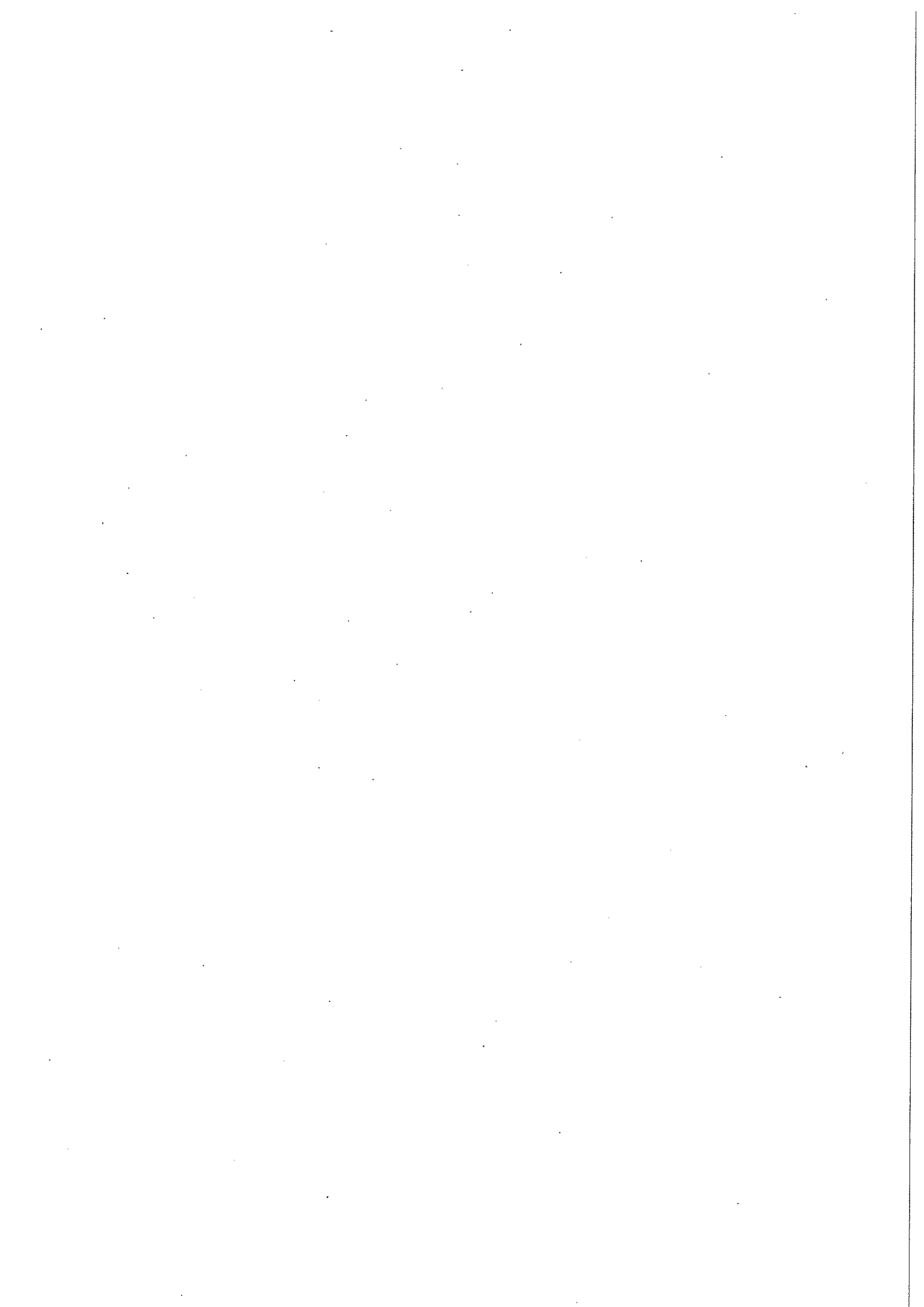


DOCUMENT 1



FOR IMMEDIATE RELEASE



Cormann reversal “inexplicable and incomprehensible”

The Indigenous Land Corporation Chairperson Dr Dawn Casey today described the Minister for Finance’s decision to reverse his earlier decision to commission an investigation into alleged serious corporate governance failures by the former Board of the ILC in relation to the purchase of Ayers Rock Resort as “inexplicable and incomprehensible”.

“The ILC calls on Minister Cormann, the Minister responsible for regulation of public sector corporations, to reinstate his earlier decision to initiate a review of the former ILC Board’s decision to acquire Ayers Rock Resort,” Dr Casey said.

“The correspondence tabled in the Senate last week shows that Minister Scullion was instrumental in reversing Minister Cormann’s original decision.

“Minister Scullion’s antipathy to an investigation is difficult to understand. There is already a huge amount of information on the public record suggesting the decision making around the former Board’s decision was fundamentally flawed.

“The Government must analyse the actions of all those involved in purchasing the resort to see if they met their legal obligations.

“The ILC believes the proposed investigation should be carried out by a respected and independent former judge or Senior Counsel. The investigation’s terms of reference must be determined independently. In particular, the terms of reference should include a specific requirement to assess the compliance of the former ILC Directors with their statutory and common law duties.

“Good policy and good government demand it.

“The issues at stake are fundamental to proper public administration, and proper regulation of statutory corporations. If not dealt with appropriately, they will also impact on the ILC’s core functions, and lead to diminished services to Indigenous land holders across Australia for years to come,” Dr Casey said

The ILC is also releasing the statement (below) following the tabling of correspondence in the Senate Estimates Committee last week.

Media enquiries to Eric Roberts on 0417 818482

Statement by Indigenous Land Corporation Chairperson Dr Dawn Casey

Ayers Rock Resort, operated by ILC subsidiary Voyages Indigenous Tourism Australia, is operating successfully, and has improved its financial performance over the past two years since a significant refresh of its Board. Voyages continues to win tourism awards for its services and employs around 250 Indigenous employees and trainees, over 30 percent of its workforce at Yulara.

However, the acquisition of the resort has involved huge financial losses for the ILC. The transaction was also based on an extraordinary level of borrowings (around \$200m in total) which was to be covered by revenues from the operation of the resort. This has not been the case to date, and won't be the case for at least five to 10 years. In these circumstances, it falls to the ILC to cover the debt from the revenues allocated to it from the Land Account for its ongoing operations. These liabilities are adversely affecting the capacity of the ILC to deliver its statutory land acquisition and management functions and will do so into the future.

Letters tabled in Senate Estimates last week reveal that while the Minister for Finance Senator the Hon Mathias Cormann had agreed an investigation into the transaction is required, following a request from Minister for Indigenous Affairs Senator the Hon Nigel Scullion, a decision has been taken not to initiate that investigation.

Minister Scullion has claimed that the ILC has provided no new information to justify an investigation into the transaction, and claims that there have been three investigations which have already subjected the transaction to a high level of Government and independent scrutiny.

The ILC Board wishes to emphasise that none of the inquiries undertaken were focussed on assessing the compliance of the former ILC Directors and officers with their legal duties. An investigation is required to analyse the huge amount of information now available and to assess the legal ramifications.

The only independent and publicly available review of the transaction itself, undertaken by McGrathNicol, identified a large number of corporate governance and due diligence failings, including use of out of date forecasts and a failure to declare actual conflicts of interest. Given these findings, it is now essential that a further investigation examine in detail whether former ILC Directors and officers complied with their legal duties.

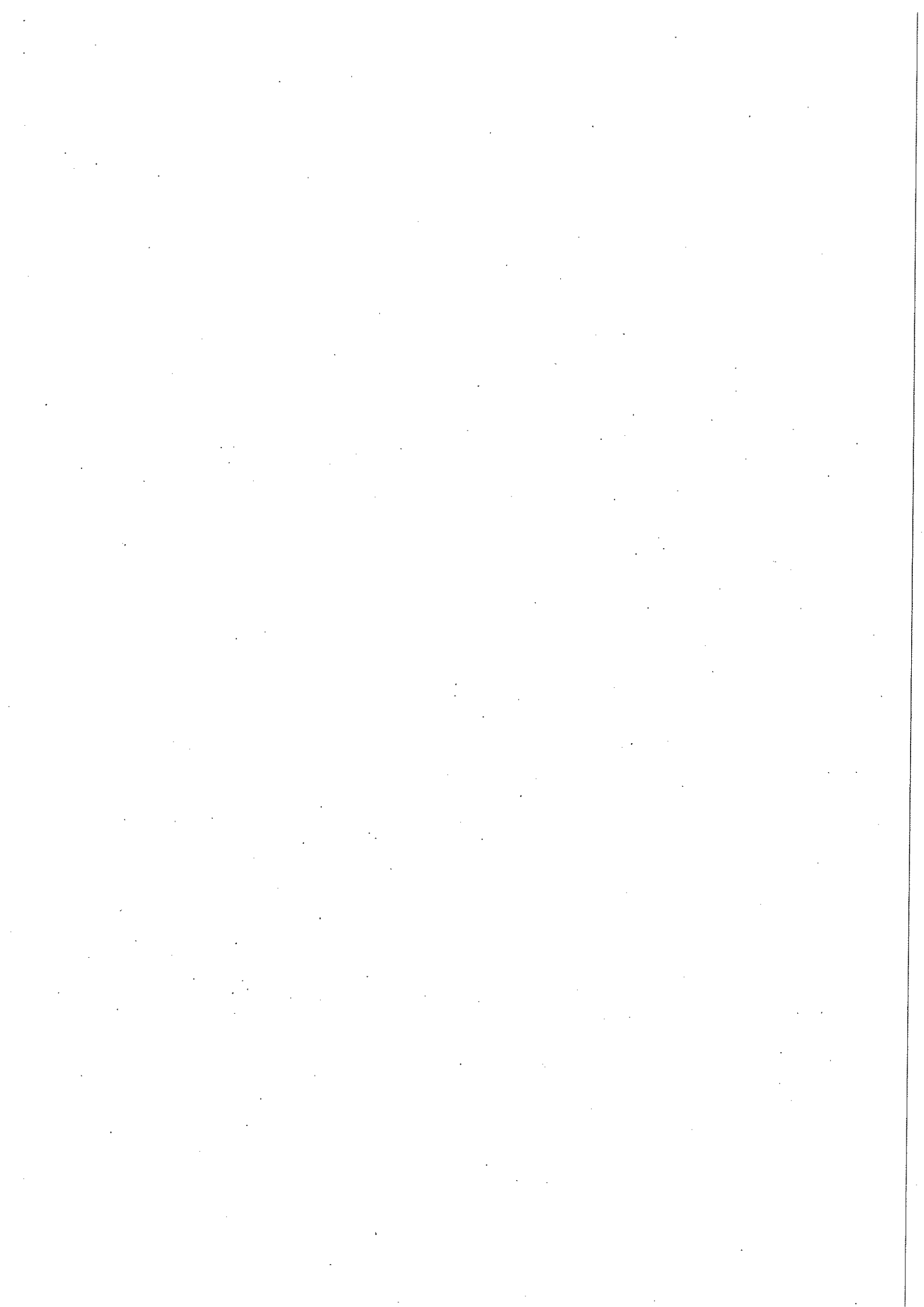
The ILC has recommended that Minister Cormann obtain an assurance from Minister Scullion that he does not have an actual or potential conflict of interest in relation to the former Board's decision to acquire the resort. Based on the correspondence tabled in the Senate, Minister Cormann does not appear to have obtained such an assurance. In these circumstances, the ILC does not consider it would be appropriate for Minister Scullion to oversight the investigation.

Persons who take remunerated directorships on statutory corporations must be held accountable for their actions, and if found to have breached their duties should not be re-appointed to similar positions.

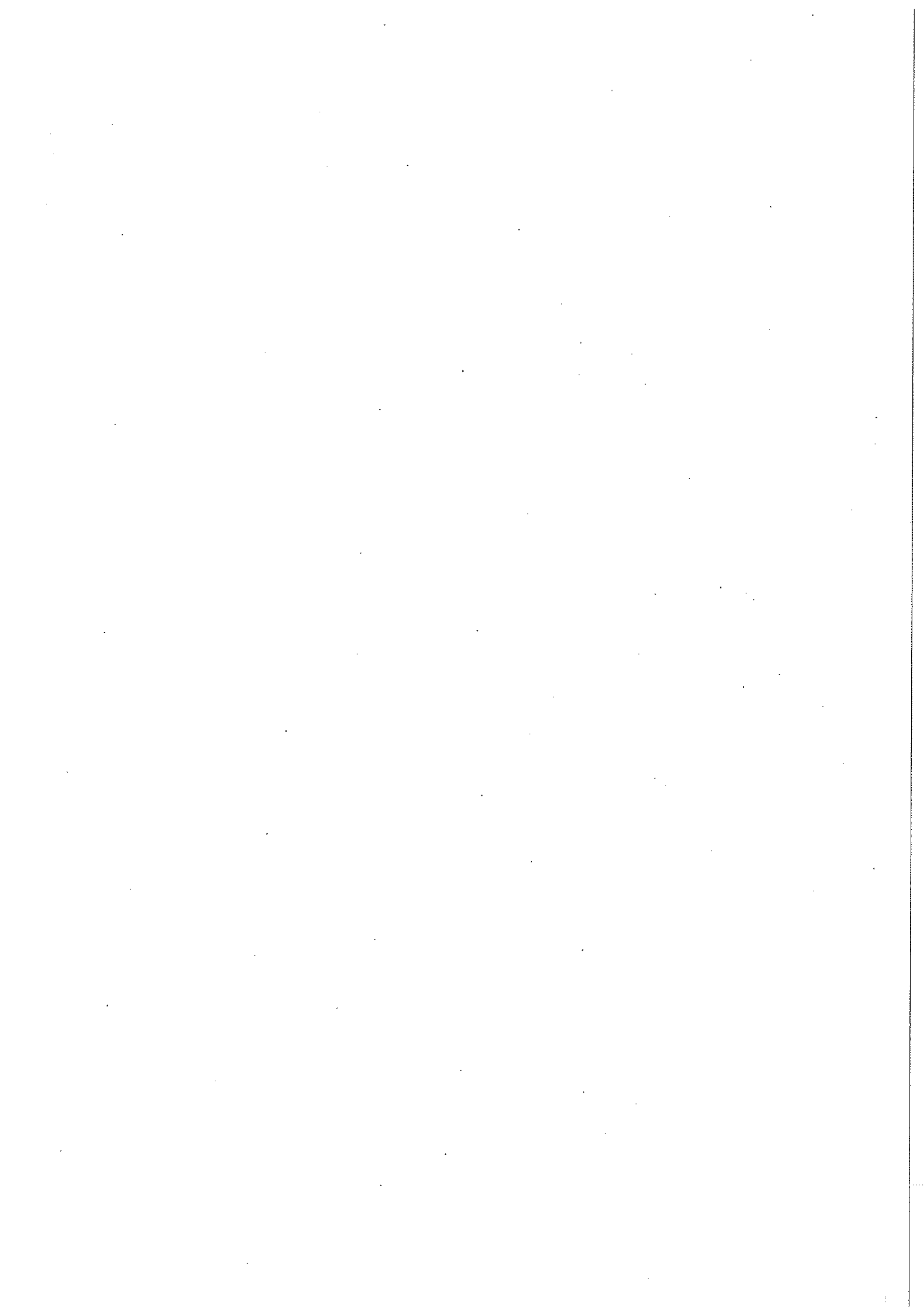
The ILC Board notes Minister Scullion has recently appointed one of the former ILC Directors involved in this matter to the Board of a Statutory Corporation and an Expert Panel; and the Director of Public Prosecutions has recently withdrawn a criminal prosecution of another former ILC Director involved in the transaction related to the leak of Commonwealth information on the basis that such a prosecution was not in the public interest even though *there remained sufficient evidence to proceed with the prosecution.*

The letters tabled in the Senate are available at
http://www.aph.gov.au/Parliamentary_Business/Senate_Estimates/fapacte/estimates/add1415/cross/index

2 March 2015



DOCUMENT 2





FOR IMMEDIATE RELEASE

Ayers Rock Resort takes flight

The Indigenous Land Corporation (ILC), owners of the Ayers Rock Resort tourism complex, has welcomed the news that Jetstar will be more than doubling its current carrying capacity to Uluru in the Northern Territory.

“Jetstar announced this week that it will be flying daily to Uluru from Sydney and four times a week from Melbourne from 28 June 2014. This is a vote of confidence in the resort, purchased by the ILC in 2010, and its current management,” ILC Chairperson, Dr Dawn Casey said.

“The Jetstar announcement addresses one of the major barriers that we have faced in increasing resort occupancy. We need a major turnaround in visitation to help realise the ILC’s vision for the resort and to free up ILC funds currently dedicated to interest payments arising from the resort’s purchase.”

The ILC has also received a new valuation for Ayers Rock Resort. An independent review has established that, at 1 January 2014, the fair value of the resort is in the range of \$180 million to \$224 million. The reviewer recommended a mid-point value of \$202.5 million.

“This asset was acquired, following a decision of a former ILC Board, for around \$300 million. The new valuation is disappointing, placing beyond doubt that the ILC paid too much for the resort,” Dr Casey said.

The former board of the ILC’s subsidiary, Voyages Indigenous Tourism Australia (VITA), which runs the resort, wrote down the book value of the resort from \$312 million to \$250 million in their 2012-13 financial statements. This was a directors’ valuation by the former board. Following the appointment of a new VITA Board in late 2013, the ILC committed to undertaking a ‘full speaking’ valuation which has now been finalised.

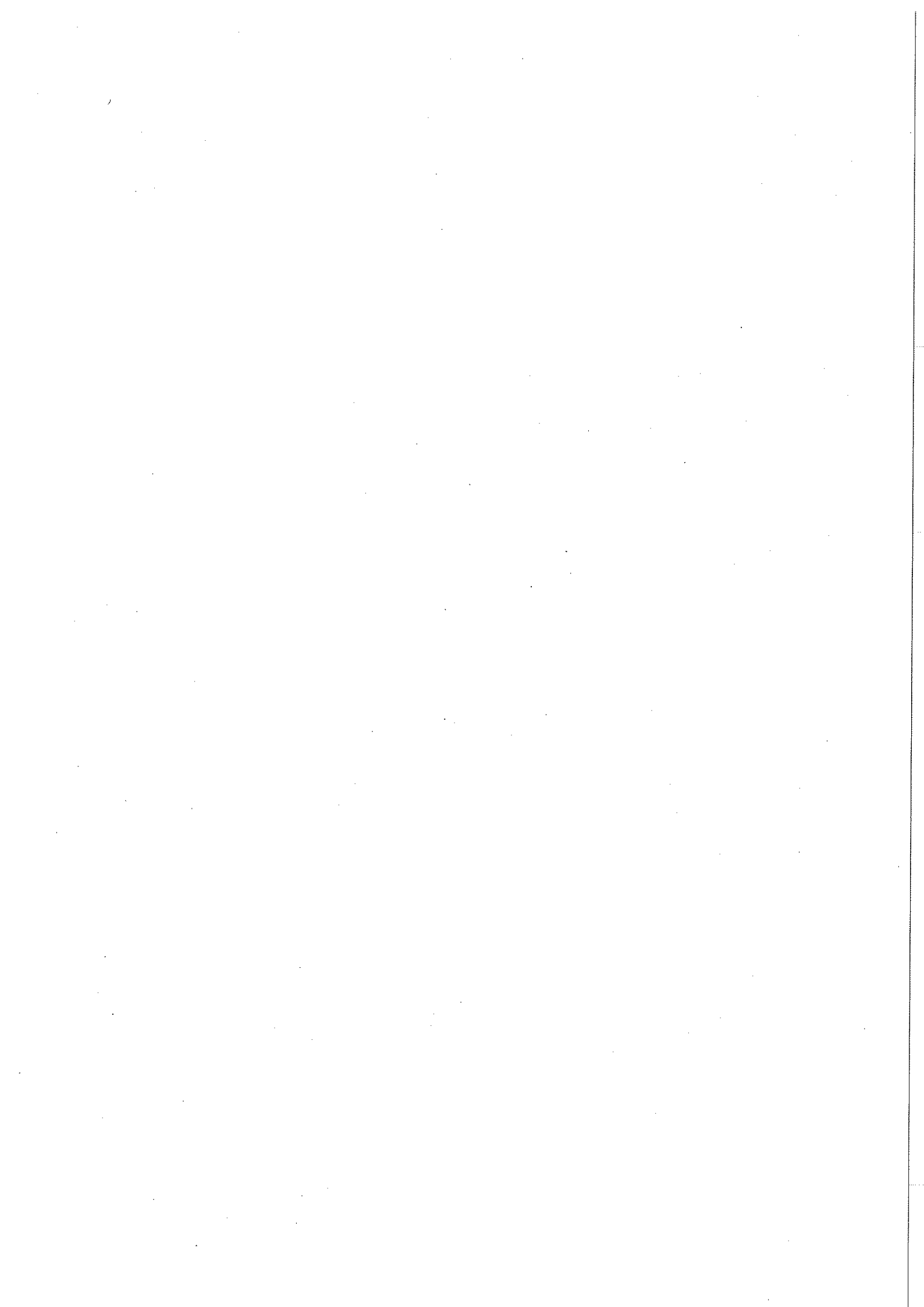
“Now we are down to around \$200 million, a drop of around \$100 million,” Dr Casey said.

“The resort was purchased on the basis that it would cover its financing costs. This has not been happening to date. The ILC remains burdened by some \$200 million in debt for this single transaction—unless we have a substantial and sustained increase in visitation to the resort, the interest payments alone will divert funds from our other programs for many years to come.

“This is why the Jetstar announcement is such good news.”

The new speaking valuation of the resort was prepared by consultants McGrathNicol. The new VITA board will reassess the valuation of the resort as part of their financial statements for this financial year. They will take into account both the current valuation report and any relevant commercial developments.

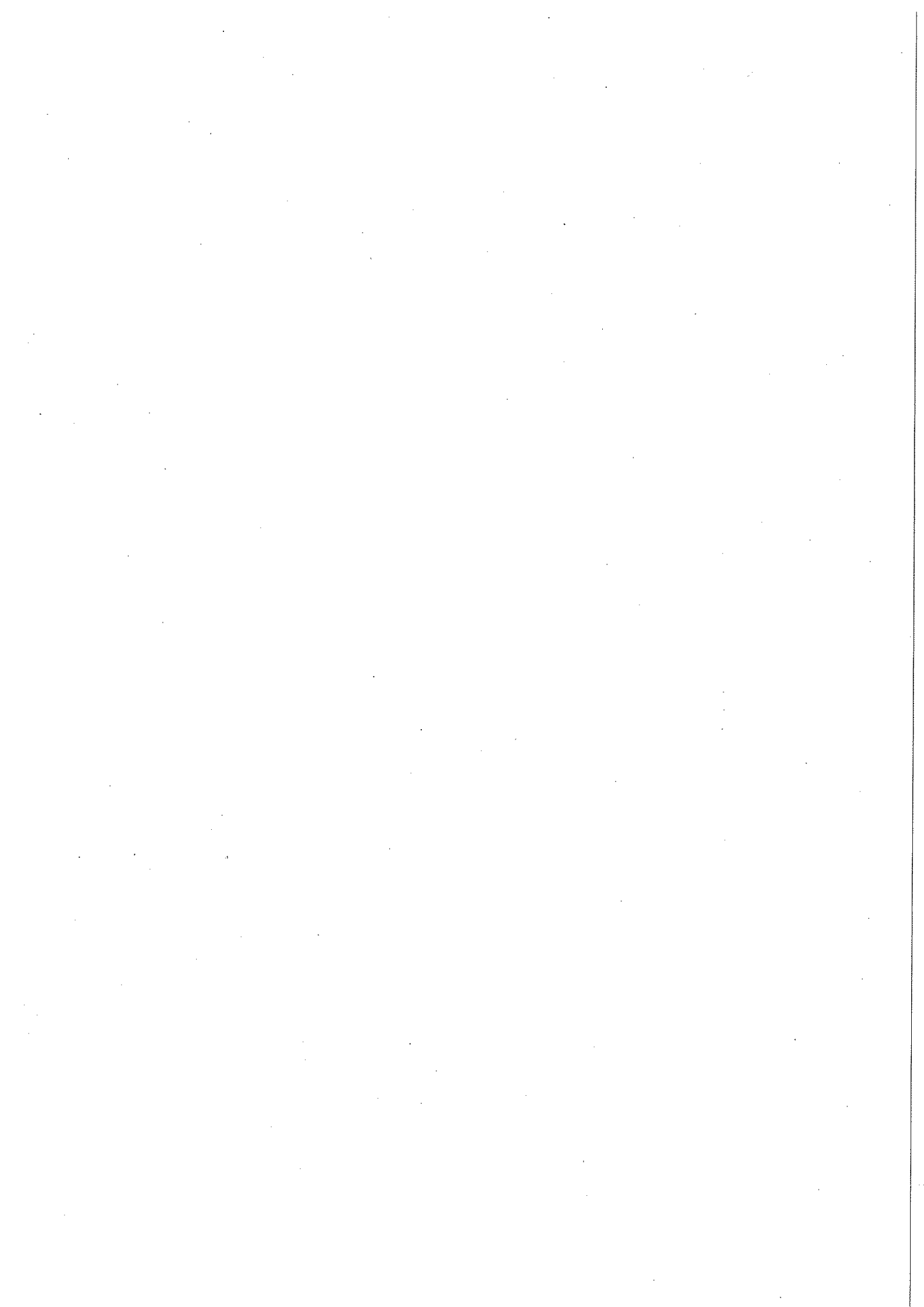
Dr Casey said the current ILC Board is committed to doing everything possible to ensure Ayers Rock Resort continues as the leading Indigenous tourism destination in Australia.



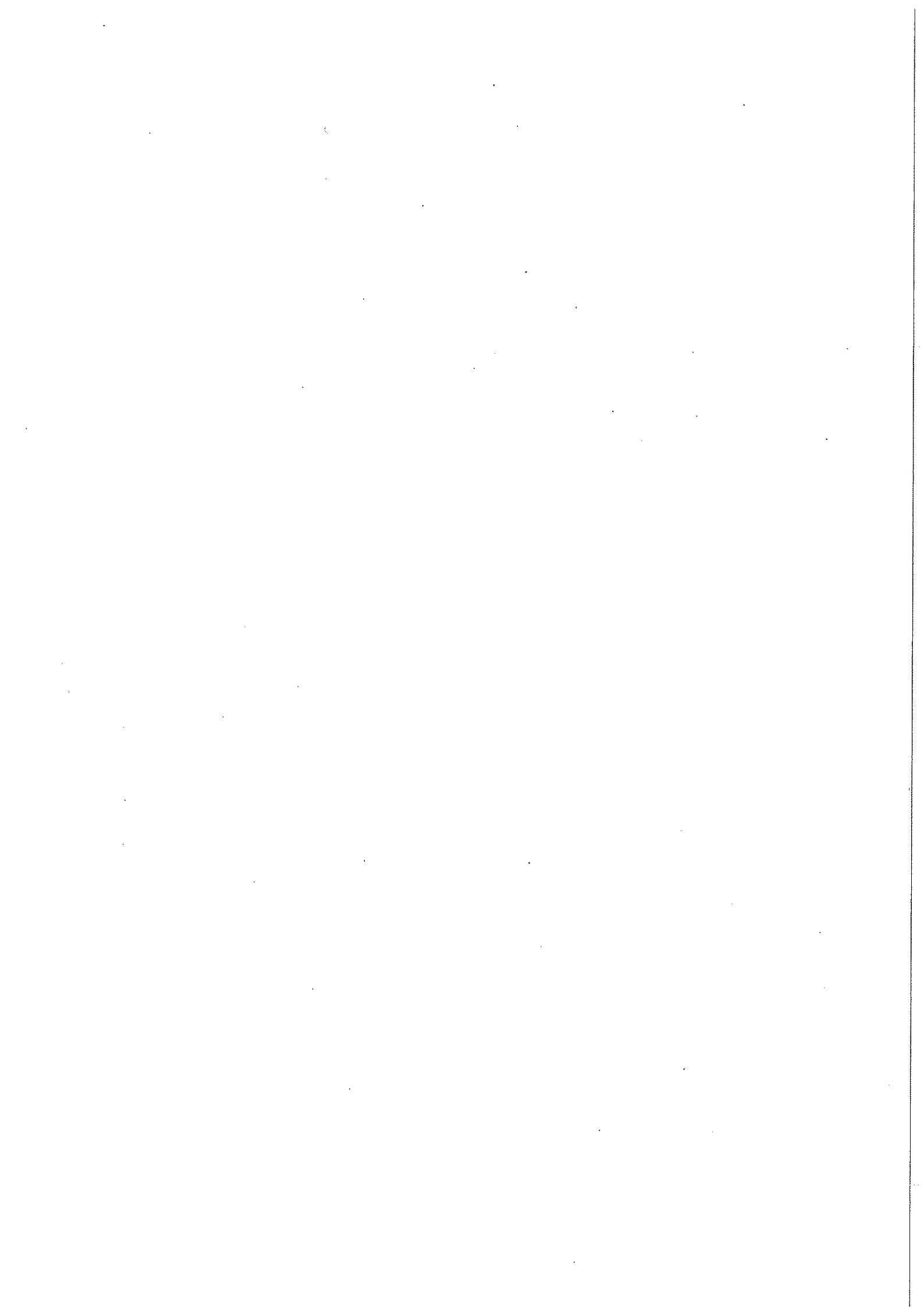
"Make no mistake. The ILC is very proud of we have been achieved at Ayers Rock Resort, and we have every confidence in the new Voyages board appointed in October 2013.

"Our on-site academy has an outstanding record in providing training and jobs for Indigenous Australians. The resort currently employs around 200 Indigenous people, where under the former owners there was virtually no Indigenous employment.

"Ayers Rock Resort delivers one of the nation's premier tourism experiences. I urge travelers from Australia and overseas to go and see for themselves."



DOCUMENT 3



FOR IMMEDIATE RELEASE



Australian Government
Indigenous Land Corporation

Changes to the Voyages Board

A new Chairperson and five new directors have been appointed to the board of Voyages Indigenous Tourism Australia Pty Ltd by the Indigenous Land Corporation (ILC). Voyages manages the Ayers Rock Resort at Yulara, the Mossman Gorge Cultural Centre, and the Home Valley Resort in the East Kimberley.

Recently appointed ILC Board member and former Goldman Sachs (Australia) General Counsel Lisa Gay has been appointed as Voyages Chairperson. Ms Gay is the current Chair of the Australian Securities and Investments Commission Markets Disciplinary Panel and is also the Australian Chair of global conservation group Flora and Fauna International and a highly-regarded corporate lawyer.

Other new appointees to the Voyages Board are Mr George Bedwani, Mr Owen Cole, Mr Peter Thomas, Mr Sean Cummins and Mr Ian Ward-Ambler. The new appointees bring substantial expertise in corporate finance, marketing, the tourism and hospitality industry and Indigenous commercial development to the Voyages Board.

ILC Chairperson Dr Dawn Casey welcomed the new appointments, which she said "would provide stronger alignment between the ILC and its Voyages subsidiary and will ensure that the ILC and Voyages have access to the skills and expertise necessary to address the challenges facing both the ILC and Voyages".

"The appointment of a new Chairperson and Directors will ensure that the Voyages' strategic vision for Indigenous cultural, employment, training and economic opportunities within the Australian tourism sector is aligned with the ILC and ensures stability going forward," Dr Casey said.

The changes to the Voyages Board follows a significant write down of \$62m or 20% in the value of the Ayers Rock Resort in the Voyages financial statements for 2012-13.

The Directors of Voyages have written down the value of the Resort from its book value of \$312 million to \$250 million. The ILC paid \$317 million for the Ayers Rock resort in 2010. The Resort is facing serious financial challenges arising from a long term structural decline in its operating environment and the scale of the borrowings which funded the purchases.

The ILC underwrites all deficits and borrowings by its subsidiaries.

Following the appointment of new Board members in late 2011 the ILC commissioned a review of governance by Deloitte which recommended a series of improvements, all of which were accepted; changes were made to appoint an independent chair of the ILC audit committee. In addition a review has now been commissioned to examine the details of the Ayers Rock Resort purchase, undertake a full valuation, and assess the strategic options available to the ILC going forward. A complete copy of the Deloitte review is available on the ILC's website.

The ILC Board decided today to take decisive action to ensure stability and strengthen the strategic alignment of the two organisations, and to ensure there is a single strategy in place to address the substantial financial challenges facing Voyages.

"There is no doubt that the Voyages Board has done an excellent job expanding Indigenous employment at Ayers Rock Resort from virtually zero in 2011 to its current level last financial year of around 210 Indigenous workers including 60 trainees".

"This is a great outcome, but the challenges now are to build on this effort, to strengthen the financial sustainability of the businesses, reinvigorate marketing programs, and to attract more visitors, including by creating new experiences".

Dr Casey acknowledged the contributions of outgoing Voyages Chairman David Baffsky AO and fellow ILC Director Sam Jeffries. Both Mr Baffsky and Mr Jeffries were longstanding members of the ILC Board and its Audit Committee and inaugural Voyages Board Directors. Their tenure on the Voyages Board automatically ceased following completion of their terms as ILC Directors on 19 October 2013.

Dr Casey also thanked outgoing directors Richard Longes, Peter Barge, Geoff Dixon and Ronald Morony for their contributions to the operations of Voyages.

Along with the new Chairperson and directors, the continuing Voyages Directors are Mr Koos Klein, Voyages Managing Director; Ms Olga Havnen, ILC Director; Ms Sandra Armstrong, Wana Ungkunyntja Chairperson; and Mr Brian James Wana Ungkunyntja board member.

Background

The Indigenous Land Corporation is an independent Commonwealth statutory authority established following the passage of the Native Title Act in 1993. Its functions are to acquire and manage land for Indigenous Australians.

A subsidiary company of the ILC, Voyages manages and operates the ILC's portfolio of Indigenous tourism businesses across Australia. The portfolio comprises the Ayers Rock Resort, village and airport complex at Yulara in Central Australia; the Mossman Gorge Centre adjoining the Daintree World Heritage Landscape north of Cairns; and the Home Valley pastoral tourism operation on the Gibb River Road in the East Kimberley.

In addition to Ms Gay, the new Voyages Directors are:

Mr George Bedwani who has extensive international corporate hotel and hospitality experience and is the current Chief Operating Officer with Transmetro. Metro Group manages the Dugong Beach Resort on Groote Eylandt on behalf of the Anandilyakwa traditional owners.

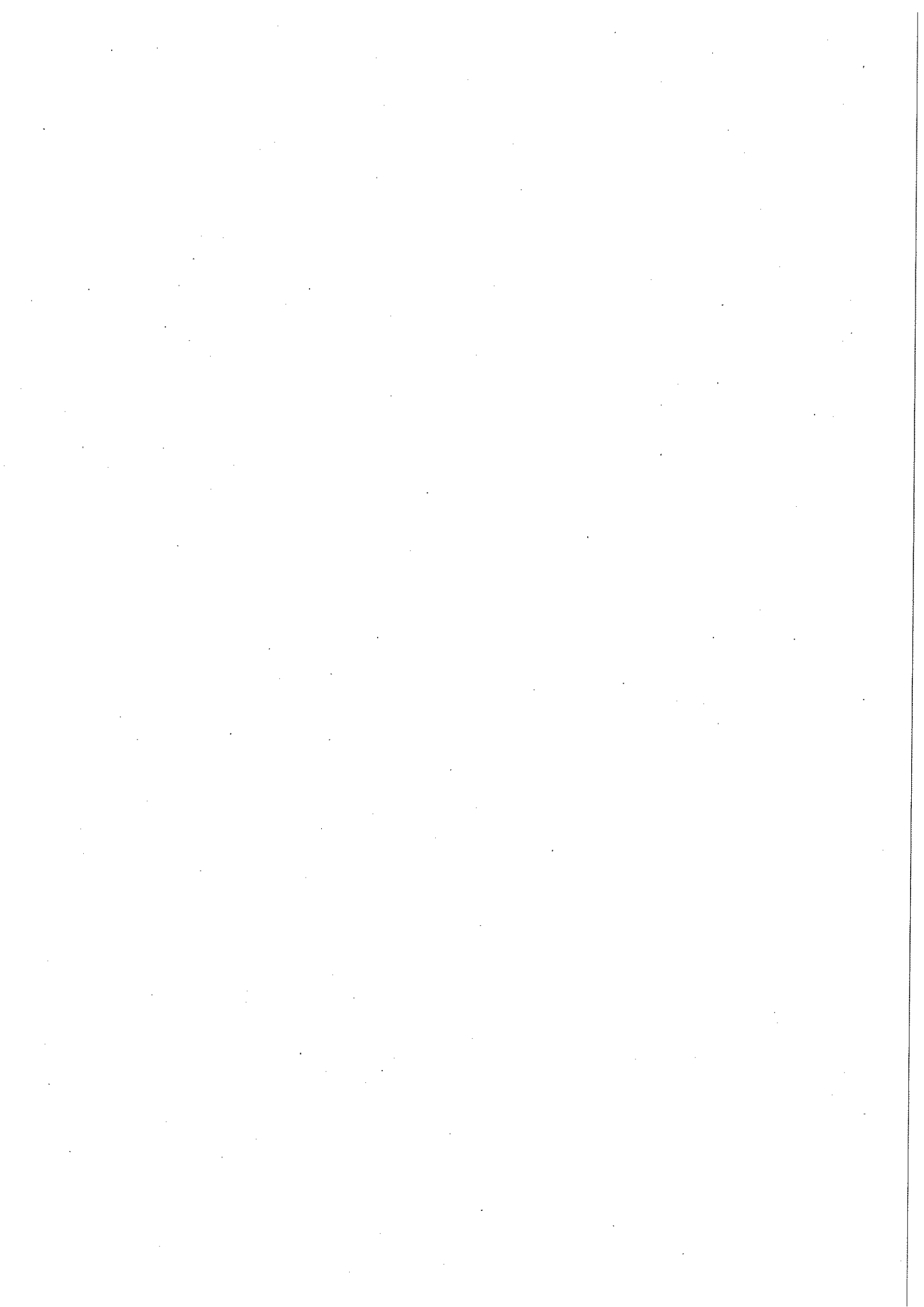
Mr Ian Ward-Ambler is a past Managing Director, Asset Manager with Goldman Sachs. Mr Ward-Ambler has held senior roles with Goldman Sach for almost 18 years responsible for over \$12billion in assets under management. He has a strong commercial and governance background and is a chair and director of a number of Australian organisations.

Mr Owen Cole has been active in Indigenous affairs for over 30 years. Mr Cole is based in Alice Springs and has strong links to local Indigenous communities. He is currently Managing Director of Yeperenye Pty Ltd which has significant business interests in Central Australia.

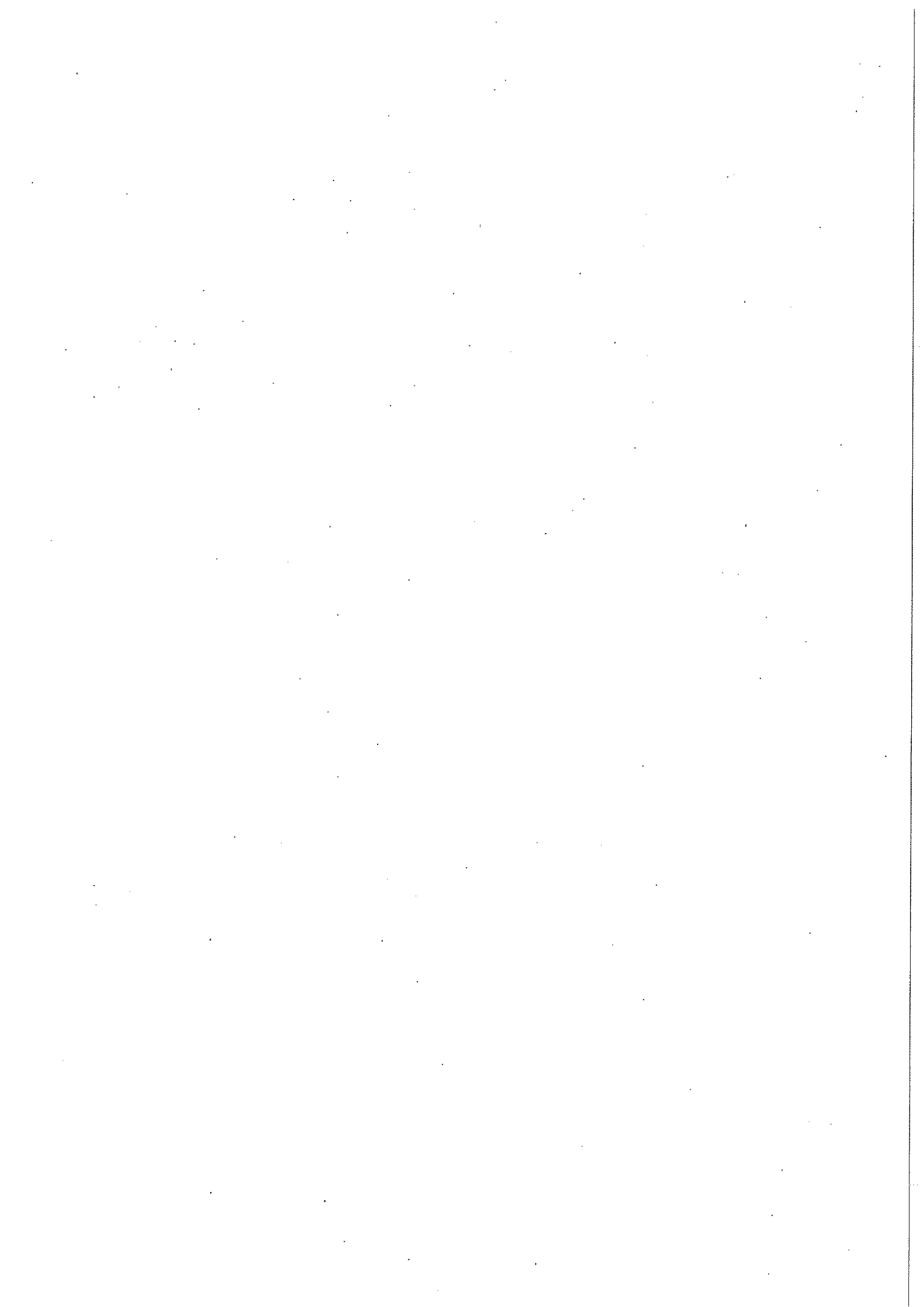
Mr Sean Cummins is a lawyer and advertising professional. He is the CEO of CumminsRoss, a Melbourne-based advertising agency. Mr Cummins is known globally for the *Best Job in the World* advertising campaign. He is committed to tourism and is a leading strategist in the field.

Mr Peter Thomas - has strong governance and business management skills with 25 years as a partner with KPMG. Mr Thomas now heads a boutique consulting and advisory firm specialising in areas of business strategy, is on the board of Indigenous Business Australia and is Chairman of the Finance and Investment Committee with IBA.

Media enquiries to Eric Roberts on 0417 818482



DOCUMENT 4



FOR IMMEDIATE RELEASE



Australian Government
Indigenous Land Corporation

New appointments to ILC Board

Two women, Alison Page from northern NSW and Lisa Gay from Victoria, have been appointed as Directors of the Indigenous Land Corporation (ILC) for 3 years from 20 October 2013.

ILC Chairperson Dr Dawn Casey welcomed the appointments and noted the new directors brought strong commercial, community and cultural skills to the ILC Board.

"Alison Page, a Wadi Wadi Walbanga woman from Coffs Harbour, is the Executive Officer of the Saltwater Freshwater Arts Alliance and Creative Director of the National Aboriginal Design Agency."

"Lisa Gay from Hawthorn, Victoria was previously General Counsel for Goldman Sachs in Australia and is the Chair of the Australian Securities and Investment Commission (ASIC) Markets Disciplinary Panel."

"She is also the Australian Chairperson of global conservation group Flora and Fauna International and a highly-regarded corporate lawyer.

"I look forward to working with them and I know that they will bring extremely valuable skills and expertise to the ILC in areas such as corporate governance, commercial negotiations and community engagement, and cultural and environmental policy.

"Given the ILC's increasing focus on land management of the Indigenous owned estate, comprising some 20 percent of the Australian landmass, these skill sets are vital to the ILC's commitment to deliver real and lasting benefits to Indigenous Australians" Ms Casey said.

Dr Casey acknowledged outgoing Directors Sam Jeffries and David Baffsky contributions as Directors of the ILC since 2004 and 1999 respectively.

Both Mr Baffsky and Mr Jeffries were longstanding members of the ILC's Audit and Risk Management committee, and Mr Baffsky led the ILC's negotiations for the acquisition of the Ayers Rock Resort at Yulara in the NT in 2010.

Dr Casey said she believed that it was appropriate to refresh public sector board members regularly in accordance with widely accepted corporate governance.

Dr Casey welcomes the reappointment as Deputy Chair of Mr Ian Trust, a director of the ILC since 2005. "The combination on the ILC Board of experience and fresh thinking will ensure that the ILC will continue to make a strong contribution to addressing Australia's challenges in Indigenous affairs", Dr Casey said.

Media enquiries to Eric Roberts on 0417 818482

Profiles

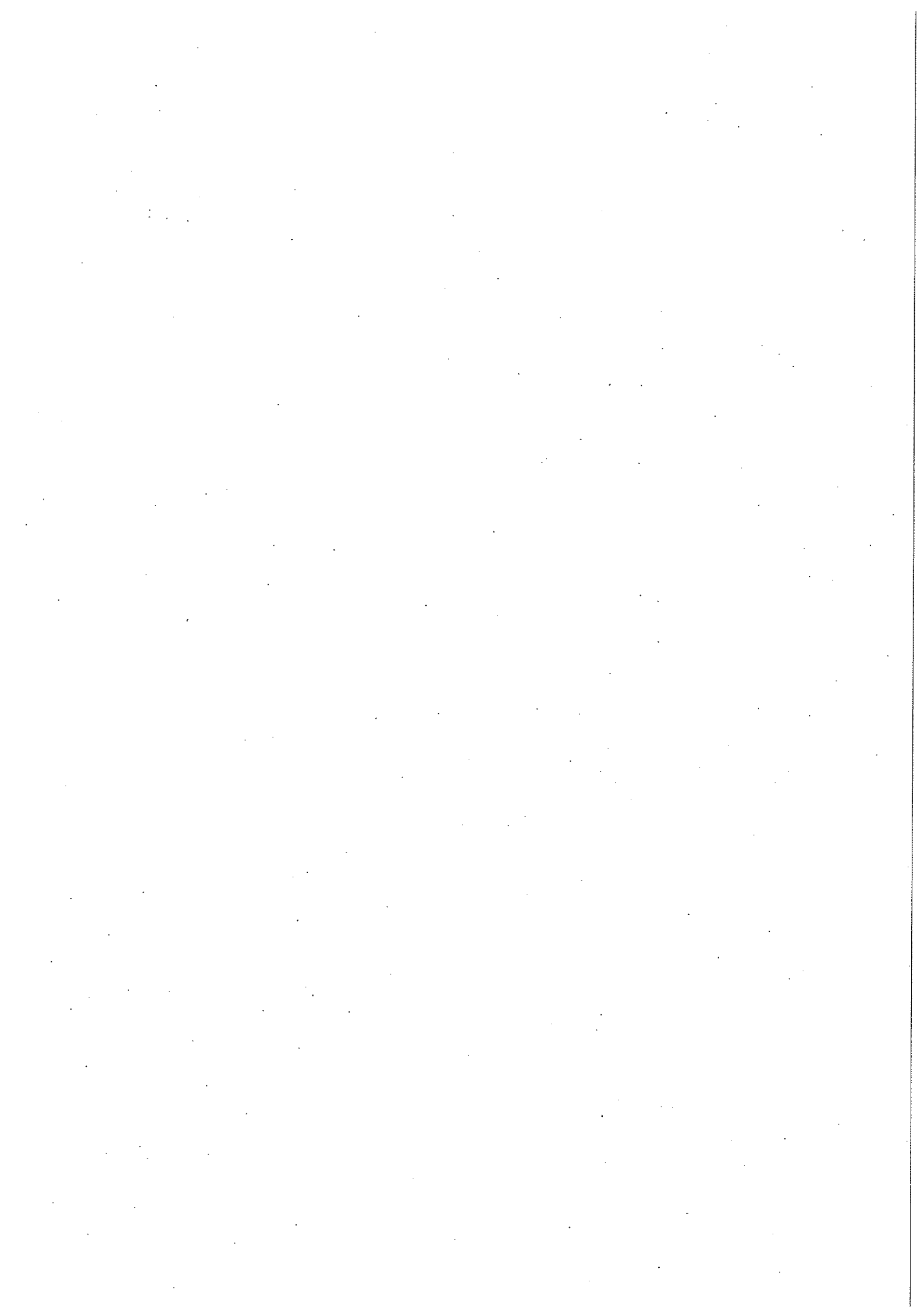
Alison Page is a Wadi Wadi Walbanga woman from northern NSW. She is an experienced Board member and holds a first class Honors Bachelors degree in Design from the University of Technology, Sydney. Her current Board positions include Ninti One Ltd and the CRC on Remote Economic Participation. She was a member of the Expert Panel for Constitutional Recognition of Indigenous Peoples. She is currently Executive Officer of the Saltwater Freshwater Arts Alliance and Creative Director of the National Aboriginal Design Agency.

Lisa Gay was previously General Counsel for Goldman Sachs in Australia. She is Chair of the Australian Securities and Investment Commission Markets Disciplinary Panel which oversees Australia's market integrity rules. She is also Chair of Flora and Fauna International, a global conservation organisation, managing more than 140 conservation projects in more than 40 countries, mostly in the developing world.

The ILC Board

As of 20 October 2013, the ILC Board comprises Dr Dawn Casey (Chair), Mr Ian Trust (Deputy Chair), Mr Graham Atkinson, Ms Olga Havnen, Mr Neil Westbury, Ms Alison Page, and Ms Lisa Gay.

DOCUMENT 5





Australian Government
Indigenous Land Corporation

FOI Release outlines case for investigation into Ayers Rock Resort purchase

STATEMENT BY ILC CHAIRPERSON DR DAWN CASEY

Following two requests under the Freedom of Information Act, the Indigenous Land Corporation (ILC) yesterday released a copy of an extensive letter to the Prime Minister providing new information supporting the case for an investigation into the former ILC Board's acquisition of Ayers Rock Resort in 2010-2011.

This information had been requested by Minister Scullion following his refusal of a previous request by the ILC to initiate an investigation into the purchase of the resort.

The ILC Board is of the firm view that there is an incontrovertible case for investigation of the transaction, and that such an investigation should be overseen by the Minister for Finance who has responsibility for the regulation of public sector corporations.

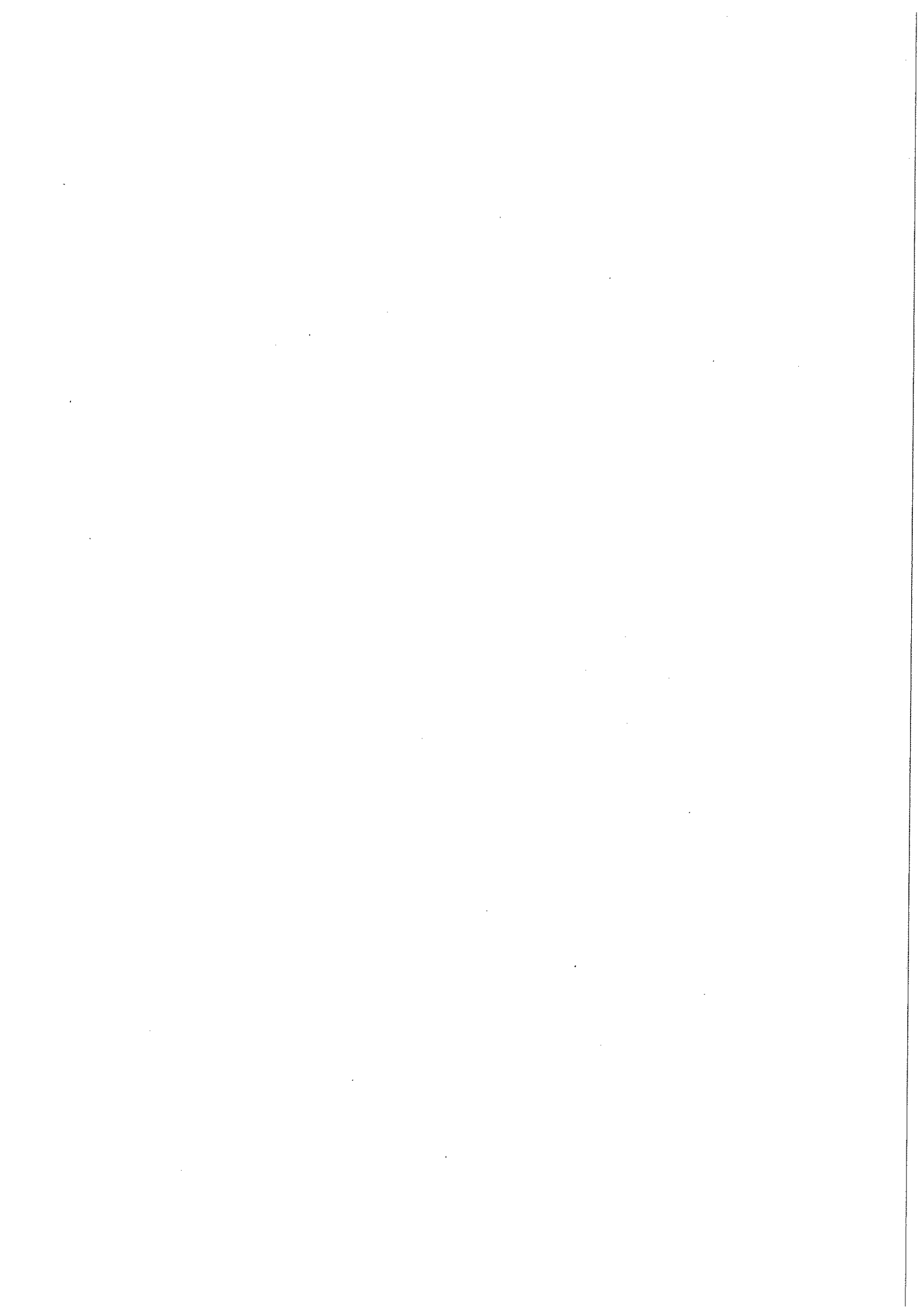
Notwithstanding the challenges arising from the purchase, Ayers Rock Resort has the full and ongoing support of the ILC Board. As an ILC subsidiary, Voyages has the benefit of ongoing and guaranteed financial support from the ILC.

Capital expenditure on the Resort has been accelerated, and its operations and financial performance have progressively improved over the past two years. Ayers Rock Resort and its wide range of ancillary activities provide a unique and extraordinary experience for international and domestic visitors alike.

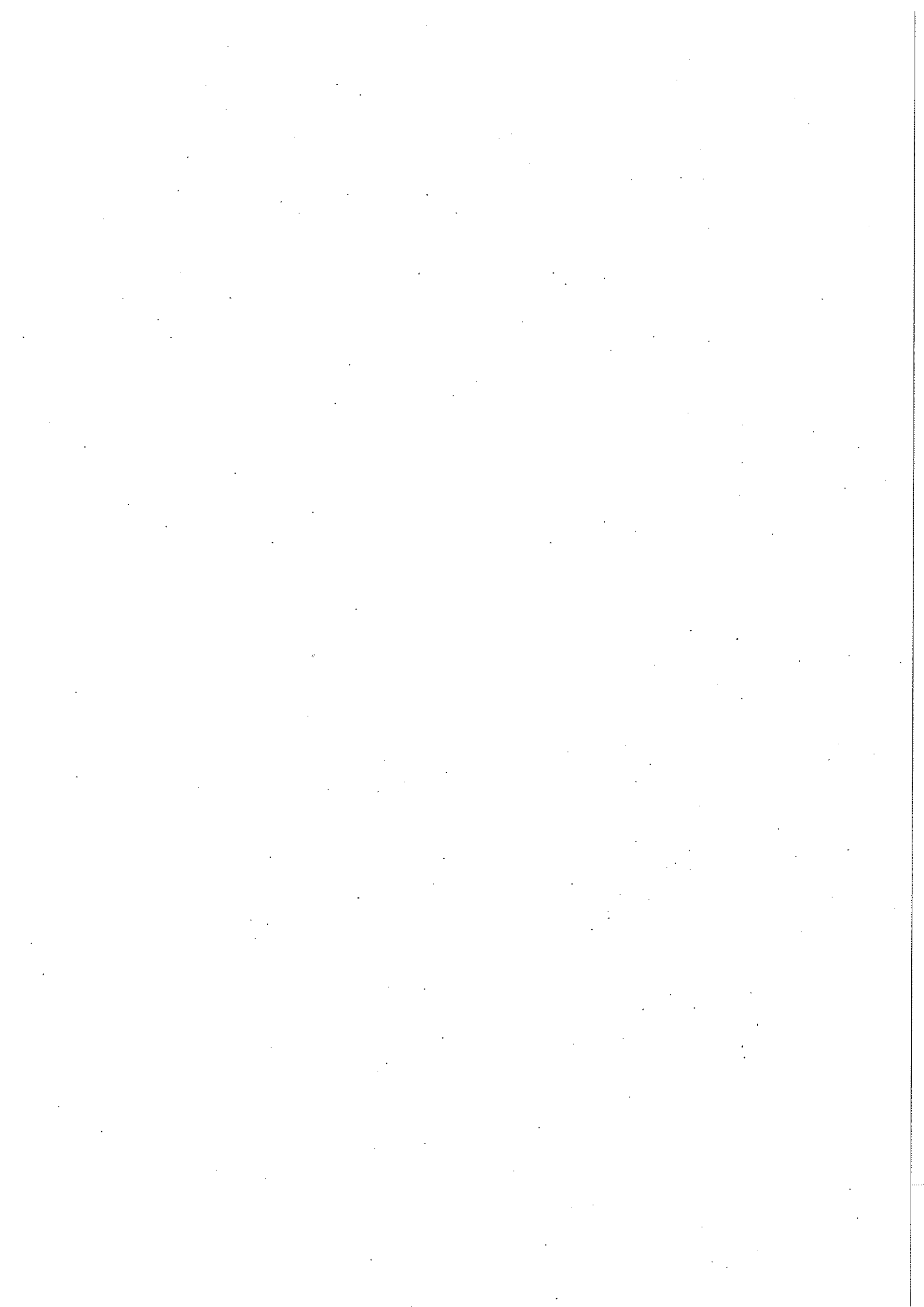
The ILC has continued its unwavering policy and financial support for employment and training of Indigenous staff, and as a result the Resort employs over 250 Indigenous employees and trainees comprising over 30 percent of its workforce.

The ILC Group is now one of the largest employers of Indigenous people in remote Australia. Indigenous employment at Ayers Rock Resort and on Indigenous-owned properties managed by the ILC represents a major contribution to the social, economic and cultural fabric of remote Australia.

MEDIA ENQUIRIES TO: Eric Roberts on 0417 818482



DOCUMENT 6





FOR IMMEDIATE RELEASE

Report criticises Ayers Rock Resort purchase

The Indigenous Land Corporation (ILC) has released the findings of an independent review into the 2010 acquisition of Ayers Rock Resort (ARR) by the former ILC Board with outlays of \$317m and at a net cost \$292m.

Releasing the McGrath Nicol report, ILC Chair Dr Dawn Casey said the ramifications of its findings for the financial and operational future of the Commonwealth Statutory Authority were dire.

“The current ILC Board of Directors believe the previous Board paid well above the market value of the Resort, probably at least \$50m and we now face an enormous challenge to map out a pathway forward”, Dr Casey said.

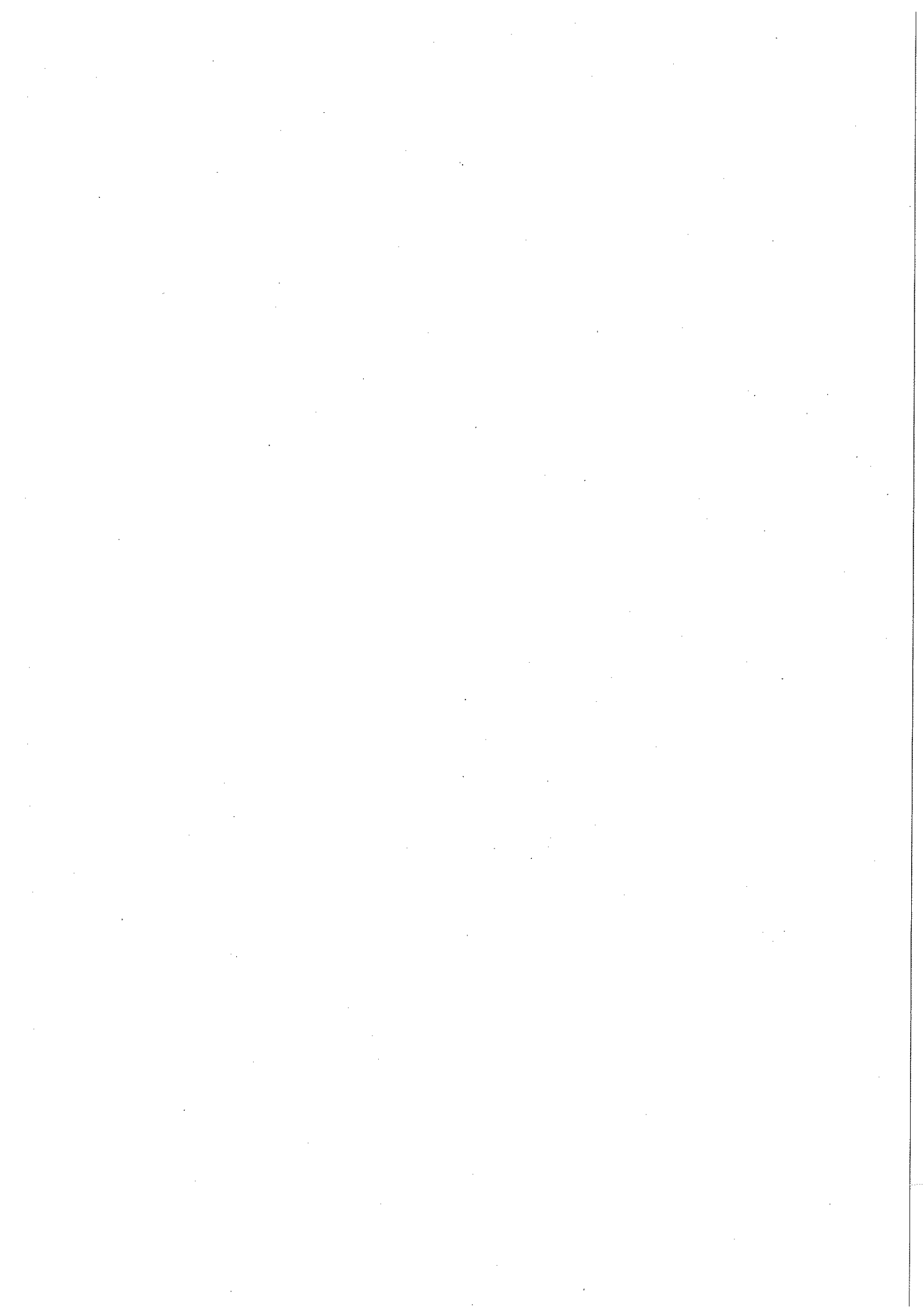
Undertaken by consulting firm McGrath Nicol, the review into the purchase by the ILC of ARR was commissioned by the current ILC Board. While the review identified numerous instances of good practices, the Report raises a range of serious issues in terms of previous decision making, risk management, quality of corporate governance and financial issues associated with the purchase of the Resort.

Dr Casey stated “The ILC Board has significant concerns that:

- Too much was paid for the Resort.
- Future occupancy projections were overly optimistic with no strategic justification.
- Capital expenditure was underestimated and reduced to essential levels only in a bid to achieve a higher Net Present Value.
- Financial and other risks were not adequately taken into account.
- The minutes of the Board decision documents only three votes in favour of the transaction in a Board with seven members.”

The McGrathNicol Review of the resort purchase process found that:

- The purchase price paid exceeded the valuation range.
- The review found that the ILC Board minutes and papers generally reflected an intention that the ARR acquisition has to be economically viable and stand up from a financial perspective, regardless of how beneficial the potential Indigenous employment outcomes could be.
- The full speaking valuation undertaken prior to the purchase and upon which the then Board relied, was 17 months out of date, and should have been updated prior to the decision to purchase.
- The then ILC Board did not adequately protect itself against downside risk.



- Occupancy forecasts were overly optimistic, capital expenditure investment assumptions to maintain and upgrade ARR facilities were too low.
- The then ILC Board did not have access to an appropriate sensitivity analyses in relation to the financial modelling available to it.
- The then ILC Board did not adequately address key risks identified with the purchase.
- Key concerns of the then Minister for Finance and Minister for Indigenous Affairs regarding the transaction were not adequately addressed. At the time of purchase, some of the concerns had not been responded to.
- The then ILC Board failed to adequately document the reasons for its decision, and failed to formally document the views of each Director.
- The statements to Ministers that the decision would not adversely affect funding of other core ILC operations were unrealistic.

“The ILC is considering a range of strategies and options as to how it will continue to pay back interest and capital against borrowings totalling some \$198m when the Resort is operating at levels of profitability well below the projections used to justify the purchase by the former Board”, Dr Casey said.

“The most serious ramification of the acquisition of the Resort will be to require the diversion for many years of substantial funds from the Aboriginal and Torres Strait Islander Land Account away from otherwise deserving land management and land acquisition opportunities. Indigenous people right across Australia will bear the cost of this misguided and incomprehensible decision.

“Despite the problems we are confronting, the management and operations of Ayers Rock Resort will continue to be supported by the ILC.

“The current ILC Board has never disparaged the Resort or its operations, and has not been the source of media comments which allege we have, and which themselves have brought the Resort’s continued operations into question”.

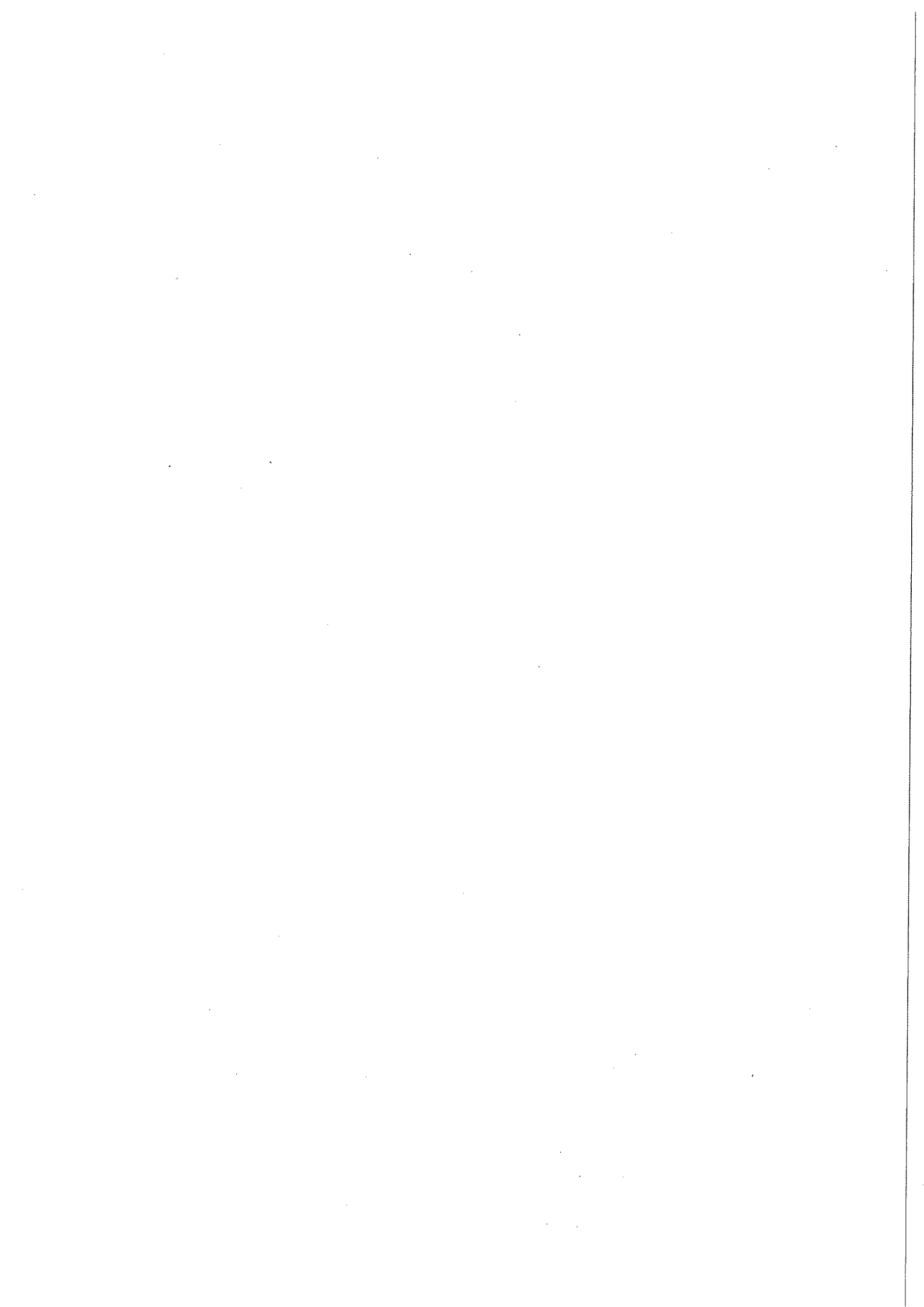
“The ILC remains committed to locking in the terrific achievements of the last two years in terms of Indigenous employment at ARR”.

“Over \$9m has been invested in employment activities since this Board was appointed in October 2011, and the Board is totally committed to seeing the outcomes achieved to date continue”.

“I believe the release of today’s findings reinforces the need for a Parliamentary Inquiry into the acquisition of ARR in 2010 by the ILC”, Dr Casey said.

MEDIA ENQUIRIES TO ERIC ROBERTS ON 0417 818482

Background



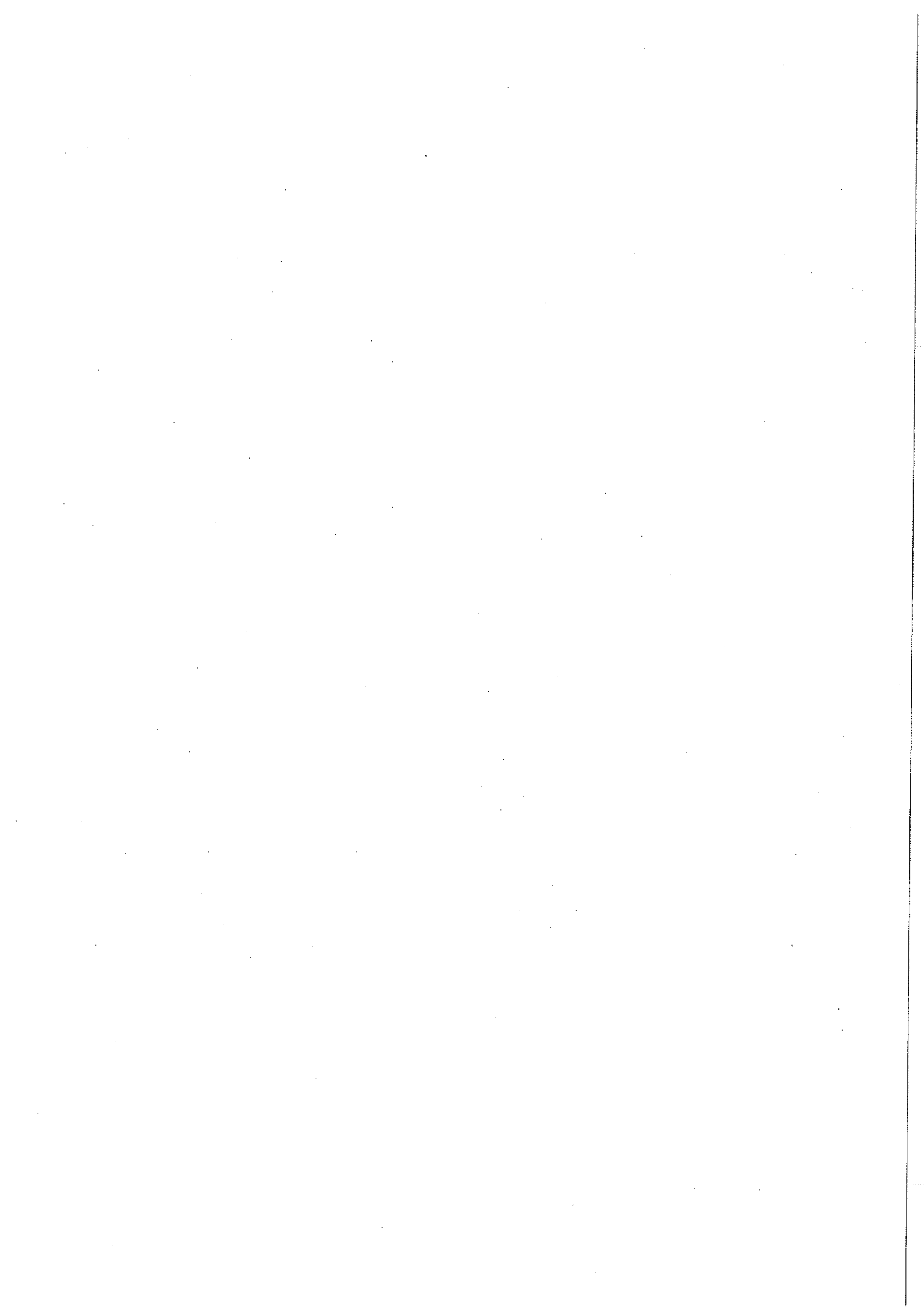
The Review released today comprises Component Two of an 'end to end' Review commenced at the request of former Indigenous Affairs Minister Jenny Macklin prior to the Federal election.

Component One of the Review is yet to be finalised, and will examine future options available to the ILC to deal with the adverse financial implications of the acquisition. A copy of the McGrath Nicol report can be found at www.ilc.gov.au.

Key Findings of concern

The Review makes numerous findings in relation to the acquisition of the Ayers Rock Resort. Many are anodyne, and confirm that good process and governance was applied in relation to aspects of the transaction. However, a number raise issues of concern from the perspective of good corporate governance. These are listed below:

- The CBRE valuation was 17 months old and was not updated to reflect changes to trading performance. McGrathNicol calculated that had they done so, the value of the Resort would have been in the order of \$250m (p26).
- The price paid exceeded the key pre-sale valuation by CBRE by \$22m (p24). The Grant Samuel financial modelling presented to the Board was not a full speaking valuation (p27).
- In relation to the engagement of Grant Samuel who were the key due diligence consultants, the fee negotiated with Grant Samuel was 1% of the total purchase price, there is no evidence of any tender process for the engagement; and the contract of engagement was not consistent with normal ILC contracts, or normal good practice for a Commonwealth entity (p58/p59).
- The ILC Board's risk assessment framework while appropriate, the assessment process and the identified mitigation strategies do not appear to have been realistic or implemented effectively (p52).
- A number of concerns raised by Ministers throughout the acquisition process were either not responded to in a timely manner or were addressed subsequent to the acquisition being finalised (p54/55).
- The capex projections used in the modelling presented to the Board was limited to "essential capital only", yet occupancy levels were projected to grow notwithstanding a long term decline in visitation. McGrathNicol found that these occupancy projections appear to be "overly optimistic" (p32).
- The due diligence consultants were requested to reduce their capex projections from \$77m over 5 years down to \$53m to cover only ("essential requirements") (p34).
- Capex based on essential requirements may not be consistent with the increased occupancy used in the Grant Samuel financial model (p34).
- The capex projections included in the Grant Samuel financial model "appear conservative" compared to the levels assumed to be required by the two previous valuations (p35).
- Although presented to the Board (and subsequently to Ministers) as conservative, the operating forecasts underlying the Grant Samuel financial model appear to be optimistic (p29/p30).
- Adjusting the Grant Samuel financial model to reflect stabilised occupancy at 63% [down from 67%] results in decreased net cash flows and reduces the calculated Net Present Value of the Ayers Rock Resort from \$292m to \$250m (p32).
- Grant Samuel did not present the Board with sensitivity analyses of its financial modelling prior to the transaction (p37).



- McGrathNicol demonstrated that had sensitivity analysis been presented to the Board, and utilising a number of realistic lower profit or occupancy scenarios identified by Grant Samuel themselves in November 2010, the NPV calculation would reduce to between \$237m and \$274m (p37).
- Key risks identified prior to the transaction which were not adequately or appropriately addressed included:

Risk i. The purchase price for ARR is not consistent with its value (p50).

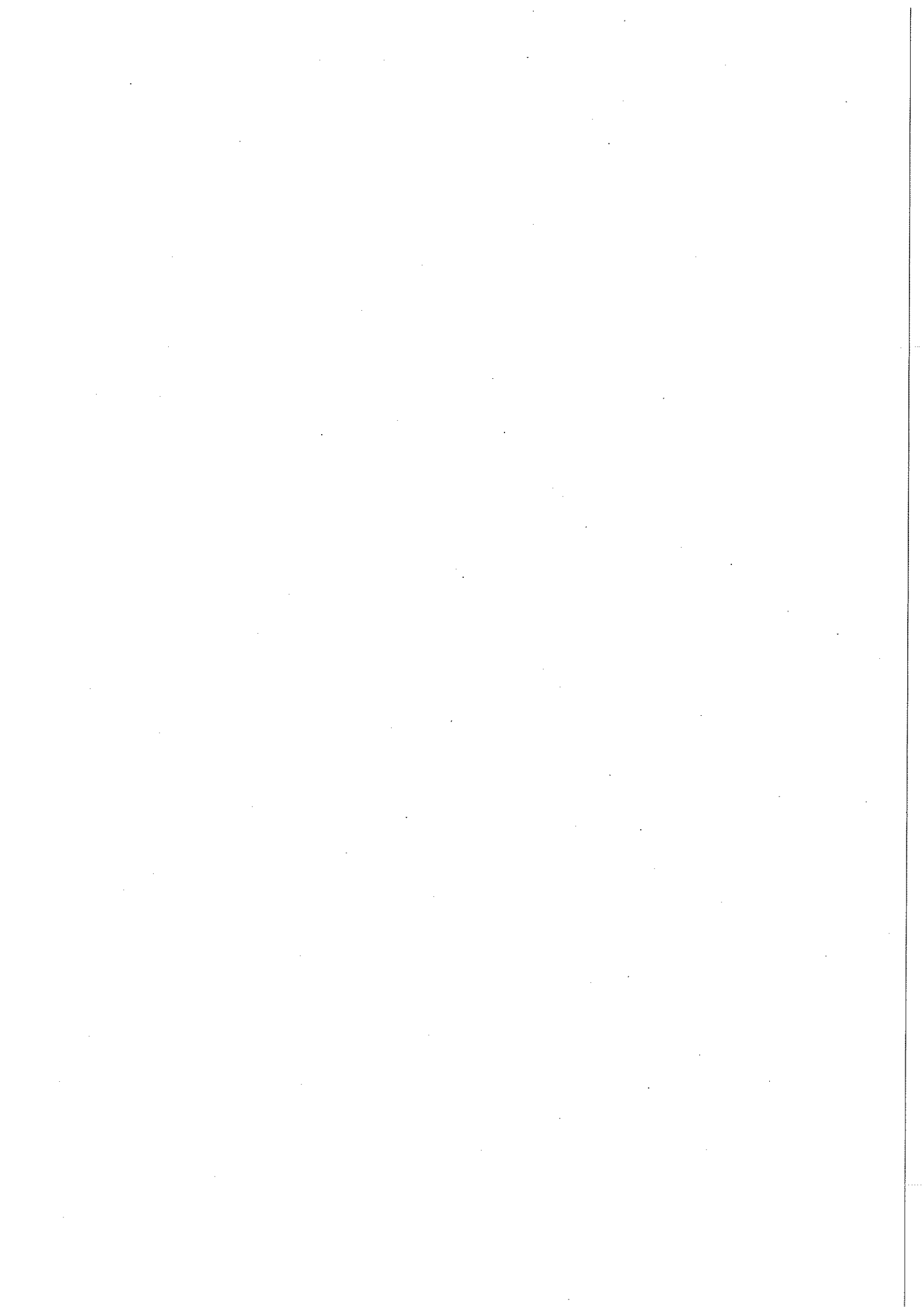
Risk ii. The decision to acquire is not supported by the sector or by the Government (p50).

Risk iii. The remoteness of ARR means their visitor levels are heavily dependent upon external parties (including QANTAS and Virgin) (p50).

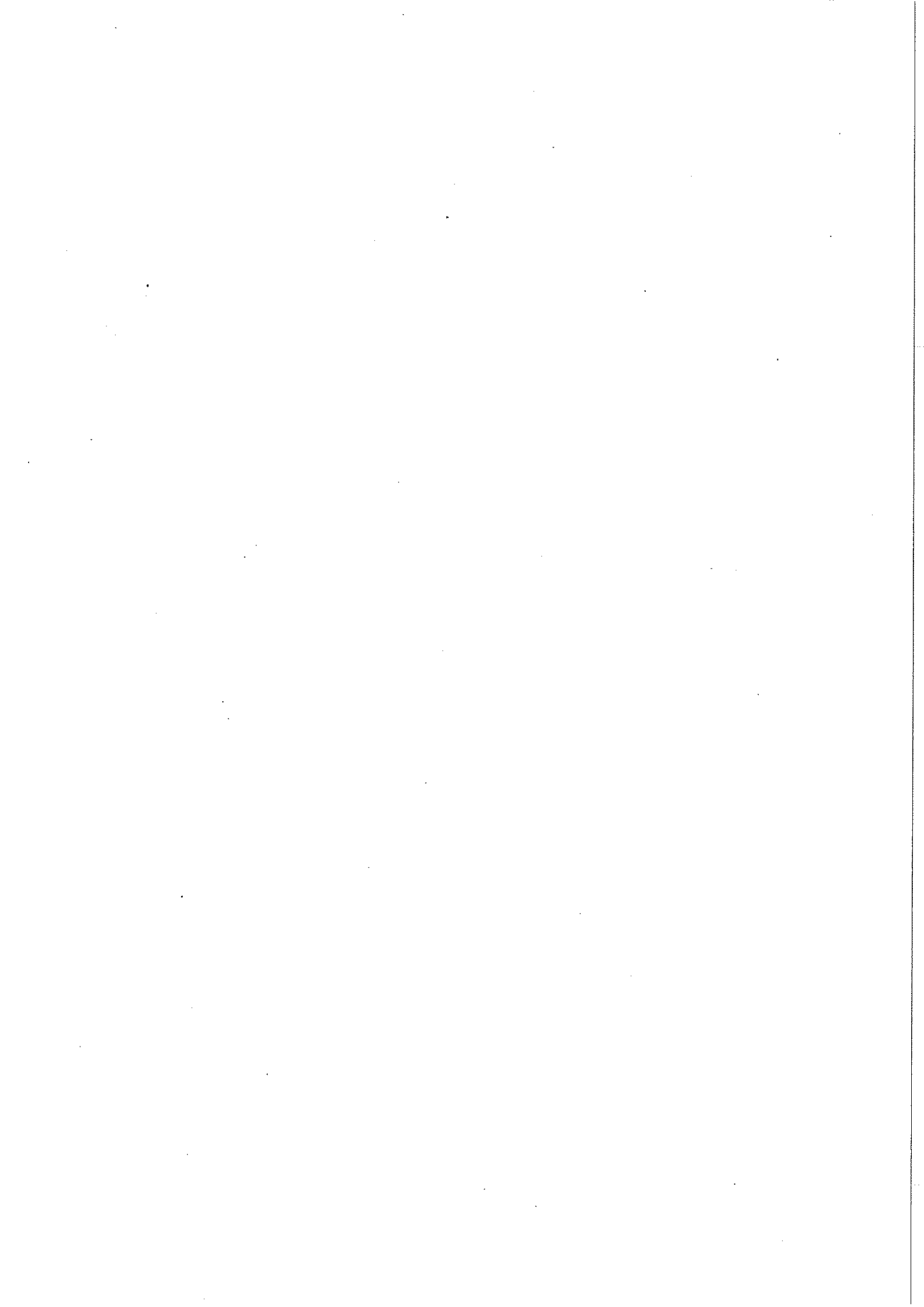
Risk iv. Deferral of capital expenditure [by GPT] during recent years indicated that this [capex] expenditure will be required in the short/medium term to maintain standards at an appropriate level (p51).

Risk v. Significant slump in visitor numbers as a result of further downturn in world economic conditions [adversely] impacts earnings (p51).

- The majority of due diligence consultants, costing an excess of \$6m, appear not to have been engaged in accordance with ILC purchasing guidelines (p56).
- The minutes of the relevant Board decisions fail to indicate the views/votes of all Directors, and there may have been only 4 Directors out of 7 supporting the decision to acquire Ayers Rock Resort (p62).
- The ILC Audit Committee appeared to have had 'almost no involvement in the transaction to purchase ARR' and in McGrathNicol's view, the ARMC "should have given some consideration as to the risk management practises in place within the ILC for this specific transaction" (p64).
- "Given the significant scale of the acquisition, even where the ILC Board considered that the ARR acquisition could be self funding, it was unrealistic to assert to key Government stakeholders [ie Ministers] that a purchase of this materiality would not have a significant impact on its other operations and financial investments in the future"(p67).
- An indirect and remote connection between a Director and a substantial shareholder in GPT was not disclosed. The ILC at the time had no conflict of interest register, and no process to require Directors and staff to actively declare potential conflicts, or attest that there are no conflicts (p69). (The ILC is subject to the Commonwealth Authorities and Companies Act 1997 and the ILC Directors are subject to section 27F of the Act).
- The establishment of Voyages, and subsequent changes to the Voyages Constitution just prior to the expiry of ILC Directors terms, opened up the possibility that ILC Directors would continue in remunerated positions on the Voyages Board, even if their appointment to the ILC Board expired (p74).
- Voyages Directors were not selected in a transparent way (p76).



DOCUMENT 7





Australian Government
Indigenous Land Corporation

NEWS EDITORS PLEASE NOTE: EMBARGOED TO 1 p.m., FRIDAY 15 OCTOBER 2010

Tourism and jobs the winners as Indigenous Land Corporation buys Ayers Rock Resort

National and international tourist icon Ayers Rock Resort at Yulara will be purchased by the Indigenous Land Corporation (ILC) for \$300 million.

The ILC has exchanged contracts to acquire the entire Resort, including all hotels and accommodation, associated infrastructure, the airport and workers village, in an arrangement with Wana Ungkuntja (WU), which represents Indigenous business interests in the nearby communities of Mutijulu, Imanpa and Docker River.

ILC Chairperson Shirley McPherson said the purchase of the Resort from the GPT Group was a positive opportunity for Australian tourism and Indigenous economic development.

"The ILC Board is delighted that WU, which operates the Anangu Tours business, will acquire an interest in the Resort and will be an integral partner in its running and development," Ms McPherson said.

"The Resort represents a unique and probably the biggest opportunity to advance the training and employment of Indigenous people in the Australian tourism and hospitality industries.

"There is a great opportunity to increase the current limited Indigenous employment at the Resort, which has a workforce of 670 people.

"By 2015, 200 Indigenous people will be employed at the Resort and this will climb to 340, more than 50% of total employees, by the end of 2018," she said.

The ILC will establish a National Indigenous Tourism Training Academy at Yulara, with 200 people in training each year from 2013.

Over the next five years 500 Indigenous trainees are expected to graduate from the Training Academy, with graduates gaining employment at the Resort and in other jobs in the tourism and hospitality industries across Australia.

One of the first priorities will be to re-establish training facilities and accommodation and, in this regard, there will be a close working relationship with the Sydney-based National Centre of Indigenous Excellence (NCIE), with the object of establishing a campus of the NCIE at the Resort.

The acquisition will lead to the return of 104,000ha of culturally significant freehold land to Traditional Owners, and the arrangement with WU will see Anangu playing a continuing role in resort operation and management.

"Traditional Owners already play a key role in the management of the Uluru-Kata Tjuta National Park and this has helped to protect and enhance the very things that visitors come to see," Ms McPherson said.

"The acquisition of the Resort is a turning point for Indigenous economic development in Central Australia where tourism and hospitality are key areas for Indigenous employment growth. It will also be a catalyst for a surge in Indigenous tourism across Australia".

"The provision of a memorable cultural and environmental tourism experience at Uluru and Kata-Tjuta will continue to be the primary focus, but the Resort will increasingly provide badly-needed Indigenous jobs and industry-accredited training", she said.

Wana Ungkuntja Chairperson Mrs Margaret Smith said the ILC acquisition of the Resort would not only provide training opportunities and employment for Indigenous people – it would also pave the way for a more complete cultural experience for International and Australian visitors.

"Anangu have been watching the Resort for 30 years. When the Resort was built we thought that there would be lots of training and jobs for us," Mrs Smith said.

"We want our young ones to have good jobs on their own country. We want visitors to meet Anangu and learn about Tjukupa – traditional Anangu law and culture.

"We think that the ILC will be a good partner to work with because we want the same things – to share our culture with visitors in the proper way, and proper training that leads to good jobs.

"The Resort purchase is also important to Nyangatjatjara College, an Indigenous secondary college based at Yulara. Students will be able to do real training and get real jobs.

"The National Indigenous Tourism Training Academy will give our young ones the chance to get real training and jobs and we look forward to strong partnerships between the Resort and other Indigenous groups in Central Australia," she said.

All external borrowings to support the acquisition are forecast to be paid off after seven years of operation and all internal funding by the end of year 10.

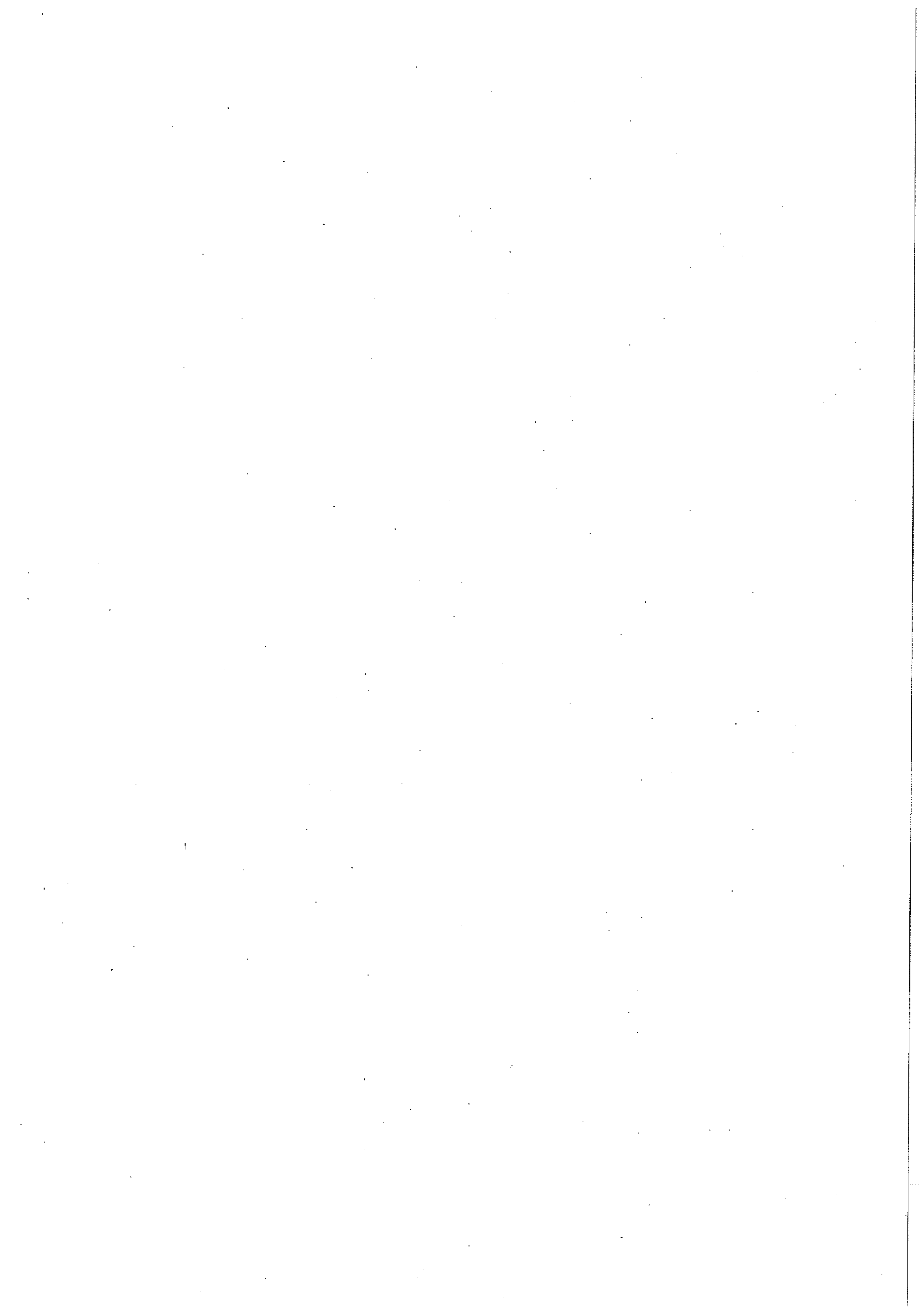
As part of the acquisition, the ILC will take over GPT's *Voyages* platform which administers the Resort's tourist booking and management functions.

The ILC wishes to acknowledge GPT's co-operation during its extensive due diligence process.

For further information contact:

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DOCUMENT 8





Australian Government
Indigenous Land Corporation

FOR IMMEDIATE RELEASE

Call for Parliamentary inquiry into purchase of Ayers Rock Resort

Indigenous Land Corporation Chairperson Dr Dawn Casey has written to Prime Minister Tony Abbott requesting a Parliamentary Inquiry by the Joint Committee on Public Accounts and Audit into the acquisition of the Ayers Rock Resort by the ILC.

The acquisition in 2010 cost \$317m and was funded through substantial borrowings.

Dr Casey said that in the three years since the acquisition of the resort, the audited financial statements for Voyages Indigenous Tourism Australia, the ILC subsidiary company which now owns and manages the resort, has reported losses of over \$100m including a \$62m write down in the value of the resort in 2012-13.

“Losses of this magnitude are unprecedented in Indigenous Affairs, and raise deeply serious questions about how the losses occurred, and the quality of the corporate governance which allowed the acquisition to occur,” Dr Casey said.

“The time has come for a formal Parliamentary Inquiry to be established to get to the bottom of these events.

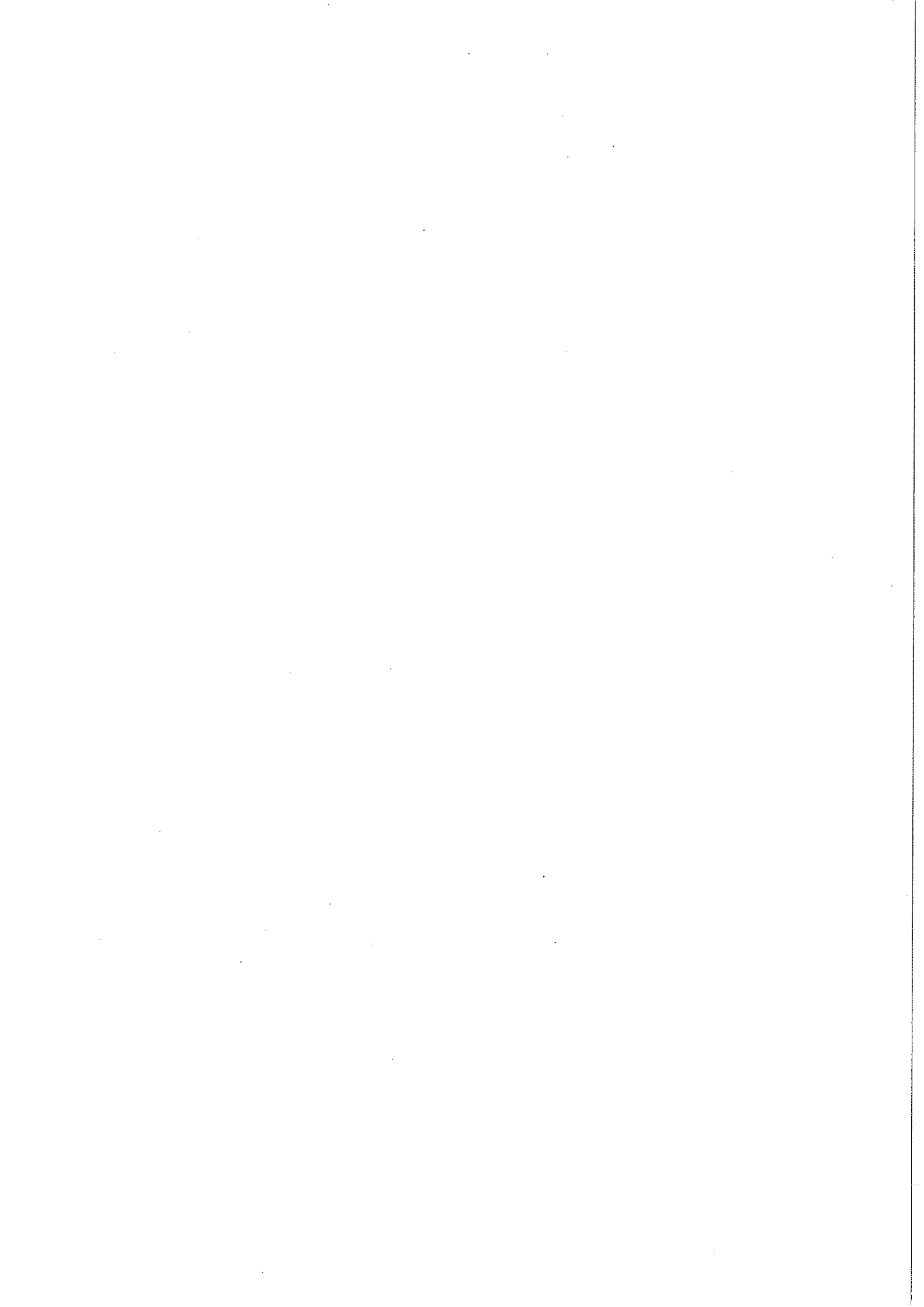
“The current ILC Board, appointed in October 2011, has serious concerns about the processes used to assess the purchase and has consistently sought to open the transaction up to greater public scrutiny.

“As it stands Indigenous Australians cannot be assured that the decision to acquire the Ayers Rock Resort is consistent with the highest standards of accountability and good governance.

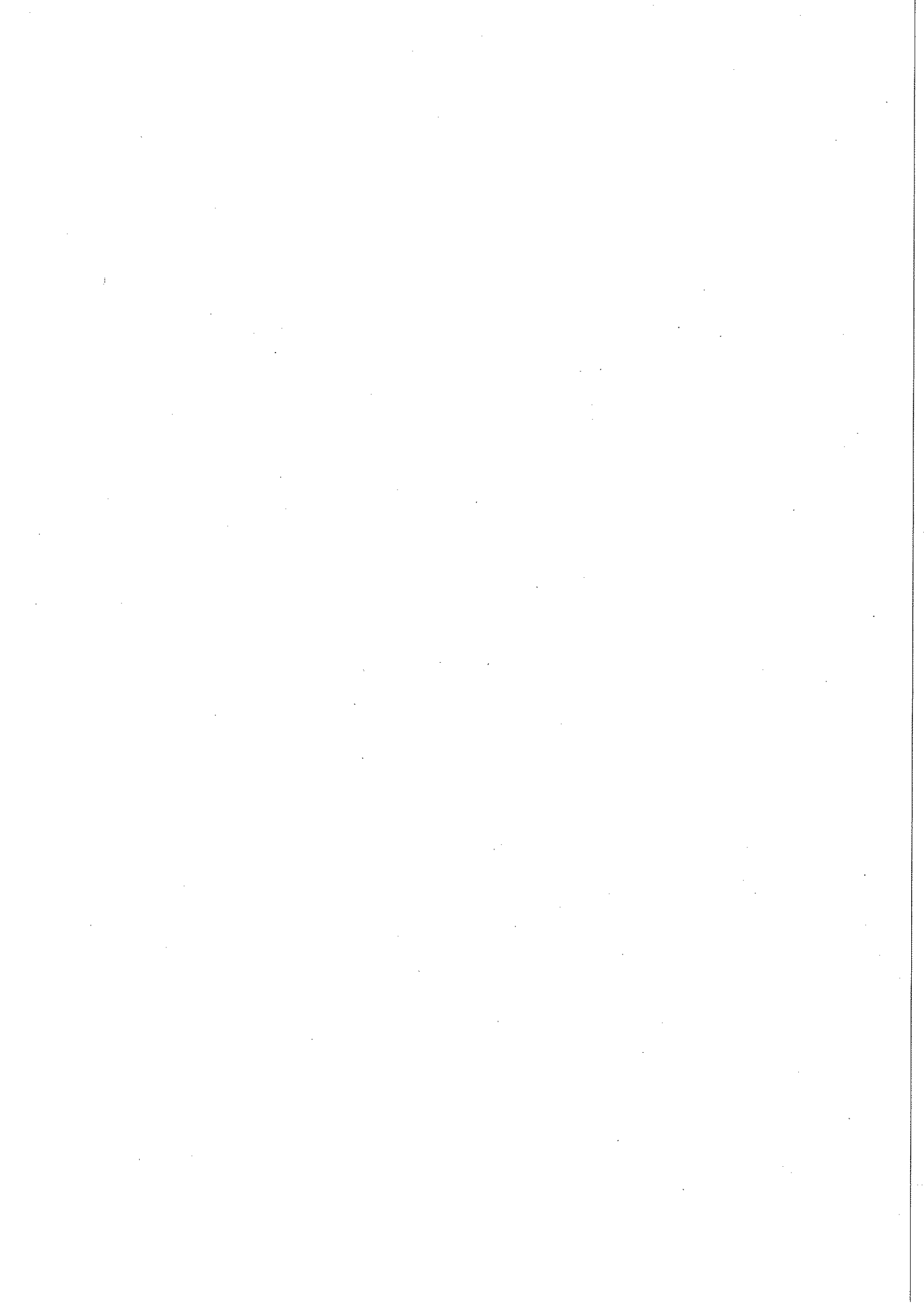
“The current ILC Board is committed to addressing the financial challenges it inherited with the purchase of the Ayers Rock Resort and will ensure that the highly successful Indigenous employment and training initiatives at Yulara are protected to the maximum extent possible,” Dr Casey said.

A Parliamentary Inquiry has the power to call reluctant witnesses, ensure evidence can be provided under Parliamentary privilege and that witnesses will be encouraged to come forward and be adequately protected from the threat of legal action.

MEDIA ENQUIRIES TO: Eric Roberts on 0417 818482



DOCUMENT 9



From: Dawn Casey [<mailto:drdawncasey@gmail.com>]
Sent: Friday, 25 October 2013 6:13 PM
To: letters@theaustralian.com.au
Cc: Dillon, Michael; Fiedler, Beth
Subject: Response to the article on Voyagers Indigenous Tourism Australia

The Editor
The Australian
By email: letters@theaustralian.com.au

Sir

In the article this morning ('Purge rocks indigenous tourism resort' by Patricia Karvelas and Lisa Allen) the article quotes Mr Baffsky as stating 'Dressing up the Board sacking by saying the Ayers Rock facility is not profitable is absolutely not true'.

I write on behalf of the ILC Board to confirm the financial status of Voyages Indigenous Tourism Australia, whose major asset is the Ayers Rock Resort.

The 2013 Financial Statements approved by the Board of Voyages includes a Statement of Comprehensive Income which shows an Operating Loss for Voyages in 2011/12 of \$25.19m and for 2012/13 of \$84.05m. The Operating Loss for 2012/13 includes the write down, approved by the Voyages Board, of \$62.2m. These financial statements have been audited and approved by the Australian National Audit Office.

The article states the ILC businesses, including Ayers Rock Resort and Home Valley were making a profit and 'the ILC had misrepresented the reality in blaming a \$62m writedown in the value of the Ayers Rock Resort on its decision to remove the Board. In 2012-13, the businesses made a \$14.2m profit. A profit of \$14.4m is projected for 2013-14".

These figures presumably provided by sources associated with the previous Voyages Board have been compiled by stripping out the interest payments on the borrowings taken out to purchase Ayers Rock Resort and various other non-Ayers Rock costs such as the Voyages Office in Sydney. Such artificial manipulation is akin to running a household budget without factoring in the mortgage payments on the house loan.

Yours sincerely

Dr Dawn Casey PSM FAHA

