent assets and liabilities
 - A Quantifiable contingencies
 - B Unquantifiable contingencies
- 14 Financial instruments
 - A Categories of financial instruments
 - B Net gain on financial assets
 - C Net loss on financial liabilities
- 15 Fair value measurement

Parent Information

- 16 Indigenous Land and Sea Corporation

Other Information

- 17 Current/non-current distinction for assets and liabilities

Auditor's Remuneration

- 18 Audit fees and other services

Indigenous Land and Sea Corporation
Consolidated Statement of Comprehensive Income
for the year ended 30 June 2022

	Notes	Consol 2022 \$'000	Consol 2021 \$'000
NET COST OF SERVICES			
Expenses			
Provision for property held for grant and assets held in trust	1A	1,100	7,076
Employee benefits	1B	77,889	70,280
Suppliers	1C	82,524	69,424
Grant funding	1D	24,117	25,906
Depreciation and amortisation	1E	22,648	23,765
Finance costs	1F	4,290	4,577
Total expenses		<u>212,568</u>	<u>201,028</u>
Own-source income			
Own-source revenue			
Interest	2A	362	309
Revenue from contracts with customers	2B	102,032	75,307
Grants	2D	4,608	35,144
Other revenue	2E	14,189	15,222
Total own-source revenue		<u>121,191</u>	<u>125,982</u>
(Losses) / gains			
Net (loss) / gain in the net market value of livestock	3A	(9,401)	13,121
Other net gain	3B	2,284	566
Net loss from disposal of assets	3C	(32,015)	(98)
Total (losses) / gains		<u>(39,132)</u>	<u>13,589</u>
Total own-source income		<u>82,059</u>	<u>139,571</u>
Net cost of services		<u>(130,509)</u>	<u>(61,457)</u>
Revenue from Government			
Revenue from Government	4	64,000	63,249
(Loss) / Surplus before income tax on continuing operations		<u>(66,509)</u>	<u>1,792</u>
Income tax (benefit)	5A	(9,684)	(3,452)
(Loss) / Surplus attributable to the Australian Government		<u>(56,825)</u>	<u>5,244</u>
Other comprehensive income			
Changes in asset revaluation reserve	7E	45,826	7,648
Tax effect of revaluations		(12,901)	(1,690)
Changes in other reserves	7F	891	-
Total comprehensive (loss) / income attributable to the Australian Government		<u>(23,009)</u>	<u>11,202</u>

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 2022

	Notes	Consol 2022 \$'000	Consol 2021 \$'000
ASSETS			
Financial assets			
Cash and cash equivalents	6A	66,752	74,517
Trade and other receivables	6B	10,877	11,048
Investments	6C	30,000	30,000
Other financial assets	6D	3,451	881
Total financial assets		111,080	116,446
Non-financial assets¹			
Biological assets	7A	15,866	35,032
Inventory - other	7B	4,305	4,075
Inventory - property held for grant	7C	101,385	116,209
Assets held in trust	7D	52,059	52,059
Land	7E	86,807	77,237
Property, plant and equipment	7E	408,641	416,423
Intangible assets	7F	8,825	8,211
Prepayments		2,200	2,712
Total non-financial assets		680,088	711,958
Total assets		791,168	828,404
LIABILITIES			
Payables			
Suppliers Creditors	8A	14,015	15,407
Other payables	8B	21,173	20,600
Interest bearing loans	8C	126,013	124,989
Leases	8D	22,152	24,212
Deferred tax liability	5B	6,300	3,665
Other financial liabilities	8E	-	1,335
Income tax payable		368	-
Total payables		190,021	190,208
Provisions			
Employee provisions	10	10,156	9,953
Provision for property held for grant	7C	101,385	116,209
Provision for assets held in trust	7D	52,059	52,059
Other provisions	9	626	259
Total provisions		164,226	178,480
Total liabilities		354,247	368,688
NET ASSETS		436,921	459,716
EQUITY			
Parent entity interest			
Reserves		105,614	84,344
Retained surplus		331,307	375,372
Total parent entity interest		436,921	459,716
TOTAL EQUITY		436,921	459,716

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 2022

Consolidated	Retained Surplus		Asset Revaluation Reserve		Other Reserves¹		Total Equity	
	2022	2021	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening Balance								
Balance carried forward from previous period	375,372	370,032	84,344	78,454	-	-	459,716	448,486
Comprehensive Income								
(Loss)/Surplus for the period	(56,825)	5,244	-	-	-	-	(56,825)	5,244
Other comprehensive income:								
Fair value revaluation of intangible assets	-	-	-	-	891	-	891	-
Fair value revaluation of property, plant and equipment	-	-	45,826	7,648	-	-	45,826	7,648
Tax effect of revaluations	-	-	(12,901)	(1,690)	-	-	(12,901)	(1,690)
Total comprehensive income attributable to the Australian Government	(56,825)	5,244	32,925	5,958	891	-	(23,009)	11,202
Amount transferred to/(from) revaluation reserve for property, plant and equipment disposed of	12,760	96	(12,760)	(96)	-	-	-	-
Income tax equity adjustment	-	-	214	28	-	-	214	28
Closing balance attributable to the Australian Government	331,307	375,372	104,723	84,344	891	-	436,921	459,716

¹Other reserves incorporate the fair value revaluation movement of intangible assets (refer Note 7F).
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 2022**

	Consol 2022 \$'000	Consol 2021 \$'000
OPERATING ACTIVITIES		
Cash received		
Appropriations from Government	8,276	8,402
Receipts from Government	57,716	87,498
Goods and services	125,497	89,857
Interest	268	320
Other	13,465	12,065
Total cash received	<u>205,222</u>	<u>198,142</u>
Cash used		
Employees	(81,865)	(72,506)
Suppliers	(114,263)	(104,887)
Interest paid	(2,214)	(2,408)
Interest payments on lease liabilities	(905)	(779)
GST paid (net)	(519)	2,473
Total cash used	<u>(199,766)</u>	<u>(178,107)</u>
Net cash from operating activities	<u>5,456</u>	<u>20,035</u>
INVESTING ACTIVITIES		
Cash received		
Proceeds from the sale of property, plant and equipment	198	212
Total cash received	<u>198</u>	<u>212</u>
Cash used		
Purchase of property, plant and equipment	(9,703)	(12,641)
Purchase of intangibles	(173)	(2,036)
Investments (net)	-	(5,000)
Advances from loans, net	(1,399)	(403)
Total cash used	<u>(11,275)</u>	<u>(20,080)</u>
Net cash used by investing activities	<u>(11,077)</u>	<u>(19,868)</u>
FINANCING ACTIVITIES		
Cash used		
Principal payments of lease liabilities	(2,144)	(1,922)
Total cash used	<u>(2,144)</u>	<u>(1,922)</u>
Net cash used by financing activities	<u>(2,144)</u>	<u>(1,922)</u>
Net (decrease) in cash held	(7,765)	(1,755)
Cash at the beginning of the reporting period	74,517	76,272
Cash at the end of the reporting period	6A <u>66,752</u>	<u>74,517</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 2022

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. The address of the Group's registered office is GPO Box 652, Adelaide, South Australia 5001.

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 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 - including simplified disclosures for Tier 2 entities under AASB 1060 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 continued to be significantly impacted, predominantly at Ayers Rock Resort, by Government travel restrictions, as a result of the COVID-19 pandemic. Access to Ayers Rock Resort has been restricted due to the continued closure of international borders by the Federal Government and the stop/start nature of domestic border openings, which has had a significant impact on the operating results for the Group for the reporting period. With restrictions in the Northern Territory gradually easing and with the removal of the public health emergency declaration on 15 June 2022, the Group has seen a significant improvement in occupancy at the Resort in recent months, albeit primarily domestic travellers.

The Group has increased the fair value of property, plant and equipment from prior year's valuation at Ayers Rock Resort, which was conservatively held in line with prior year due to the renewed impact of COVID-19 between the date of valuation (May 2021) and the date of signing the financial statements (September 2021). The valuation methodology and assumptions, including sensitivity to changes in assumptions for the valuation of property, plant and equipment are 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 2022. Evidence since the reporting date to the date of these financial statements was also evaluated and no adjustments were required to be 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

All new accounting standards that were issued prior to the sign-off date and are applicable to the current reporting period did not have a material effect on the Group's financial statements.

AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-Profit Entities
AASB 1060 applies to annual reporting periods beginning on or after 1 July 2021 and replaces the reduced disclosure requirements (RDR) framework. The application of AASB 1060 involves some reduction in disclosure compared to the RDR with no impact on the reported financial position, financial performance and cash flows of the entity.

AASB 2021-3 Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions beyond 30 June 2021

AASB 2021-3 became effective in April 2021 as an amendment to AASB 16 Leases and is a one-year extension to *AASB 2020-4 Amendments to Australian Accounting Standards - Covid-19 Related Rent Concessions*. 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 April 2021.

The Group has adopted AASB 2021-3 and has applied the practical expedient to all rent concessions that meet the required conditions during the period. \$0.8m (2021: 1.2m) has been recognised as Other Revenue which reflects the changes in lease payments that arose in the period where the Group has continued to apply the practical expedient.

Several other amendments and interpretations apply for the first time in the year ended 30 June 2022, 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 is 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

Under *Regulation 11* of the *Native Title (Prescribed Bodies Corporate) Regulations 1999*, (under the *Native Title Act 1993*), the ILSC may be appointed by the Federal Court to the role of an agent Prescribed Body Corporation (PBC) for five years in circumstances where the common law holders have failed to nominate a PBC or where a liquidator nominates ILSC as a PBC.

Subsequent to the end of the reporting period, the ILSC has been appointed as an agent PBC for the Birriman-gan common law holders. The appointment was made by the Federal Court effective from 2 July 2022 and the appointment has now been registered with the National Native Title Tribunal. At the time of authorisation of the financial statements, no assets were held in trust in relation to ILSC's role as agent PBC.

Consol	Consol
2022	2021
\$'000	\$'000

Financial Performance

This section analyses the financial performance of the Group for the year ended 30 June 2022.

1. Expenses

1A. Provision for property held for grant and assets held in trust

Increase in the provision for property held for grant	1,100	7,076
Total increase in provision	<u>1,100</u>	<u>7,076</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	71,165	64,544
Superannuation		
Defined contribution plans	6,266	5,299
Defined benefit plan	423	437
Separation and redundancy	35	-
Total employee benefits	<u>77,889</u>	<u>70,280</u>

Accounting Policy

Accounting policy for employee-related expenses is contained in the People and Relationships section.

	Consol 2022 \$'000	Consol 2021 \$'000
1C. Suppliers		
Raw materials and consumables	28,771	21,341
Repairs and maintenance	9,802	9,563
Staff related expenses	6,632	5,067
Utilities, rates and services	6,877	6,189
Consultants	6,591	4,807
Other expenses	5,809	3,979
Agribusiness supplies and expenses	2,685	3,311
Marketing	3,114	4,409
Travel	977	915
Information and communication expenses	3,875	3,207
Resort supplies and expenses	1,230	988
Fuels	1,017	909
Insurance	1,792	1,788
Total goods and services supplied or rendered	<u>79,172</u>	<u>66,473</u>
Other supplier expenses:		
Operating lease rentals:		
Short-term leases	1,428	1,359
Workers compensation expenses	1,924	1,592
Total other supplier expenses	<u>3,352</u>	<u>2,951</u>
Total suppliers	<u>82,524</u>	<u>69,424</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 above lease disclosures should be read in conjunction with the accompanying notes 1F, 2E, 7E and 8D.

1D. Grant funding

Grant funding	<u>24,117</u>	<u>25,906</u>
---------------	---------------	---------------

Grant funding to Indigenous corporations provides assistance for acquiring and managing rights and interests in land, salt water and fresh water country interests.

	Consol 2022 \$'000	Consol 2021 \$'000
1E. Depreciation and amortisation		
Land - Right-of-use asset	140	766
Buildings and infrastructure	14,240	13,546
Plant and equipment	3,353	4,373
Furniture and fittings	2,340	2,444
Motor vehicles	1,220	1,288
Computer equipment	440	526
Leasehold improvements	465	473
Total depreciation	<u>22,198</u>	<u>23,416</u>
Software	450	341
Other contracts and relationships	-	8
Total amortisation	<u>450</u>	<u>349</u>
Total depreciation and amortisation	<u>22,648</u>	<u>23,765</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	160
Loan interest	2,961	3,175
Interest on lease liabilities	1,169	1,242
Total finance costs	<u>4,290</u>	<u>4,577</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 2022 \$'000	Consol 2021 \$'000
2. Own-source revenue		
2A. Interest		
Term deposits interest	335	302
Interest on bank and other securities	27	7
Total interest	<u>362</u>	<u>309</u>
Interest revenue is recognised using the effective interest method.		
2B. Revenue from contracts with customers		
Sale of goods	38,560	29,058
Rendering of services	63,472	46,249
Total revenue from contracts with customers	<u>102,032</u>	<u>75,307</u>
Disaggregation of revenue from contracts with customers		
Agribusiness		
Fodder and mixed ration	4,448	2,516
Agistment fees	1,108	1,540
Wool	760	610
Meat	687	742
Tourism	92,953	66,648
Fitness and Aquatics	158	1,165
Conference and Venue Hire	440	980
Accommodation - NCIE	143	68
Corporate sponsorship and grants	-	565
Other sale of goods	1,334	473
Total revenue from contracts with customers	<u>102,032</u>	<u>75,307</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 portage.
- 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 2022	Consol 2021
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>604</u>	<u>2,914</u>
	<u>604</u>	<u>2,914</u>

2D. Grants

Grants from:

Department of Prime Minister and Cabinet	3,253	2,192
National Indigenous Australians Agency ¹	-	31,358
Department of Health	972	960
State and Territory Governments	-	23
Other grants	383	611

Total grants	<u>4,608</u>	<u>35,144</u>
--------------	--------------	---------------

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, during FY21, entered into discussions with National Indigenous Australians Agency (NIAA) to secure additional funding. The agreement executed with NIAA, consisted of wages subsidy and ongoing operating expenses payments, split between Voyages and NCIE.

2E. Other revenue

Diesel fuel rebate	241	508
Grant recovery	108	30
Insurance recovery	410	1,771
Lease income	8,336	7,426
Subleasing right-of-use assets ¹	5	65
Corporate sponsorship	-	150
Carbon and environment programmes	3,595	3,629
Other revenue	1,494	1,643

Total other revenue	<u>14,189</u>	<u>15,222</u>
---------------------	---------------	---------------

- The lease disclosures should be read in conjunction with the accompanying notes 1C, 1F, 7E and 8D.
- Resources received free of charge/at nominal amounts are recognised as revenue when, and only when, a fair value can be reliably determined.

	Consol 2022 \$'000	Consol 2021 \$'000
2E. Other revenue (continued)		
<i>Operating Leases Receivable</i>		
Operating leases	3,450	5,291
Total operating leases receivable	<u>3,450</u>	<u>5,291</u>

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	1,257	1,499
From one to five years	1,912	3,424
Over five years	281	368
Total undiscounted lease payments receivable	<u>3,450</u>	<u>5,291</u>

3. (Losses) / gains

3A. Net (loss) / gain in the net market value of livestock

Net (loss) / gain in the net market value during the reporting period

Cattle	(9,581)	12,354
Sheep	79	637
Gross change in net market value	<u>(9,502)</u>	<u>12,991</u>
Decrease in provision for deaths	101	130
Net (loss) / gain in the net market value of livestock	<u>(9,401)</u>	<u>13,121</u>

Net market value is fair value less costs to sell.

The gross change in net market value of \$9,502,000 incorporates a gain associated with natural increase of \$3,191,000, offset by losses associated with deaths/rations/other of \$1,347,000 and with the change in net market value of \$ 11,346,000. The decrease in net market value of \$11,346,000 includes the impact of a sale of cattle to an indigenous organisation below market value (\$12.9 million)-also refer to note 7A *Biological Assets* .

3B. Other net gain

Fair value gain on financial instruments ¹	2,789	957
Impairment loss on trade and other receivables	(202)	(315)
Impairment reversal / (loss) on property, plant and equipment	<u>(303)</u>	<u>(76)</u>
Total net gain	<u>2,284</u>	<u>566</u>

¹The change in the fair value recorded is the aggregate change in the derivative financial asset/liability between 30 June 2021 (derivative financial liability-refer note 8E) and 30 June 2022 (derivative financial asset-refer note 6D).

Consol	Consol
2022	2021
\$'000	\$'000

3C. Net loss from disposal of assets

Net loss from disposal of assets	<u>(32,015)</u>	<u>(98)</u>
Total net loss from disposal of assets	<u>(32,015)</u>	<u>(98)</u>

The Group entered into a Deed of Grant of Assets with NSW Aboriginal Land Council (NSWALC) in May 2021 to divest the property at Redfern on which NCIE Limited operates. The Group finalised the divestment of the Redfern property on 30 June 2022 with the transfer of assets being effective at this date. The Group has recognised a loss on disposal against the carrying value, at an amount of \$31.5 million, of post-acquisition NCIE building and infrastructure improvement assets.

4. Revenue from Government

Department of the Prime Minister and Cabinet		
Corporate Commonwealth entity payment ¹	8,276	8,402
Receipts from the ATSILSFF ²	55,724	54,847
Total revenue from Government	<u>64,000</u>	<u>63,249</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* (ATSIA 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	Consol
2022	2021
\$'000	\$'000

Taxation

This section analyses the taxation of the Group. Voyages and PPPL are the only entities in the Group subject to all Commonwealth and State taxation, including income tax.

5. Income tax

5A. Income tax (benefit)

The major components of income tax (benefit) are:

Current income tax:		
Current income tax charge	-	-
Deferred income tax:		
Relating to origination and reversal of temporary differences	(5,213)	(3,452)
Adjustments in respect of income tax of previous years	368	-
Value of deferred tax assets not recognised/derecognised	(4,839)	-
Income tax (benefit) reported in Statement of Comprehensive Income	<u>(9,684)</u>	<u>(3,452)</u>

Numerical reconciliation between aggregate tax expenses recognised in the Statement of Comprehensive Income and tax as calculated per the statutory income tax rate (Voyages and PPPL only):

Total accounting (loss)/ profit	(66,509)	1,792
Accounting (loss)/ profit not subject to income tax	<u>16,676</u>	<u>(7,727)</u>
Total accounting (loss) subject to income tax	(49,833)	(5,935)
Income tax on (loss) at statutory rate (30%)	(14,950)	(1,781)
Adjustments in respect of income tax of previous years	368	-
Value of deferred tax assets not recognised/derecognised	4,839	(1,633)
Recognition of prior year temporary differences not previously recognised	-	(46)
Other	59	8
Aggregate income tax (benefit)	<u>(9,684)</u>	<u>(3,452)</u>

5B. Deferred income tax

Deferred tax relates to the following:

	Statement of Financial Position		Statement of Comprehensive Income	
	Consol 2022 \$'000	Consol 2021 \$'000	Consol 2022 \$'000	Consol 2021 \$'000
Provision for doubtful debts	115	252	137	-
Provision for employee entitlements	2,201	2,015	(185)	(274)
Fixed assets	(38,861)	(26,846)	(673)	854
Other	(254)	647	900	599
Losses available for offsetting future taxable income	26,661	16,178	(10,484)	(1,461)
Financial liabilities	3,838	4,089	252	(3,170)
Deferred tax expense			<u>(10,053)</u>	<u>(3,452)</u>
Net deferred tax liabilities	<u>(6,300)</u>	<u>(3,665)</u>		
<i>Reconciliation of net deferred tax liability:</i>				
Opening balance as of 1 July	(3,665)	(5,454)		
Tax benefit during the period recognised in Statement of Comprehensive Income	10,053	3,452		
Other	(1)	(1)		
Amounts recorded within equity	(12,687)	(1,662)		
Closing balance as at 30 June	<u>(6,300)</u>	<u>(3,665)</u>		

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).

Voyages and PPPL 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 2022 \$'000	Consol 2021 \$'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	31,656	54,481
Short-term deposits	35,096	20,036
Total cash and cash equivalents	66,752	74,517

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 \$2,658,000 (2021: \$2,970,000).

6B. Trade and other receivables

Goods and services receivables	6,847	8,823
Other receivables:		
Interest receivable	103	26
Other debtors	4,615	3,589
Total other receivables	4,718	3,615
Total trade and other receivables (gross)	11,565	12,438
Less: Allowance for expected credit losses	(688)	(1,390)
Total trade and other receivables (net)	10,877	11,048
<i>Reconciliation of allowance for expected credit losses</i>		
Opening balance	(1,390)	(1,507)
Amounts written off	202	432
Amounts recovered or reversed	206	235
Decrease/(increase) recognised in net cost of services	294	(550)
Closing balance	(688)	(1,390)

Credit terms for goods and services are generally within 28 days (2021: 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 2022 \$'000	Consol 2021 \$'000
6C. Investments		
Term deposits	30,000	30,000
Total investments	<u>30,000</u>	<u>30,000</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 loans provided to Indigenous corporations	2,551	1,138
Derivative financial assets	1,454	-
Other deposits	-	2
Total other financial assets (gross)	<u>4,005</u>	<u>1,140</u>
Less: Provision for impairment other financial assets	(554)	(259)
Total other financial assets (net)	<u>3,451</u>	<u>881</u>

Accounting PolicyRepayable loans provided to Indigenous corporations

Repayable loans 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.

Derivative financial assets

Derivative financial assets are measured at fair value through profit or loss and reflect the positive change in fair value of interest rate swaps. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The fair value determined through 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 asset. At 30 June 2021, the MTM calculation for held interest rate swaps resulted in a derivative financial liability (refer note 8E). 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).

	Consol 2022 \$'000	Consol 2021 \$'000
7. Non-financial assets		
7A. Biological assets		
Livestock	16,177	35,444
Provision for livestock deaths	(311)	(412)
Total biological assets	<u>15,866</u>	<u>35,032</u>
	Consol 2022 \$'000	Consol 2022 Number
<i>Movement in livestock:</i>		
Opening on hand (at net market value)	35,444	45,928
Less provision for deaths	(412)	
Net sales	(9,930)	(26,922)
Purchases	165	498
Natural increase	3,191	7,857
Deaths/rations/other	(1,347)	(2,183)
Change in net market value ¹	(11,346)	
Change in provision for deaths	101	
Closing on hand (at net market value)	<u>15,866</u>	<u>25,178</u>
<i>Livestock on hand at the beginning of the reporting period at net market value (excluding provision for deaths):</i>		
	Consol 2021 \$'000	Consol 2021 Number
Cattle	34,134	36,424
Sheep	1,310	9,504
	<u>35,444</u>	<u>45,928</u>
<i>Livestock on hand at the end of the reporting period at net market value (excluding provision for deaths):</i>		
	Consol 2022 \$'000	Consol 2022 Number
Cattle	15,108	15,540
Sheep	1,069	9,638
	<u>16,177</u>	<u>25,178</u>

¹On 31 January 2022, the Group transitioned the operations of Roebuck Plains Station (RPS) to an Indigenous-owned organisation with an asset sale agreement entered into. As part of the RPS asset sale agreement, livestock were sold to the Indigenous-owned organisation for consideration below the recorded book value. This has resulted in a decrease to the change in net market value in the amount of \$12.9m.

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 1.9% (2021: 1.2%) 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 2022 \$'000	Consol 2021 \$'000
7B. Inventory - other		
Inventory held for sale	4,280	4,051
Agricultural produce	25	24
Carrying amount 30 June	<u>4,305</u>	<u>4,075</u>

Total amount of other inventory expensed during the period is \$28,771,000 (2021: \$21,341,000).

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. Inventories acquired at no cost or nominal consideration are initially measured at current replacement cost at the date of acquisition.

7C. Inventory - property held for grant and provision for property held for grant

Property held for grant	101,385	116,209
Less: Provision for property held for grant	<u>(101,385)</u>	<u>(116,209)</u>
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	116,209	109,811
Additions to 30 June	<u>1,100</u>	<u>7,076</u>
Total Additions (Note 1A)	1,100	7,076
Granted to 30 June ¹	<u>(15,694)</u>	<u>(586)</u>
Disposal of assets held for grant	<u>(230)</u>	<u>(92)</u>
Net movement	<u>(14,824)</u>	<u>6,398</u>
Carrying amount 30 June	<u>101,385</u>	<u>116,209</u>

¹The Group entered into a Deed of Grant of Assets with NSW Aboriginal Land Council (NSWALC) in May 2021 to divest the property at Redfern on which NCIE Limited operates. The property was transferred to NSWALC on 30 June 2022. Consequently, the original purchase price, and associated provision, each \$15m, have been derecognised at 30 June 2022. Building and infrastructure improvements associated with the Redfern property were also divested at 30 June 2022 (refer notes 3C and 7E).

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 2022 \$'000	Consol 2021 \$'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	52,059
Additions (Note 1A)	-	-
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 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	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 2021	77,237	366,180	25,530	14,216	5,015	2,200	3,282	416,423	493,660
Additions									
By purchase	-	4,385	1,770	539	515	2,494	-	9,703	9,703
Revaluation and impairments recognised in other comprehensive income	9,332	34,711	799	48	539	(33)	430	36,494	45,826
Reversal of impairments recognised in net cost of services	-	64	-	-	-	-	-	64	64
Remeasurement of Right-of-use assets	378	134	-	-	-	-	-	134	512
Depreciation	-	(11,677)	(3,273)	(2,340)	(1,107)	(440)	(465)	(19,302)	(19,302)
Depreciation of right-of-use assets	(140)	(2,563)	(80)	-	(113)	-	-	(2,756)	(2,896)
Other movements	-	-	5	-	-	(5)	-	-	-
Disposals	-	(31,598)	(291)	(10)	(213)	(6)	(1)	(32,119)	(32,119)
Total as at 30 June 2022	86,807	359,636	24,460	12,453	4,636	4,210	3,246	408,641	495,448
Carrying amount of right-of-use assets	1,676	12,323	5,199	-	-	-	-	17,522	19,198

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 2020	77,169	372,533	22,963	15,392	5,043	1,464	2,641	420,036	497,205
Additions									
By purchase	-	1,788	6,656	1,202	872	1,202	921	12,641	12,641
Transfers between asset classes	-	(422)	(259)	47	320	89	225	-	-
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)
Net book value 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

	Consol 2022 \$'000	Consol 2021 \$'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	5,236	3,645
Plant and equipment	976	565
Furniture and fittings	448	28
Motor vehicles	461	322
Computer systems	5,043	2,625
	<u>12,164</u>	<u>7,185</u>
<i>Increment (decrement) in asset revaluation reserve:</i>		
As a result of disposal/transfer:		
Buildings and structures	(11,459)	58
Plant and equipment	(561)	(107)
Furniture and fittings	(22)	-
Motor vehicles	(717)	(44)
Computer systems	(2)	(3)
Leasehold improvements	1	-
	<u>(12,760)</u>	<u>(96)</u>
As a result of revaluation:		
Land	9,332	1,050
Buildings and structures	34,711	5,798
Plant and equipment	799	640
Furniture and fittings	48	19
Motor vehicles	539	197
Computer systems	(33)	(24)
Leasehold improvements	430	(32)
	<u>45,826</u>	<u>7,648</u>
Total increment in asset revaluation reserve	<u>33,066</u>	<u>7,552</u>

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

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.

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 a 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 do not differ materially from the assets’ or of an asset 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 either the diminishing value or 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
	2022	2021	2022	2021
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 has determined the fair value of the ARR to be \$427m at 30 June 2022 (2021: \$390m).

In order to restate the carrying value of ARR to fair value as at 30 June 2022, a revaluation increase of \$42.2m before tax (\$29.6m 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 11% (2021: 10.5%) and capitalisation rate of 8.5% (2021: 8.75%) to the stabilised level of forecast earnings. The earnings shortfall over the years to achieve that level of stabilised trade was 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 FY25, meaning earning shortfalls from FY23 to FY24 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 11% (2021: 10.5%) to the cash flow range and a terminal yield of 9% (2021: 8.75%).

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 recovery period in which occupancy and average room rate return to normalised levels. A number of 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 2023 to 2033 as a valuation cross check within level 2 and 3 included:

- Investment yield or capitalisation of earnings rate;
- Discount rate.

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 \$427m 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 8.25% and 8.75%, with 8.5% 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 \$15m.

Discounted cash flow – The cashflow analysis is based on predicted future trading and capital expenditure. The valuer assessed a terminal yield between 8% and 10% and discount rates between 10.25% and 11.75%, with adopted values of 9% for terminal yield and 11% 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 0.5% would result in a reduction in the fair value of approximately \$33m.

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	Total \$'000
As at 1 July 2021					
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 1 July 2021	1,703	5,299	-	1,209	8,211
Additions					
By purchase	163	10	-	-	173
Revaluation/ impairments recognised in other comprehensive income	-	-	-	891	891
Amortisation and impairment	(450)	-	-	-	(450)
Total as at 30 June 2022	1,416	5,309	-	2,100	8,825
Total as at 30 June 2022 represented by:					
Gross book value	7,326	20,479	3,243	2,100	33,148
Accumulated amortisation and impairment	(5,910)	(15,170)	(3,243)	-	(24,323)
Total as at 30 June 2022	1,416	5,309	-	2,100	8,825

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	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

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 2022	Consol 2021
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 2022 \$'000	Consol 2021 \$'000
7G. Commitments - property plant and equipment		
Capital commitments payable		
Capital commitments	265	1,540
Total capital commitments	<u>265</u>	<u>1,540</u>
Commitments are payable as follows:		
One year or less	265	1,540
Total capital commitments payable	<u>265</u>	<u>1,540</u>

At 30 June 2022 the Group had capital commitments for building and infrastructure works at Ayers Rock Resort and Roebuck Export Depot.

	Consol 2022 \$'000	Consol 2021 \$'000
--	--------------------------	--------------------------

8. Payables**8A. Suppliers**

Trade creditors and accruals	13,411	12,493
Contract liabilities from contracts with customers	604	2,914
Total suppliers	<u>14,015</u>	<u>15,407</u>

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 from contracts with customers are associated with Government grants where performance obligations have not yet been met for Voyages.

8B. Other payables

Salaries and wages	364	1,286
Superannuation payable	587	493
Net GST payable to ATO	356	454
Unearned income received in advance	17,104	15,272
Sinking fund	2,704	3,020
Other payables	58	75
Total other payables	<u>21,173</u>	<u>20,600</u>

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)	23,513	22,489
Total interest bearing loans	<u>126,013</u>	<u>124,989</u>

Loan with ANZ Bank

The Group's bank loan is with ANZ and 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. As at 30 June 2021, the loan was \$102.5m and in February 2022, a new \$10m facility was provided for the purpose of funding CAPEX in relation to the Son et Lumiere project. There have been no further changes to financial covenants in place. Due to delays with the project, the facility has not been drawn down as at 30 June 2022.

As at 30 June 2022, the total loan facility with ANZ is \$112.5m with \$102.5m drawn down. The \$102.5m bank loan is classified as a non-current interest-bearing loan.

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 \$25,523,000. \$0.3m has been classified as current with the first repayment commencing in March 2023.

Interest on the Group's total borrowing facilities during the current financial year was an average of 2.4% (2021: 2.3%).

	Consol 2022 \$'000	Consol 2021 \$'000
8D. Leases		
Lease liabilities	22,152	24,212
Total lease liabilities	<u>22,152</u>	<u>24,212</u>
Maturity analysis - contractual undiscounted cash flows		
Within 1 year	2,030	2,626
Between 1 to 5 years	8,722	8,862
More than 5 years	<u>11,408</u>	<u>12,730</u>
Total lease liabilities	<u>22,160</u>	<u>24,218</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

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 \$3,049,000 (2021: \$2,701,000).

The above lease disclosures should be read in conjunction with the accompanying notes 1C, 1F, 2E and 7E.

	Consol 2022 \$'000	Consol 2021 \$'000
8E. Other financial liabilities		
Derivative financial liabilities	-	1,335
Total other financial liabilities	<u>-</u>	<u>1,335</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. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

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

The fair value determined through 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 asset (refer note 6D). At 30 June 2021, the MTM calculation for held interest rate swaps resulted in a derivative financial liability. 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	259	340
Amounts used	-	-
Amounts reversed	-	(108)
Additional provisions made	-	27
Total as at 30 June	<u>259</u>	<u>259</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.

9B. Provision for property, plant and equipment

As at 1 July	-	-
Additional provisions made	367	-
Total as at 30 June	<u>367</u>	<u>-</u>

The Group divested the property on which NCIE Ltd has operated to NSWALC on 30 June 2022. NCIE Ltd will continue to operate the Fitness & Aquatics enterprise and will lease relevant areas of the property from NSWALC. Property, plant and equipment, which is owned by NCIE Ltd, remains in areas of the property where NCIE Ltd will no longer operate. It is unclear whether NCIE Ltd will derive any future benefit from these assets and a provision of \$367,000 (2021: \$nil) has been recorded at 30 June 2022.

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 2022 \$'000	Consol 2021 \$'000
10. Employee provisions		
Annual leave	4,594	4,123
Long service leave	4,998	5,242
Employee benefits	564	588
Total employee provisions	<u>10,156</u>	<u>9,953</u>
Movement in annual leave provision		
Opening balance	4,123	
Leave paid	(4,202)	
Movement in provision	4,673	
Closing balance	<u>4,594</u>	
Movement in long service leave provision		
Opening balance	5,242	
Leave paid	(817)	
Movement in provision	573	
Closing balance	<u>4,998</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
2022	2021
\$'000	\$'000

Key management personnel remuneration is reported in the table below:

Short-term employee benefits	4,247	4,202
Post-employment benefits	373	381
Other long-term employee benefits	67	85
Total key management personnel remuneration expenses	<u>4,687</u>	<u>4,668</u>

The total number of key management personnel included in the above table is 32 (2021: 28).

In FY21, a bonus for KMP of a subsidiary of ILSC was accrued for within Employee Provisions Note 10, however was not included in the KMP note in the prior year. This was due to the delay in the signing of the FY21 financial statements and as such, FY21 comparative figures have been restated to reflect the bonus accrual of \$301,000.

12. Related party disclosure

12A. Related party relationships

The parent entity to the Group is the Australian Government. 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)

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 2022	Consol 2021
	\$'000	\$'000

The following transactions with KMP related parties occurred during the financial year:

Purchases from related parties:	308	166
Sales to related parties:	565	555
Donations to related parties:	159	11
Grants to related parties:	243	503
Grants returned from related parties:	108	-

The following balances with KMP related parties are outstanding at year end:

Amounts owed by related parties ¹	8	28
Amounts owed to related parties ¹	4	27

The amounts are reported GST exclusive.

¹ The amounts are classified as trade receivables and trade payables, respectively.

12C. ILSC Group

The following table provides ILSC's ownership percentage in each of its controlled entities, all of which are incorporated in Australia:

	2022	2021
	%	%
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

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

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 2022 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 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 - \$2,533,000 (2021: \$2,918,000)

NCIE - \$4,244,000 (2021: \$4,493,000)

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 operates on premises in Redfern that were owned by the ILSC until 30 June 2022. On this date the ILSC divested the property to NSWALC. During the year ended 30 June 2022, the arrangement between the ILSC and NCIE was not considered to be a lease as there is no written agreement and the ILSC has directed 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

In 2011 the ILSC provided Voyages with loan funding associated with the purchase of ARR. During the year, Voyages made \$nil (2021: \$nil) of repayments to the intercompany loan to the ILSC.

The 30 June 2022 loan balance owing is \$296.0m (2021: \$287.8m) and includes interest charged of \$9.1m (2021: \$8.9m). The loan includes ILSC funding provided during the year ended 30 June 2022 in support of Indigenous Training and Employment projects of \$2.1m (2021: \$2.1m). Additionally, ILSC provided funding for operations at Mossman Gorge of \$27,000 (2021: \$21,000) and wage subsidies totalling \$0.3m (2021: \$0.3m).

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 \$112.5 million facility and to NAIIF 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 \$6.5 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 2022 \$'000	Consol 2021 \$'000
14. Financial instruments		
14A. Categories of financial instruments		
Financial assets		
Financial assets at amortised cost		
Cash and cash equivalents	66,752	74,517
Receivables	10,877	11,048
Repayable grants / advances	1,997	879
Term deposits	30,000	30,000
Other deposits	-	2
Total financial assets at amortised cost	<u>109,626</u>	<u>116,446</u>
Financial assets at fair value through profit or loss		
Derivative financial assets	1,454	-
Total financial assets at fair value through profit or loss	<u>1,454</u>	<u>-</u>
Total financial assets	<u>111,080</u>	<u>116,446</u>
Financial liabilities		
Financial liabilities measured at amortised cost		
Supplier payables	14,015	15,407
Other payables	20,817	20,146
Interest bearing loans	126,013	124,989
Total financial liabilities measured at amortised cost	<u>160,845</u>	<u>160,542</u>
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities	-	1,335
Total financial liabilities at fair value through profit or loss	<u>-</u>	<u>1,335</u>
Total financial liabilities	<u>160,845</u>	<u>161,877</u>

	Consol 2022 \$'000	Consol 2021 \$'000
14B. Net gain on financial assets		
Financial assets at amortised cost		
Interest revenue	362	309
Net gain on financial assets at amortised cost	<u>362</u>	<u>309</u>
Net gain on financial assets	<u>362</u>	<u>309</u>
14C. Net loss on financial liabilities		
Financial liabilities measured at amortised cost		
Interest expense	4,290	4,577
Net loss on financial liabilities measured at amortised cost	<u>4,290</u>	<u>4,577</u>
Net loss on financial liabilities	<u>4,290</u>	<u>4,577</u>

Accounting PolicyFinancial 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
	2022	2021
	\$'000	\$'000

15. Fair value measurement

	Fair value measurements at the end of the reporting period	
Non-financial assets		
Land	86,807	77,237
Buildings and infrastructure improvements	359,636	366,180
Plant and equipment	24,460	25,528
Furniture and fittings	12,453	14,216
Motor vehicles	4,636	5,015
Computer equipment	4,210	2,202
Leasehold improvements	3,246	3,282
Biological assets	15,866	35,032
Financial assets/ (liabilities)		
Derivative financial assets/ (liabilities)	1,454	(1,335)

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

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 2022 \$'000	Consol 2021 \$'000
Parent Information		
16. Indigenous Land and Sea Corporation		
Assets		
Financial assets	386,608	384,961
Non-financial assets	217,779	264,222
Total assets	<u>604,387</u>	<u>649,183</u>
Liabilities		
Payables	10,590	12,743
Provisions	156,824	171,914
Total liabilities	<u>167,414</u>	<u>184,657</u>
Net assets	<u>436,973</u>	<u>464,526</u>
Equity		
Retained surplus	418,660	437,910
Asset revaluation reserve	18,313	26,616
Net equity	<u>436,973</u>	<u>464,526</u>
Net (loss)/ profit of the parent entity	(31,272)	13,209
Total comprehensive (loss)/ income of the parent entity	(27,551)	15,202

	Consol 2022 \$'000	Consol 2021 \$'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	66,752	74,517
Trade and other receivables	10,877	11,048
Investments	30,000	30,000
Other financial assets	1,554	102
Biological assets	4,626	10,228
Inventory - other	4,305	4,075
Prepayments	2,200	2,712
Inventory - property held for grant	39,635	14,252
Total no more than 12 months	159,949	146,934

More than 12 months

Other financial assets	1,897	779
Biological assets	11,240	24,804
Inventory - property held for grant	61,750	101,957
Assets held in trust	52,059	52,059
Land	86,807	77,237
Property, plant and equipment	408,641	416,423
Intangible assets	8,825	8,211
Total more than 12 months	631,219	681,470

Total assets

	791,168	828,404
--	----------------	----------------

Liabilities expected to be settled in:

No more than 12 months

Suppliers	14,015	15,407
Other payables	21,071	20,498
Interest bearing loans	321	-
Income tax payable	368	-
Lease liabilities	2,030	1,041
Employee provisions	7,539	7,007
Provision for property held for grant	39,635	14,252
Provision for make good	367	-
Total no more than 12 months	85,346	58,205

More than 12 months

Other payables	102	102
Interest bearing loans	125,692	124,989
Lease liabilities	20,122	23,171
Other financial liabilities	-	1,335
Deferred tax liability	6,300	3,665
Employee provisions	2,617	2,946
Provision for property held for grant	61,750	101,957
Provision for assets held in trust	52,059	52,059
Provision for make good	259	259
Total more than 12 months	268,901	310,483

Total liabilities

	354,247	368,688
--	----------------	----------------

Net assets

	436,921	459,716
--	----------------	----------------

	Consol 2022 \$'000	Consol 2021 \$'000
--	--------------------------	--------------------------

Auditor's Remuneration**18. Audit fees and other services**

Amounts received or due and receivable by the Company Auditors for:

An audit or review of the financial report for the entity provided by ANAO	332	291
Other services in relation to the entity provided by EY	76	115
Total Auditor's remuneration	<u>408</u>	<u>406</u>

Part Seven: Guide to Access

Acronyms, abbreviations and terminology

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>
FOI Act	<i>Freedom of Information Act 1982</i>
FTE	Full time equivalent (staff)
ILC	Indigenous Land Corporation (now Indigenous Land and Sea Corporation)
ILSC	Indigenous Land and Sea Corporation
Indigenous Estate	The tangible and intangible aspects of Indigenous Australia collectively held by Indigenous Australians. This includes the land and water under Indigenous care and control and cultural assets, cultural knowledge and intellectual property collectively held by Indigenous Australians and associated with their Country.
KMP	Key Management Personnel
KPI	Key Performance Indicator
ILSC Group	ILSC and subsidiary companies
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
PBS	Portfolio Budget Statements
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
PPPL	Primary Partners Pty Ltd
PSSap	Public Sector Scheme Accumulation Plan
ROU	Right of Use
RNTBC	Registered Native Title Body Corporate
Voyages	Voyages Indigenous Tourism Australia Pty Ltd
WHS	Work Health and Safety

Compliance index

Requirement	PGPA Rule Reference (unless otherwise indicated)	Page reference
Financial Statements	PGPA Act s43(4); PGPA (Financial Reporting) Rule 2015	126-179
Financial Statements: Auditor General's report	PGPA Act s43(4)	123-124
Financial Statements: signed statement by Directors	PGPA Act s42	125
Fraud risk assessment and control	s10	99
Approval by Accountable Authority	17BB	3
Parliamentary standards of presentation	17BC	Throughout
Plain English, clear design, defining acronyms and technical terms	17BD	Throughout, 180
Establishing legislation	17BE(a)	6-7, 10
Objects, functions and purposes	17BE(b)(i)(ii)	9-10
Responsible minister	17BE(c)	83
Ministerial directions	17BE(d)	Not applicable – 83 refers
Government policy orders	17BE(e)	83
Details of non-compliance with government policy orders, ministerial directions or finance law	17BE(f)(h)(i)	Not applicable – 83 refers
Annual Performance Statement	17BE(g)	17
Information about Accountable Authority including Directors' names, qualifications, experience and number of meetings attended	17BE(j)	83-88
Organisational structure	17BE(k)	93
Employee statistics – full time, part time, gender, location	17BE(ka)	104-119
Location of major activities and facilities	17BE(l)	35-42 (ILSC projects), 70 (ILSC head offices), 10-16 (ILSC Group programs)
Main corporate governance practices used by entity	17BE(m)	6-7, 82-84, 88-92
Related entity transactions	17BE(n)(o)	83
Significant activities and changes that affected the operations or structure of the entity	17BE(p)	4-5, 92-97

External scrutiny, reports, judgments	17BE(q)(r)	99
Obtaining information from subsidiaries	17BE(s)	All relevant material provided except where noted page 79
Indemnities and insurance premiums for officers	17BE(t)	98
Audit committee information – function, membership, remuneration, member knowledge/ skills/experience, attendance	17BE(taa)	89-91
Information about executive remuneration	17BE(ta)	104-109
Disclosure requirements for government business enterprises	17BF	Not applicable
Consultants engaged	17AG(a)(b)	99
Work health and safety	WHS Act 2011, Schedule 2	100-102
Ecologically sustainable development and environmental performance	EPBC Act 1999, s516A	103
Information publication scheme	FOI Act 1982, Part II	100

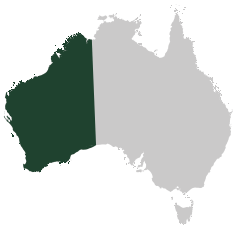


Australian Government
Indigenous Land and Sea Corporation



The **ILSC GROUP**

PEOPLE. COUNTRY. OPPORTUNITY.



**Western Division
(WA)**

Level 20, 140 St Georges Terrace
Perth WA 6000

PO Box 7502 Cloisters Square
Perth WA 6850

T (08) 9420 6300

F (08) 9467 2800

E westernoffice@ilsc.gov.au



**Central Division
(SA, VIC, TAS, NT)**

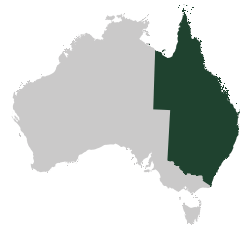
Level 7, 70 Franklin Street,
Adelaide SA 5000

GPO Box 652
Adelaide SA 5001

T (08) 8100 7102

F (08) 8100 7150

E centraloffice@ilsc.gov.au



**Eastern Division
(QLD, NSW, ACT)**

Level 18, 100 Creek Street
Brisbane QLD 4000

GPO Box 5212
Brisbane Qld 4001

T (07) 3854 4600

F (07) 3056 3394

E easternoffice@ilsc.gov.au



www.ilsc.gov.au
FREECALL 1800 818 490