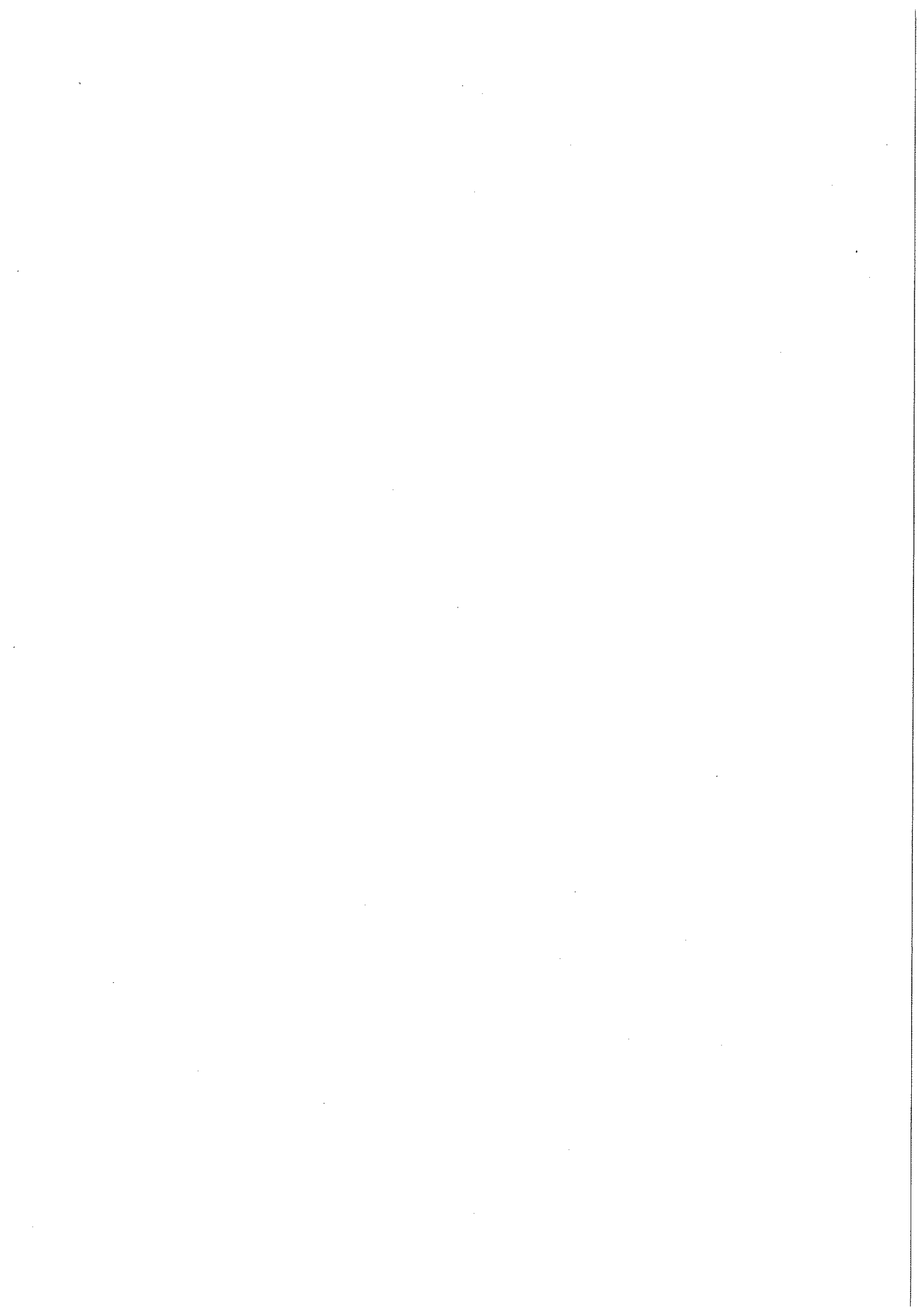


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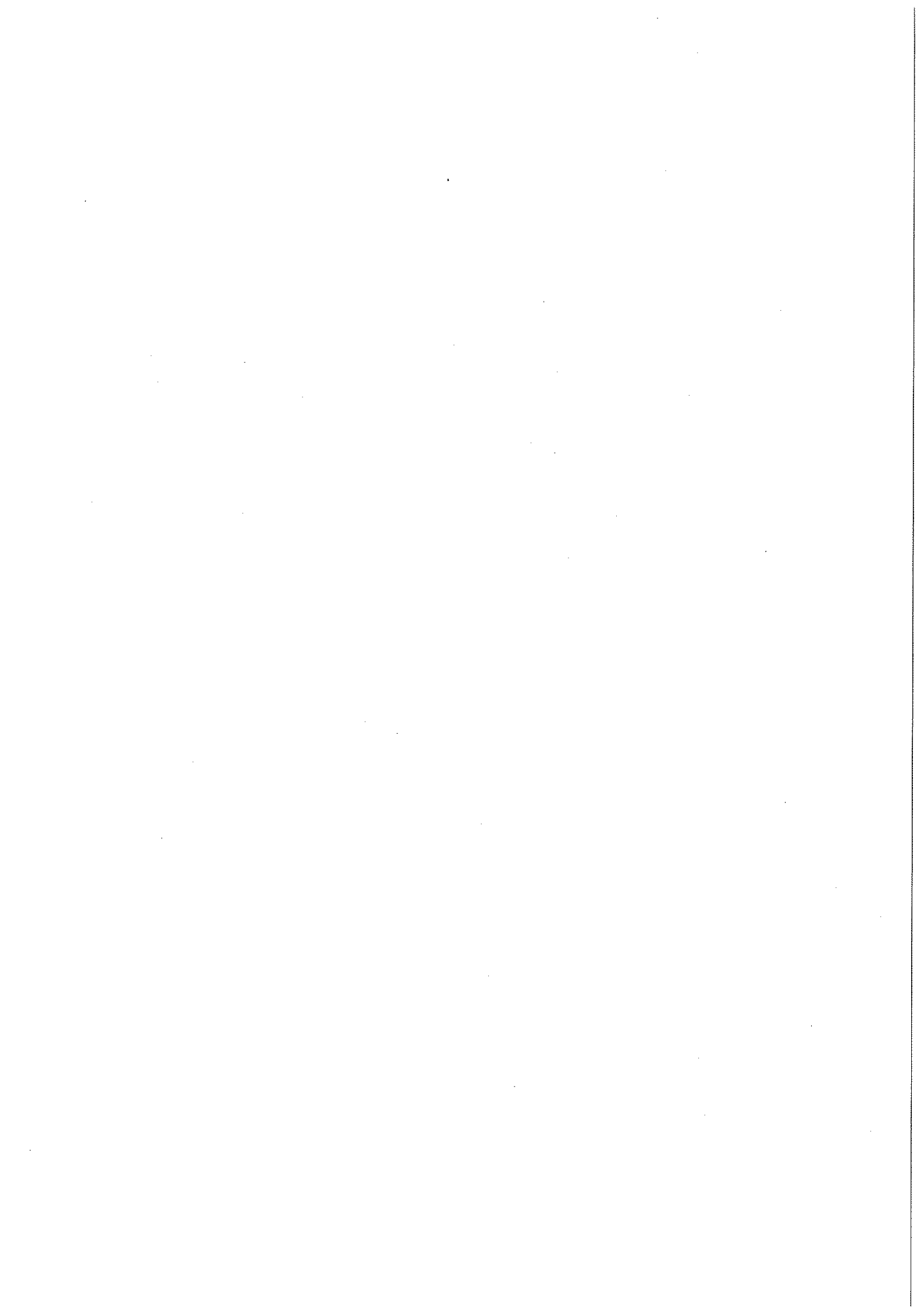


Annual Report 2014 | 2015



Australian Government
Indigenous Land Corporation

Our Land Our Future
CELEBRATING
15
YEARS OF THE ILC



people land
opportunity



Australian Government
Indigenous Land Corporation

21 September 2015

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

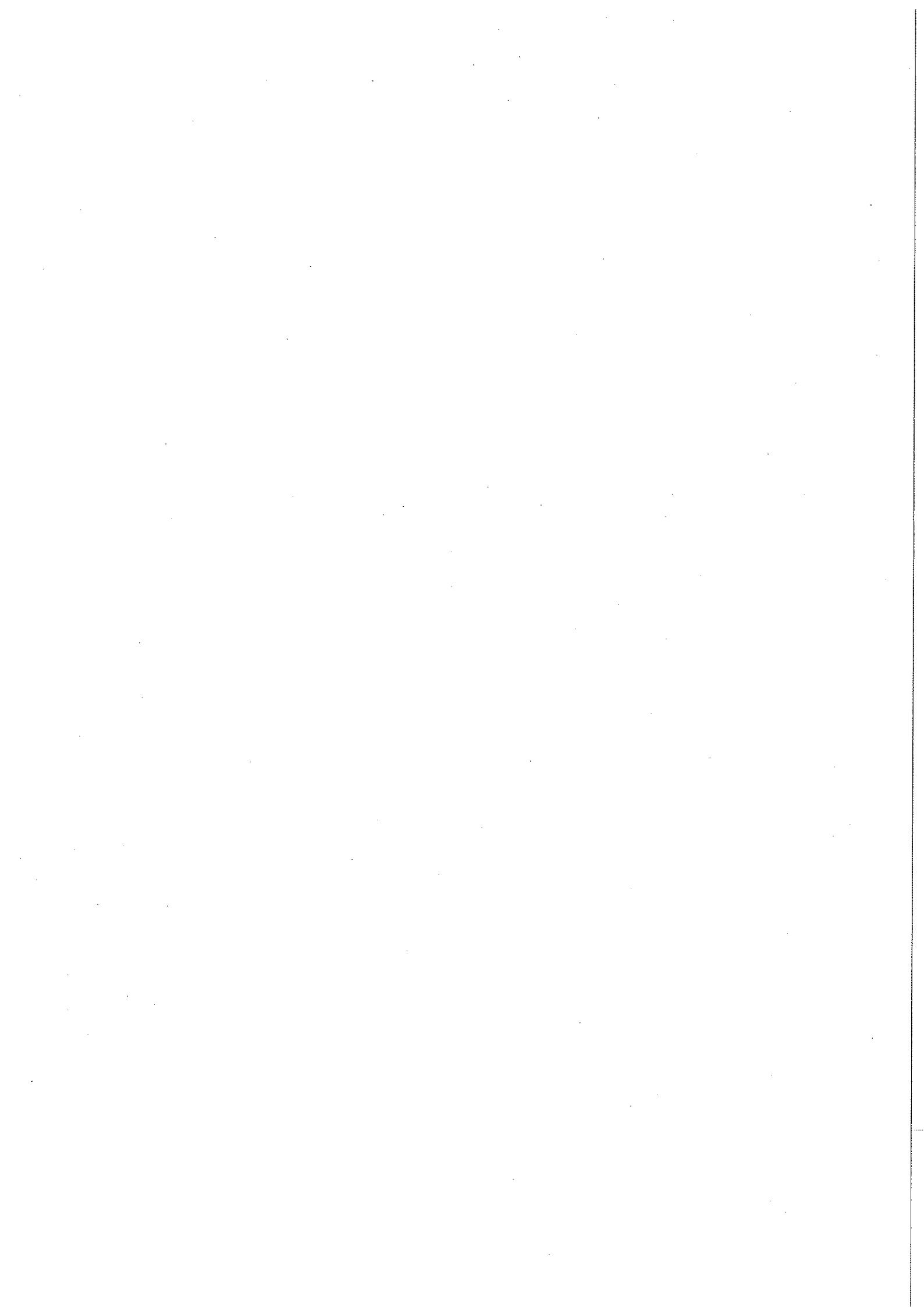
Dear Minister

Pursuant to a resolution of the Board of Directors dated 26 August 2015, I am pleased to present the Annual Report of the Indigenous Land Corporation for the period 1 July 2014 to 30 June 2015.

The Report is made in accordance with Section 46 of the Public Governance, Performance and Accountability Act 2013 and associated rules and includes the Indigenous Land Corporation's Report of Operations and audited consolidated financial statements for the relevant reporting period.

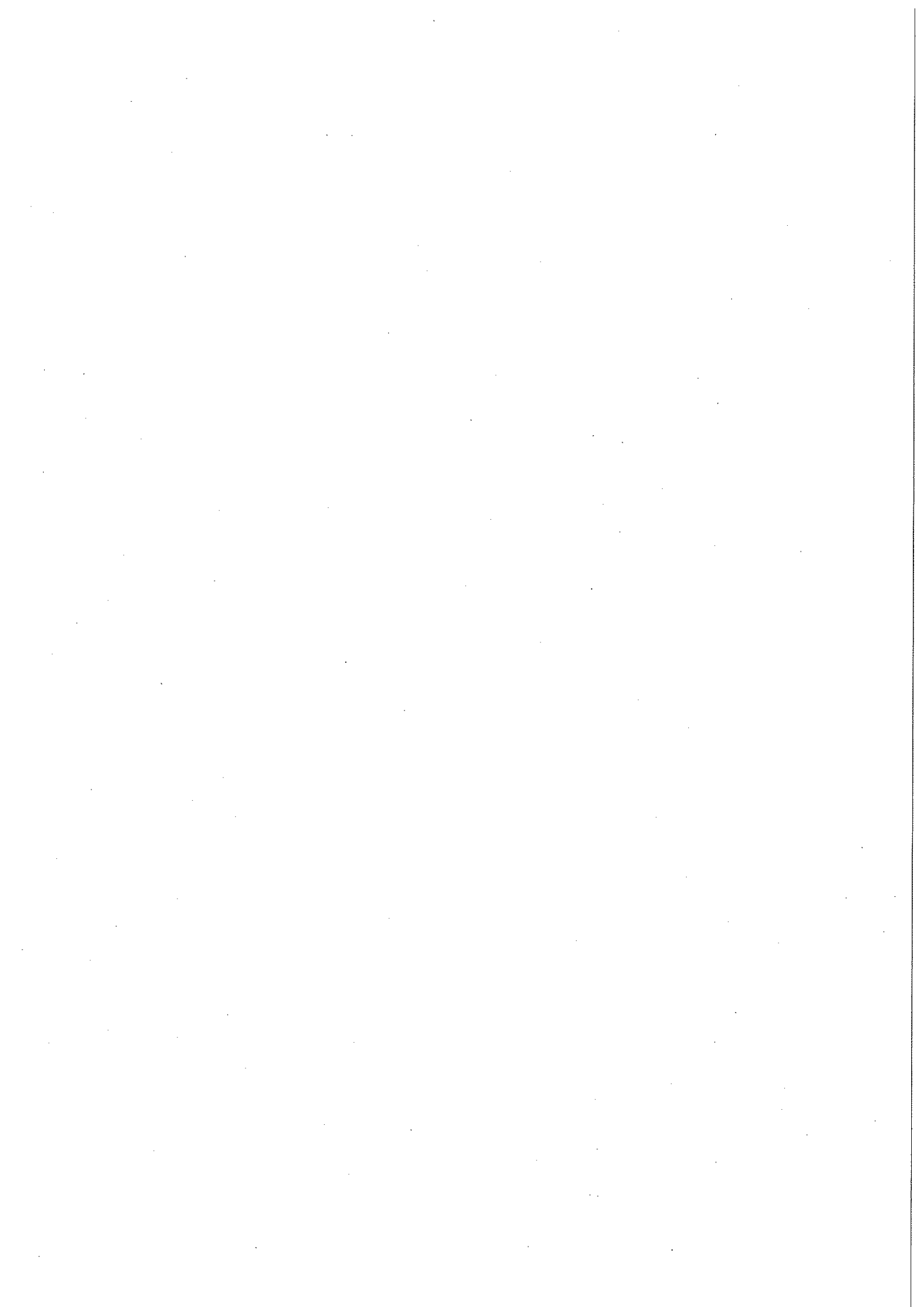
Yours sincerely

Dr Dawn Casey PSM FAHA
Chairperson



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Overview



ILC by the numbers in 2014-15

14

properties granted to Indigenous corporations at a value of \$19.3 million

17

agricultural and tourism businesses operated by subsidiary companies with a total asset and plant value of \$278 million

154

land management projects supported at a value of \$10.7 million

521

Indigenous staff directly employed in agricultural and tourism businesses

154

Indigenous-held properties improved their land management

370

Indigenous trainees hosted across agricultural and tourism businesses

49%

of ILC projects protected cultural or environmental values on land

88,890

head of beef cattle and 11,314 sheep on agricultural businesses at 30 June 2015

2,677

Indigenous training completions enabled by land acquisition and land management projects

\$22m

in total revenues on agricultural businesses

902

Indigenous employment outcomes enabled by land acquisition and land management projects

\$134m

in total revenues on tourism businesses

3

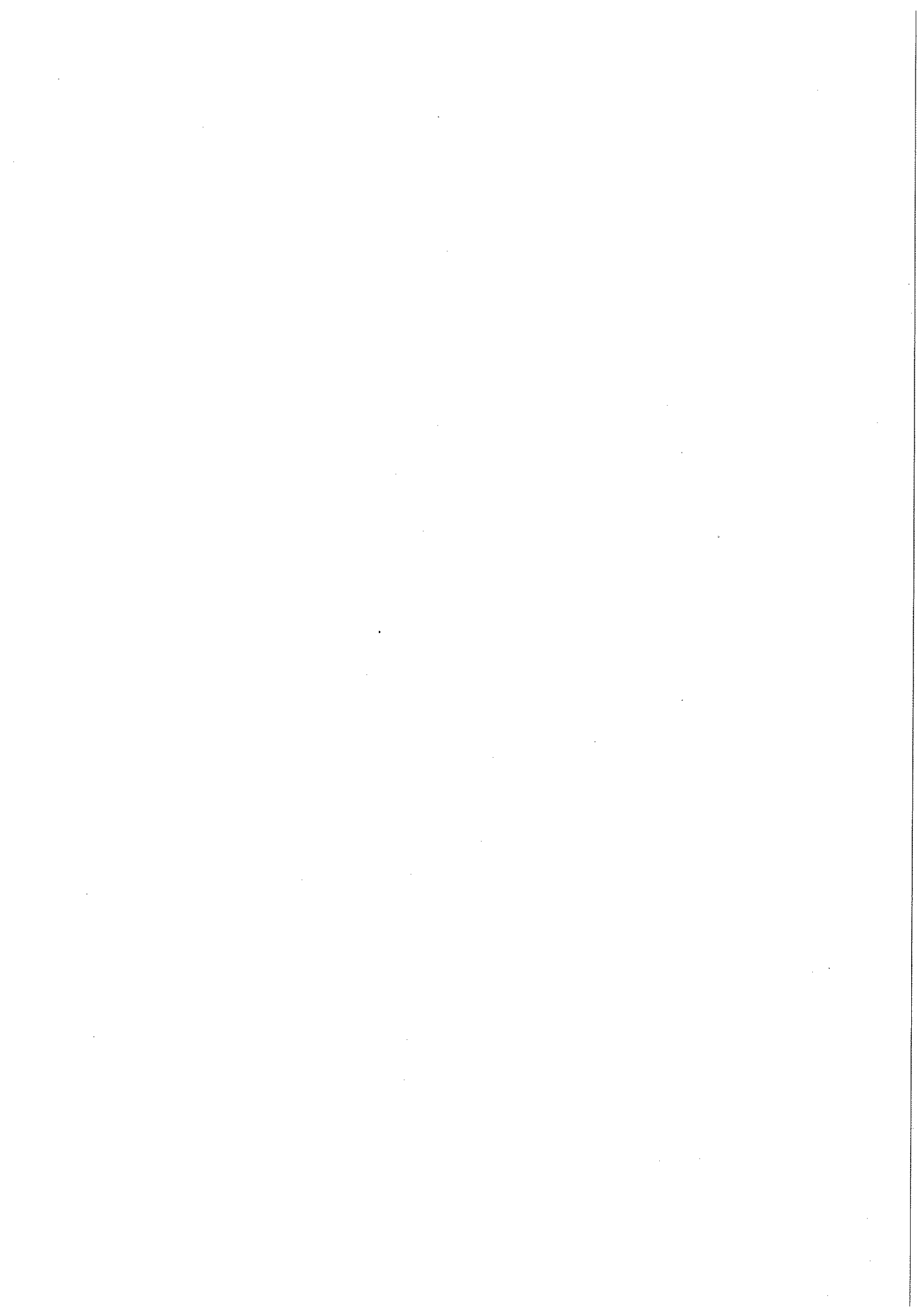
ILC subsidiary companies undertaking land management functions

\$6m

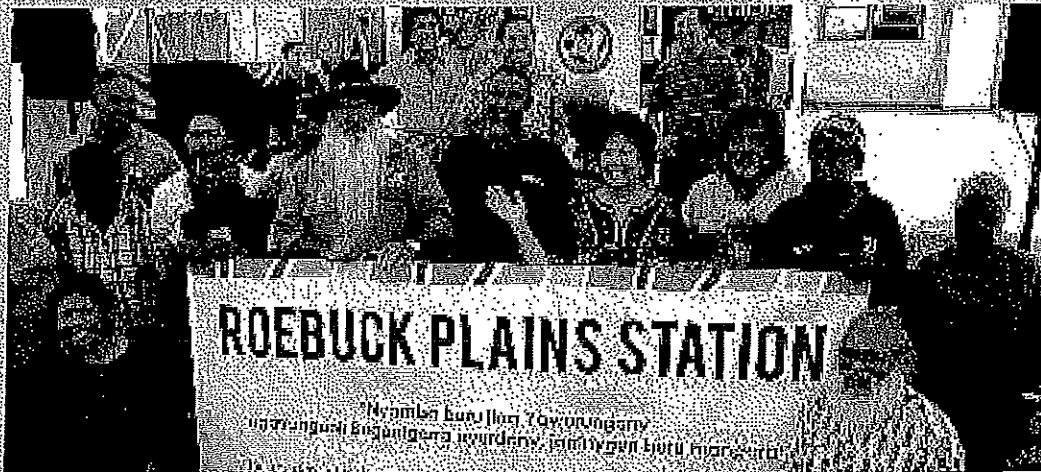
in total revenues at the National Centre of Indigenous Excellence

33.3%

Indigenous employees in the ILC (excluding subsidiaries) at 30 June 2015







the right to trade resources linked to land and seas. The Australian Government's *White Paper on Developing Northern Australia*, also released in June 2015, canvassed the need to 'simplify and modernise land arrangements in the north' because of their supposedly adverse effect on economic development and Indigenous development in particular.

Over the last 20 years the ILC has played a central and increasing role in partnering with Indigenous land owners to develop their land, based on local aspirations and working across a range of tenure types. The ILC is able to bring its own experience to bear in informing debates on these policy issues, and, given greater resources, could build on its demonstrated successes in bringing land into production in partnership with Indigenous land owners.

Land acquisition and grant

The ILC purchased one property in 2014-15, reflecting the fact that in recent years the ILC's land management function has been taking precedence over land acquisition. As was reportedly observed at the May 2015 roundtable convened by the Australian Human Rights Commission, Indigenous Australia is passing from a land claims phase to a land rights use phase.

Twenty properties were approved to be granted to Indigenous corporations this financial year and 14 formal property transfers were achieved (against five divestments in 2013-14), in line with the current Board's policy of active divestment. The ILC has now

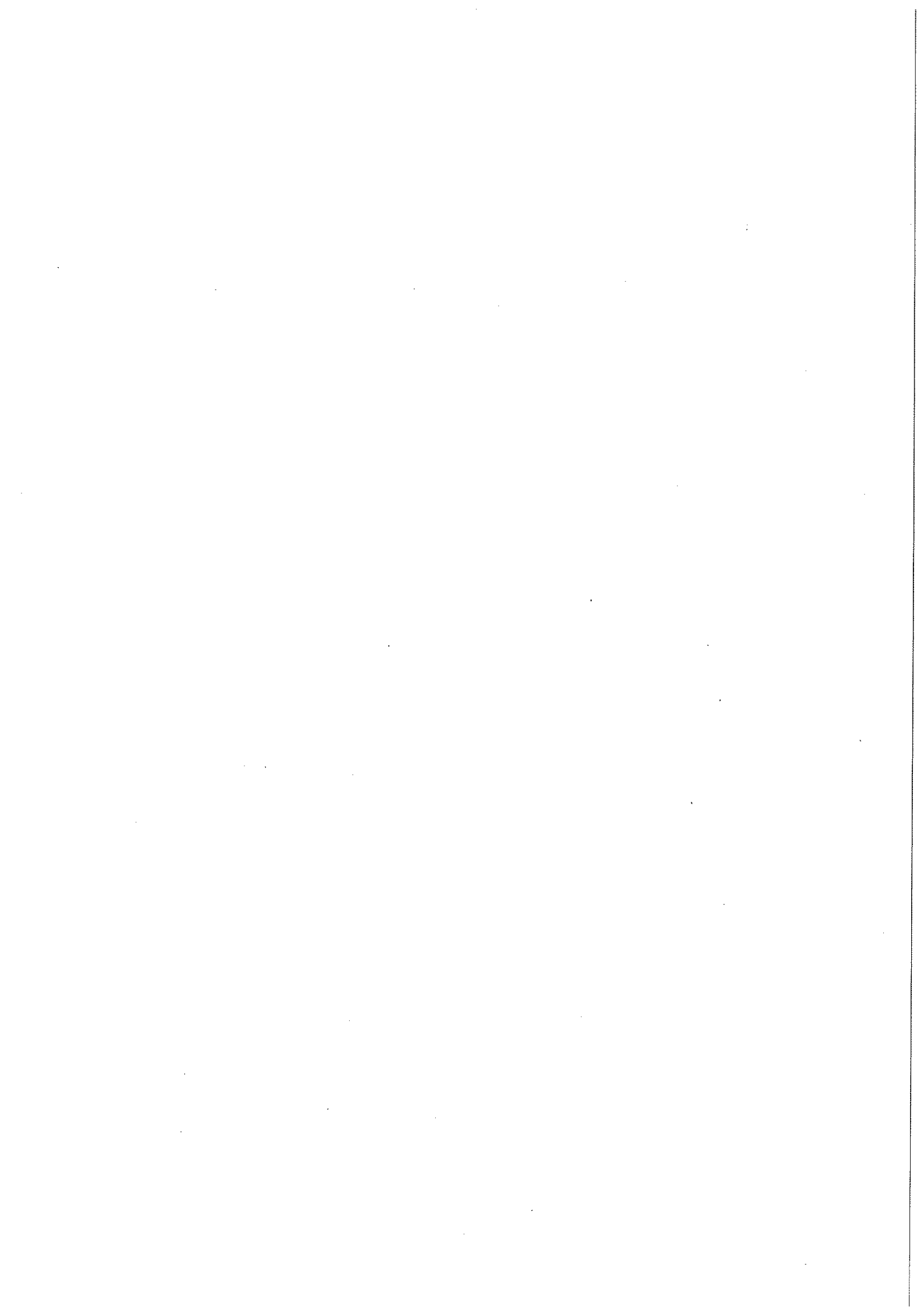
granted more than 75 per cent of the properties it has acquired over 20 years.

Roebuck Plains Station, near Broome, WA, was the most significant grant and also provides a model of the way the ILC wants to work with other Indigenous groups. The property was acquired by the ILC in 1999, and subsequent ILC investment has made it one of the foremost cattle properties in Australia. In September 2014, the title to Roebuck Plains Station was transferred to the Nyamba Buru Yawuru Ltd, and the cattle operations simultaneously leased back by ILC subsidiary National Indigenous Pastoral Enterprises Pty Ltd for 15 years. The Yawuru will receive income from the lease, as well as ILC funding to manage an environmentally and culturally sensitive area of the property as a future Indigenous Protected Area.

Land management

ILC land management projects consistently seek to balance protection of country and Indigenous cultural and social wellbeing with (where practical) the generation of economic benefits. ILC projects achieved improved land management on 154 properties during 2014-15. Over this and the previous financial year, and consistent with the ILC's Native Title Policy, around 80 per cent of the ILC's small land management funding was provided to Prescribed Bodies Corporate, the corporations established under the Native Title Act to hold determined native title locally. These organisations are critical to realising native title holders' land-based aspirations, but so far receive little support from government.

The current Board also recognises the growing importance of environmental and heritage



a merger would be a threat to the Land Account. In a merged agency, the Land Account's revenues would inevitably be used, sooner or later, for purposes other than those originally legislated. The Minister has stated (October 2014) that any plans for changes to current arrangements are 'not under consideration'. The ILC Board nevertheless remains concerned that the Land Account is vulnerable, and was disappointed that the Stronger Land Account Bill, introduced to the Senate by the Australian Greens in June 2014, has not been supported by the Government or the Opposition.

The Bill's main purposes are to spell out the purpose of the Land Account in the ATSI Act, and to ensure the Land Account can be used only as originally intended: to acquire and manage land for Indigenous Australians. It also advances three other important areas of reform: mandating the highest standards of corporate governance in the ILC, increasing Indigenous input in the ILC and Land Account, and enabling the Land Account to grow in real terms. The proposed reforms to governance are crucial and include staggering and limiting Directors terms, and maintaining an independent chair of the Audit and Assurance Committee.

After its introduction to Parliament, the Stronger Land Account Bill was sent for inquiry to the Senate Community Affairs Legislation Committee. The ILC made two submissions to the committee during 2014-15, and gave evidence at a public hearing in February 2015. Eighteen other submissions were made, most from significant Indigenous organisations representing extensive Indigenous constituencies. Sixteen of the submissions supported the Bill's purposes and mechanisms. The majority report of the committee, released in March 2015, recommended against the Senate's passing the Bill, with Labor members of the committee providing additional comments and Senator Siewert dissenting. The majority report's findings were based almost exclusively on concerns expressed by two government departments, Finance and Prime Minister and Cabinet, despite wide Indigenous support for the Bill.

The ILC Board remains committed to pursuing the important reforms in the Stronger Land Account Bill and to working with the committee, government departments, Senators and Indigenous stakeholders to consult on and refine aspects of the Bill. The ILC agrees with many of the suggestions for amending the Bill advanced by those making submissions to the committee, in particular the Torres Strait Regional Authority's recommendation that the ILC's remit be expanded to include sea in addition to land, as it is now established that Indigenous property rights can extend out to sea.

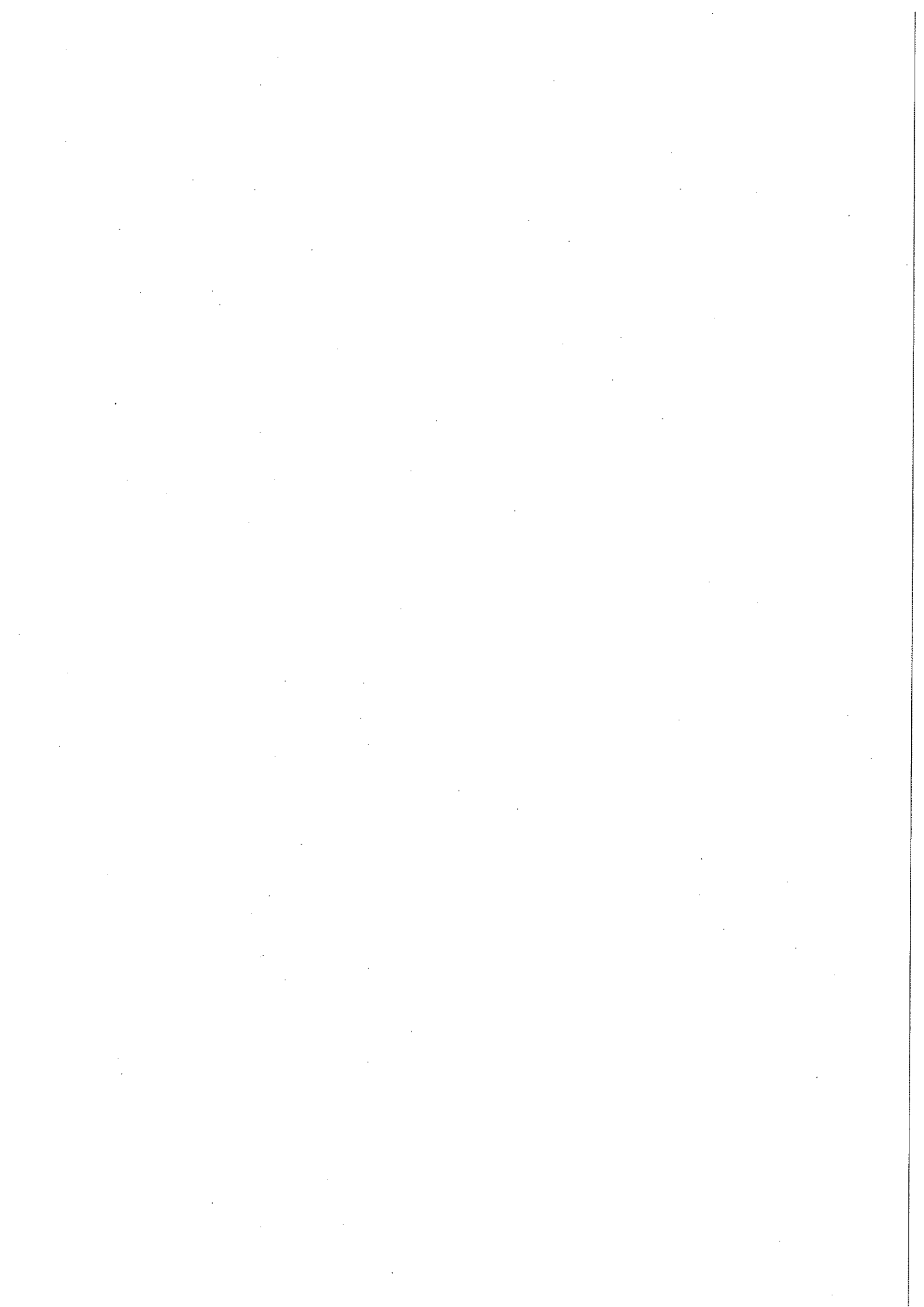


Ayers Rock Resort

Since November 2013 the ILC Board has been calling for an independent public inquiry into the purchase of Ayers Rock Resort. The resort was acquired in 2010-11 by a former Board for in excess of \$300 million. As a result the ILC has borrowings of \$215 million against an asset valued on the ILC's books at \$248 million.

Last financial year a detailed investigation into the Ayers Rock Resort transaction, commissioned by the ILC from consultants McGrathNicol found flaws in the due diligence and governance practices underpinning the acquisition. The ILC has also sought and obtained legal advice from a Senior Counsel regarding compliance with the *Commonwealth Authorities and Companies Act 1997* (legislation in force at the time of the acquisition) by certain former Directors and officers.

The Australian Government has continued to refuse the ILC's requests for an investigation, despite many representations to Minister Scullion, to the Minister for Finance, the Hon Matthias Cormann MP (in his role as regulator of public sector authorities) and to the then Prime Minister, the Hon Tony Abbott MP. In correspondence dated December 2014, Minister Cormann indicated he agreed to an inquiry, but referred the matter to Minister Scullion. Minister



Our priorities

The ILC is committed to achieving sustainable benefits for Indigenous people. It has two priority outcomes:

- Socioeconomic development
- Access to and protection of cultural and environmental values.

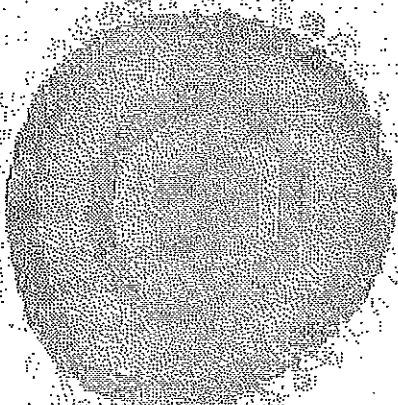


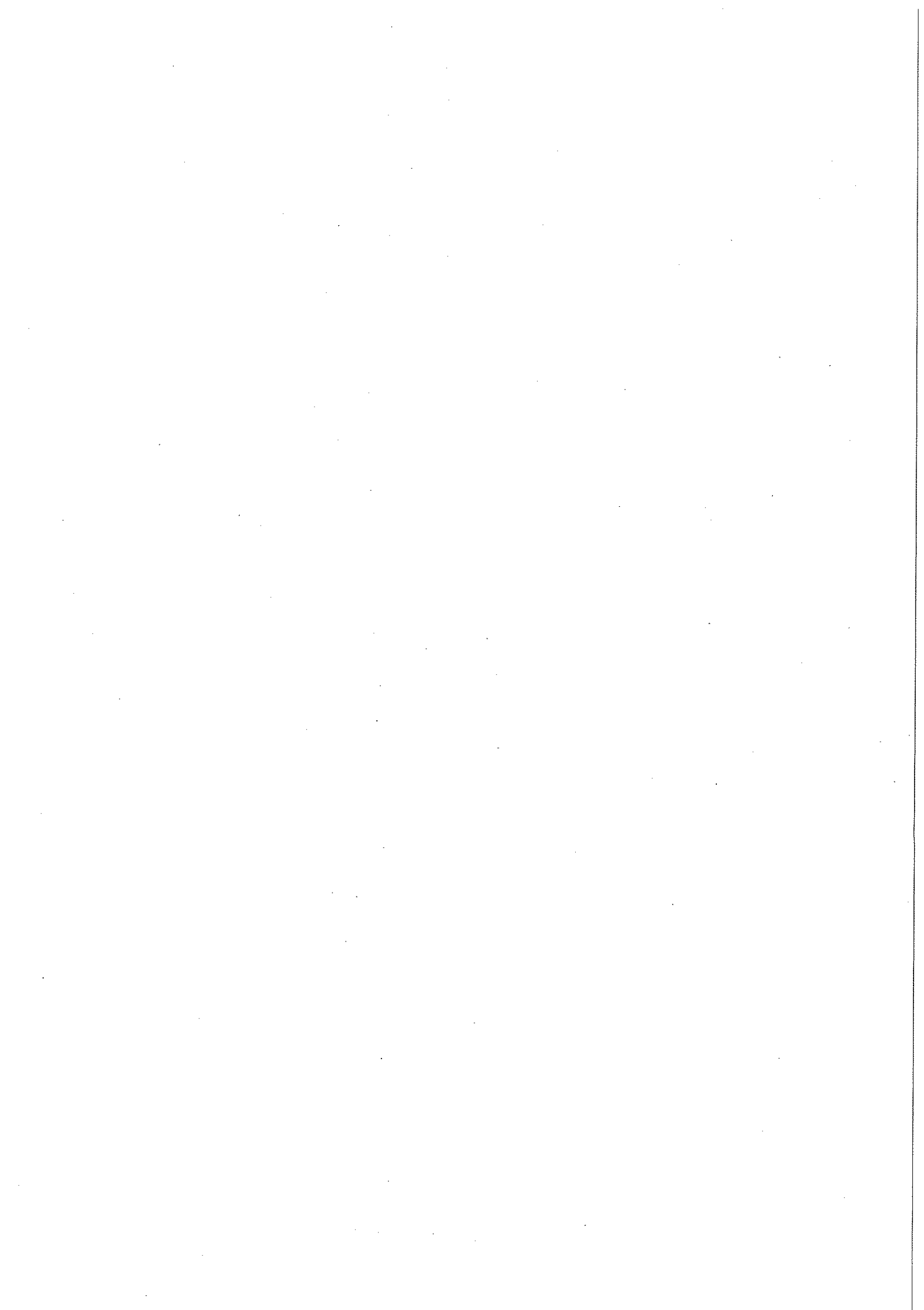
Figure 1: Purpose, priorities and outcomes, 2014–15

Purpose	Deliver economic, environmental, social and cultural benefits to Indigenous people through land acquisition and land management	
Priority Outcomes	Socioeconomic development	Access to and protection of cultural and environmental values
Progress Indicators	<ul style="list-style-type: none"> • Employment participation • Training participation • Expansion of the Indigenous estate • Access to country • Generation of new and/or increased income • Indigenous business creation and development • Participation in social and community activities 	<ul style="list-style-type: none"> • Access to a social service • Maintenance or revitalisation of culture • Improved management and development of Indigenous held land • Access to and/or protection of culturally significant sites • Protection or restoration of environmental heritage values





Performance



Key performance indicators

Participation in training and participation in employment are the key performance indicators used to measure progress in achieving socioeconomic development. To recognise its contribution to benefits delivered, the ILC counts those people it directly employs and hosts on its businesses separately from those jobs it has enabled through the acquisition of land or land management assistance.

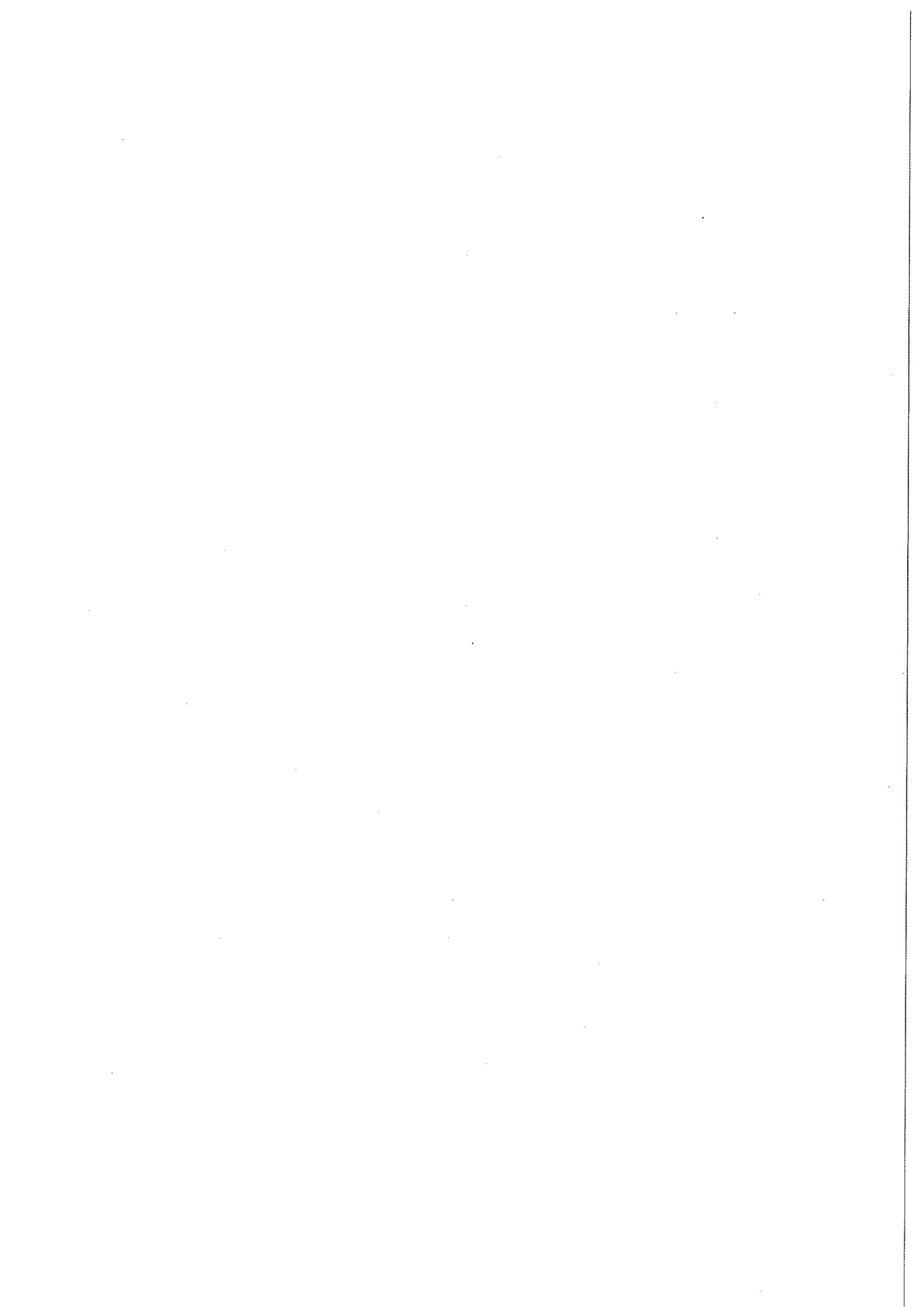
Indigenous organisations apply to the ILC for assistance in protecting the cultural and environmental values of land. Performance is measured through the proportion of ILC projects protecting cultural and environmental values.

Table 2: Performance against key performance indicators, 2014-15 and forward years

	2014-15 Budget	2014-15 Actual	2015-16 Budget	2016-17 Forward estimate	2017-18 Forward estimate	2018-19 Forward estimate
KPI 1: Total number of Indigenous staff employed directly through ILC agricultural and tourism businesses	400	521	450	450	450	450
KPI 2: Total number of Indigenous trainees hosted through ILC agriculture and tourism businesses	260	370	200 ¹	200	200	200
KPI 3: Total number of Indigenous employment outcomes enabled through ILC land acquisition and land management projects	500	902	500	500	500	500
KPI 4: Total number of Indigenous training outcomes enabled through ILC land acquisition and land management projects	1000	2677	1000	1000	1000	1000
KPI 5: Total number of Indigenous-held properties with improved land management	130	154	130	130	130	130
KPI 6: Proportion of ILC-assisted projects that protect cultural and environmental heritage values or maintained culture	50%	49%	50%	50%	50%	50%
KPI 7: Proportion of projects that were collaborative with and leveraged funding from other agencies	66%	41%	66%	66%	66%	66%

¹ Forecast numbers are decreased as matching Australian Government co-funding has not been secured on an ongoing basis.

² Training completions



Our Land Our Jobs Programme

In 2014–15, the ILC continued to play a significant role in funding and providing training and employment opportunities and outcomes for Indigenous Australians in rural and remote areas.

This year the ILC's former Training to Employment Programme (or T2E) underwent changes to integrate Indigenous employment and training strategies into the operation of ILC subsidiaries, National Indigenous Pastoral Enterprises (NIPE) Pty Ltd and Voyages Indigenous Tourism Australia (Voyages) Pty Ltd. The implementation of these strategies on agribusinesses was transferred to NIPE, and on tourism businesses to Voyages. Voyages also assumed operational responsibility for the National Indigenous Training Academy established at Ayers Rock Resort. The ILC's role moved from implementation to providing investment and support to its subsidiaries.

Features of *Our Land Our Jobs* are:

- all employment positions to be based with NIPE and Voyages
- a guaranteed offer of employment for traineeship graduates
- life skills incorporated into the residential programmes
- outreach to communities, industry, government and other employment providers in pursuit of partnerships and support.

Achievements in 2014–15 were:

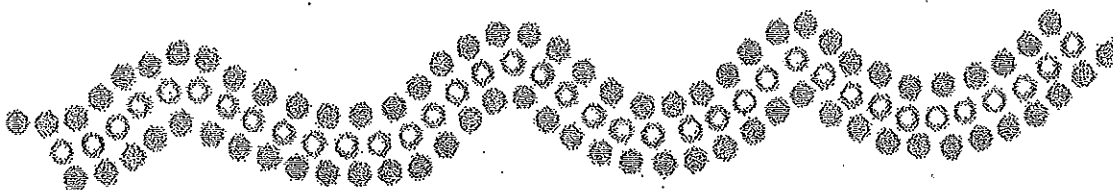
- 276 Indigenous trainees and employees on the 14 businesses operated by NIPE, as well as the Merriman Shearing School, NSW
- 626 Indigenous trainees and employees on the three businesses operated by Voyages
- 74 per cent Indigenous workforce in NIPE
- 37 per cent Indigenous workforce in Voyages.

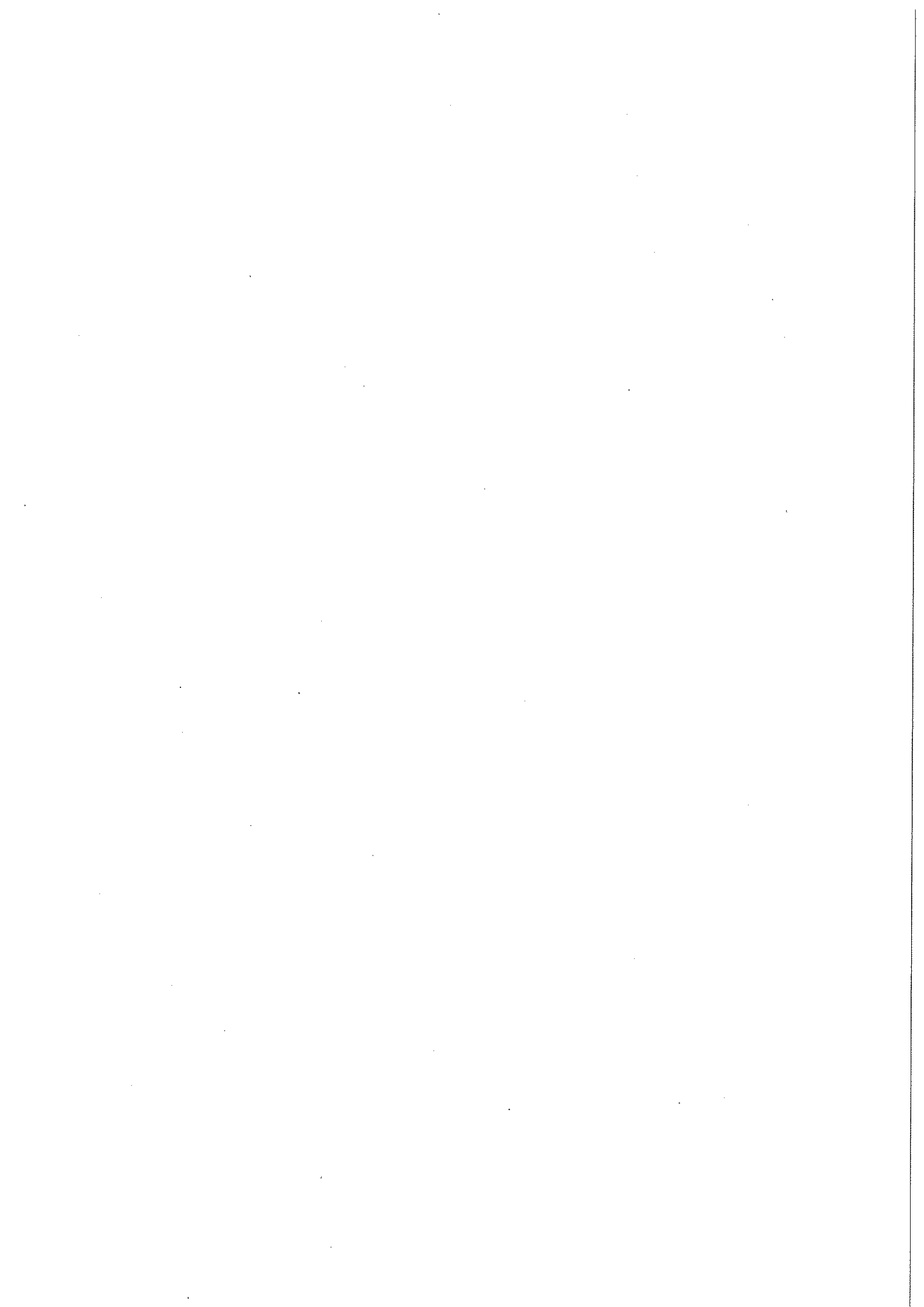
Under *Our Land Our Jobs* the ILC Board determines funding and agrees Indigenous training, employment and budgetary targets with the subsidiaries. The ILC allocates around \$3.7 million a year for the delivery of *Our Land Our Jobs*, provided it receives matching funding or adequate co-investment from Australian Government or State/Territory agencies responsible for Indigenous training and employment. Significant funding is also contributed by the subsidiaries.

In February 2015 the ILC secured funding of up to \$3.2 million from the Australian Government's Indigenous Advancement Strategy to deliver *Our Land Our Jobs* for 12 months from February 2015. This was in addition to the \$3.2 million approved by the Australian Government in January 2014 for a 12-month period. The ILC is currently in negotiation with the Australian Government for co-investment opportunities to secure *Our Land Our Jobs* for 2016 and beyond.

Work will continue in 2015–16 to embed *Our Land Our Jobs* across the ILC Group. The ILC will progress the development of an online engagement and marketing strategy to communicate and promote Indigenous employment opportunities across the ILC Group and to monitor, evaluate and report on performance more effectively.

Work will continue to develop Indigenous, industry and employer partnerships to underpin the ILC's investment and develop new employment opportunities and options for traineeship graduates. Work will also proceed in developing career development strategies and pathways for employees in the ILC Group and with industry, where possible.





Direct training and employment

In addition to the 521 Indigenous people directly employed in the ILC's agricultural and tourism businesses, the ILC provided further opportunities on its agricultural businesses for 143 Indigenous people including Indigenous trainees and employees of contractors. As shown in Table 3, NIPE achieved 74 per cent Indigenous employment in 2014–15. NIPE employed a further 20 Indigenous employees on ILC-held properties in a variety of roles, as shown in Table 5.

Table 3: Employment outcomes for NIPE agricultural businesses, 2013–15

	Indigenous employees	Indigenous trainees	Indigenous contractors	Total Indigenous participants	Non-Indigenous employees	% Indigenous employment
2013–14	137	148	20	305	87	77.8
2014–15	133	132	11	276	97	74.0

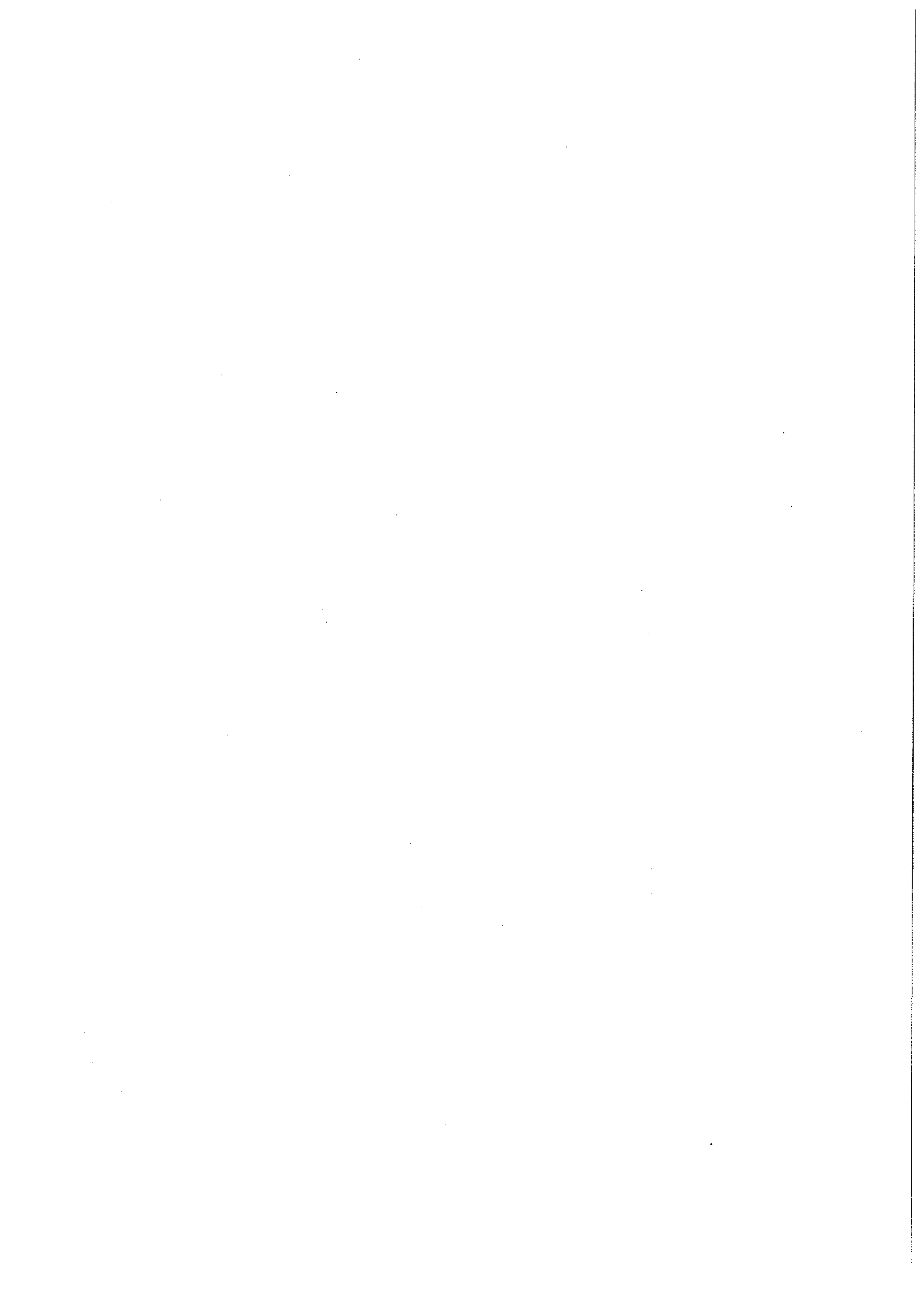
Indigenous employment is a focus of ILC tourism businesses operated through Voyages. At Ayers Rock Resort the number of Indigenous employees has been steadily increasing since 2012, with Indigenous employees making up 32 per cent of the total workforce through the 2014–15 financial year. There has been a small decline in the number of Indigenous people employed at Mossman Gorge Centre; however, Indigenous employment still makes up a significant 84 per cent of the workforce. Overall Voyages tourism businesses employed 388 Indigenous people in 2014–15, and hosted 238 trainees.

Table 4: Employment outcomes for Voyages tourism businesses, 2012–15

		Indigenous employees	Indigenous trainees*	Indigenous contractors	Total Indigenous participants	Non-Indigenous employees	% Indigenous employment
Ayers Rock Resort	2012–13	167	146	16	329	1,513	17.8
	2013–14	282	165	0	447	863	34.1
	2014–15	309	173	0	482	1,002	32.4
Home Valley Station	2012–13	12	17	0	29	63	31.5
	2013–14	8	9	0	17	57	22.9
	2014–15	5	17	0	22	67	24.7
Mossman Gorge Centre	2012–13	71	15	3	89	11	89.0
	2013–14	77	37	7	121	11	91.6
	2014–15	74	48	4	126	14	90.0

Note: Data is presented as a flow of employment (i.e. the number of people employed throughout the year) from 1 July to 30 June for each financial year.

* Trainees at Ayers Rock Resort are directly employed by Voyages while trainees at Home Valley Station and Mossman Gorge Centre are hosted by Voyages and employed by Group Training Organisations.



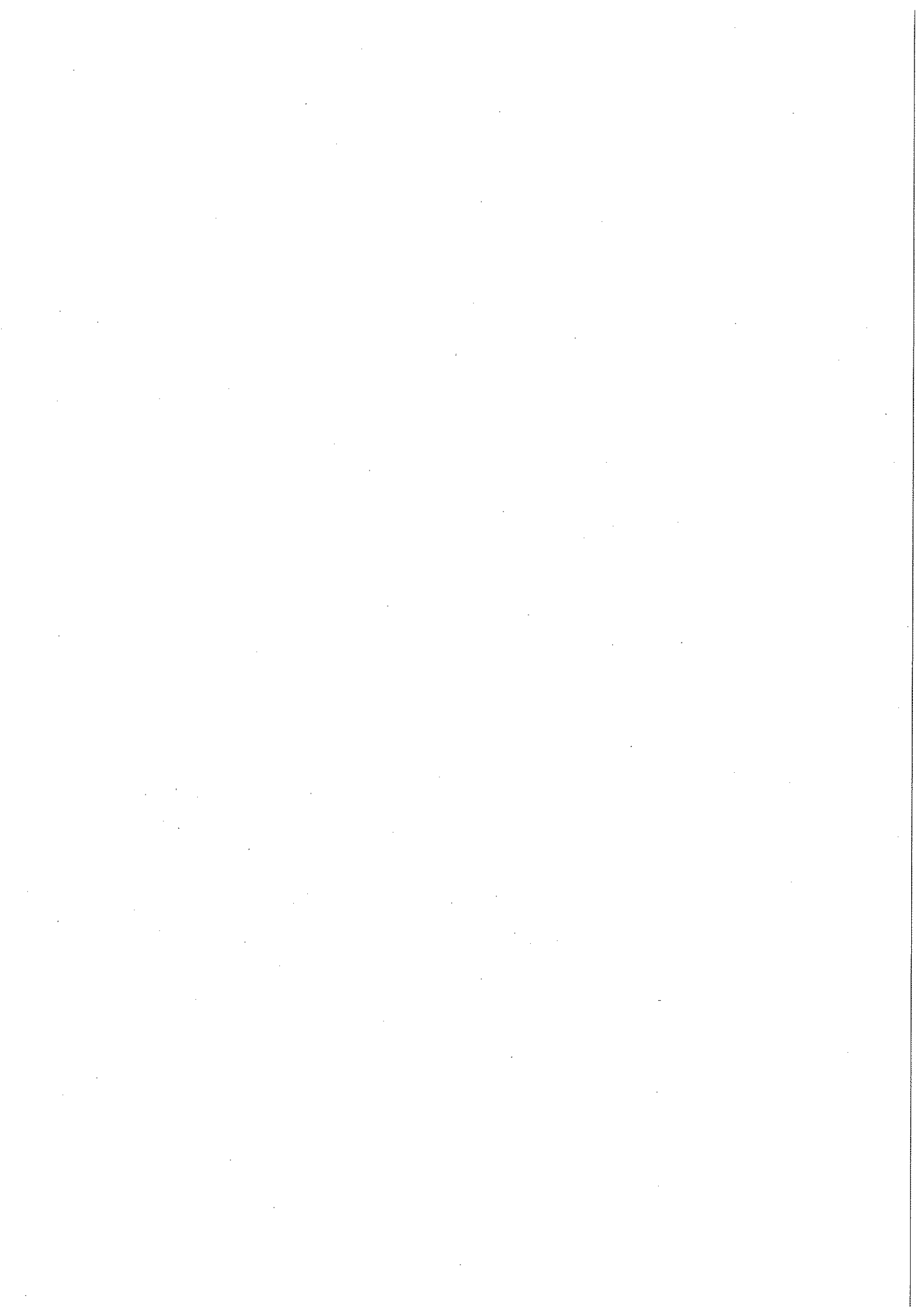
Enabled training and employment

Through its land acquisition and land management programmes, the ILC enables training and employment outcomes to be achieved by Indigenous corporations, land holders, service delivery agencies and enterprises.

In 2014–15, 2,677 training activities were completed through three land acquisition projects and 24 land management projects delivered by Indigenous corporations receiving funding assistance from the ILC. Regional and multi-site projects accounted for a significant proportion of training completions: 830 training activities were completed as part of the Edible Gardens Horticulture Project in collaboration with the Edge of Nowhere Foundation in Western Australia; the Kimberley Ranger Programme achieved 574 training completions; and the ILC's agriculture extension partnerships, the Indigenous Pastoral Programme in the Northern Territory and the Indigenous Landholder Service in Western Australia, achieved a combined total of 463 completed training activities.

Training participants undertook a variety of accredited and non-accredited courses in areas including land management, agriculture, horticulture, horsemanship, pest control, construction, mechanics, hospitality and catering, corporate governance, business and financial management, and occupational health and safety.





Priority Outcome 2: Access to and protection of cultural and environmental values

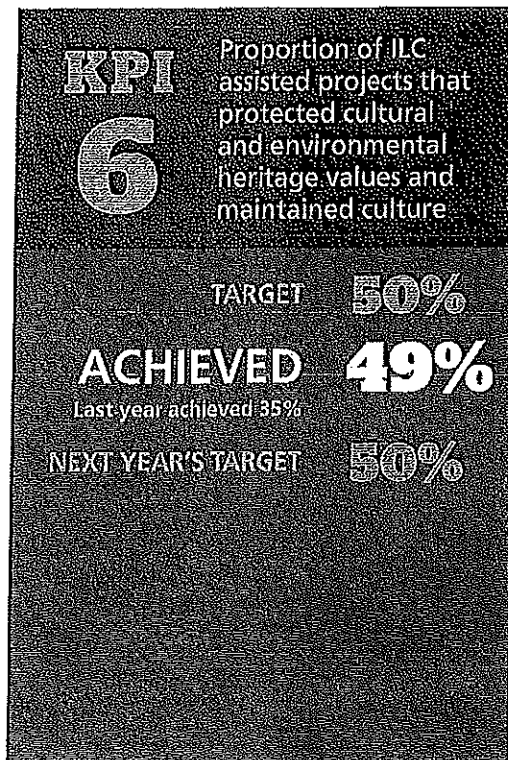
The ILC is committed to assisting Indigenous people to acquire and manage land of cultural and environmental significance for the protection of cultural and environmental values. The ILC's efforts in achieving this priority outcome are measured by KPI 6.

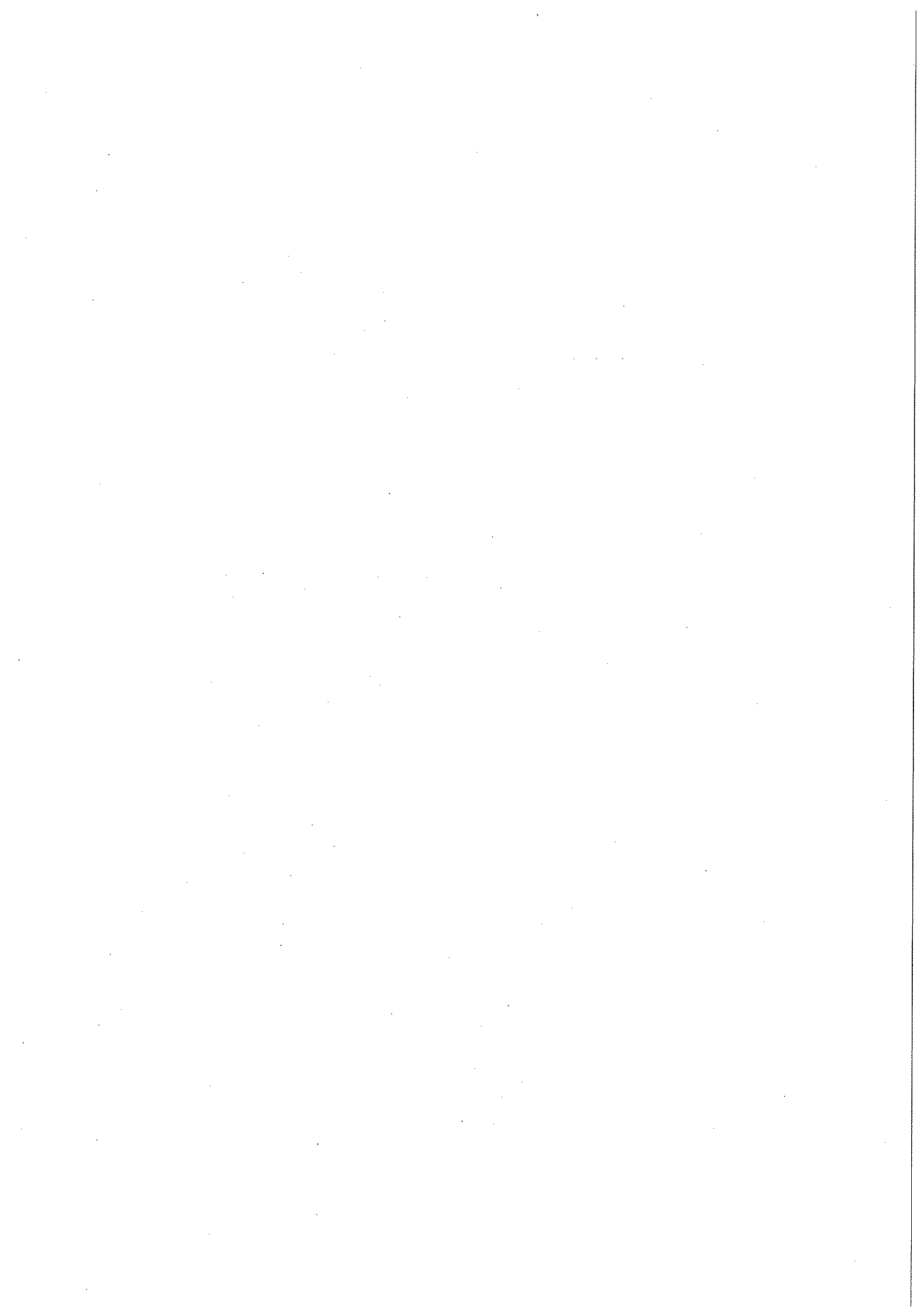
The ILC plays a critical role in assisting with the management of the Indigenous estate, currently comprising up to 30 per cent of Australia's land mass.

The target of KPI 6 was increased in 2014–15 due to an increased focus on environmental and heritage benefits through the formal articulation of the ILC's Heritage Strategy. This strategy informs the ILC's work to protect environmental and cultural values across the Indigenous estate. The ILC supports the maintenance of Indigenous-held

land by funding capital assets and equipment, and works with stakeholders across landscape-scale land management projects, particularly on native title holdings. The ILC remains at the forefront of the development and delivery of innovative land-use methodologies in areas such as carbon markets and ecosystem services that provide economic as well as environmental benefits for Indigenous land owners (see pages 36–38).

On its business properties, the ILC continues to work with Indigenous land owners and natural resource management agencies to develop integrated grazing and environmental management plans incorporating cultural site management, threatened species management, wetland rehydration, restoration of high productivity grazing areas, and rangeland condition monitoring (see the NIPE report on pages 44–49).





Performance against deliverables

This section assesses the ILC's performance in operational activities that help to achieve benefits for Indigenous peoples. Achievements are described against PBS deliverables.

Performance against deliverables: land acquisition and grant

The ILC acquires and grants land to assist Indigenous people to achieve Indigenous benefits and build a secure and sustainable land base for future generations.

In 2014–15 the ILC Board committed a greater proportion of funding to land management assistance than to land acquisition. This reflects both the increasing size of the Indigenous estate and the need to ensure that country owned by Indigenous Australians is well managed, productive and can provide long-term benefits to its owners.

The ILC provided funds for one property, 292 Hoddle Street, to be acquired under the socioeconomic development category. Hoddle Street is the first urban property purchased by the ILC in the Melbourne metropolitan area. The acquisition has enabled the Aboriginal Family Violence Prevention and Legal Service Victoria to achieve a long-term aspiration to own the premises from which it delivers critical services. The new space will enable the group to expand the delivery of services for thousands of Indigenous clients across Victoria.

This acquisition expanded the Indigenous estate by 0.011 hectares, bringing the total land area acquired by the ILC since 1995 to 5,859,640.071 hectares.

Deliverable 1

Properties acquired for socioeconomic development and cultural and environmental heritage protection

TARGET 3

ACHIEVED 1

Last year achieved 4

NEXT YEAR'S TARGET 3

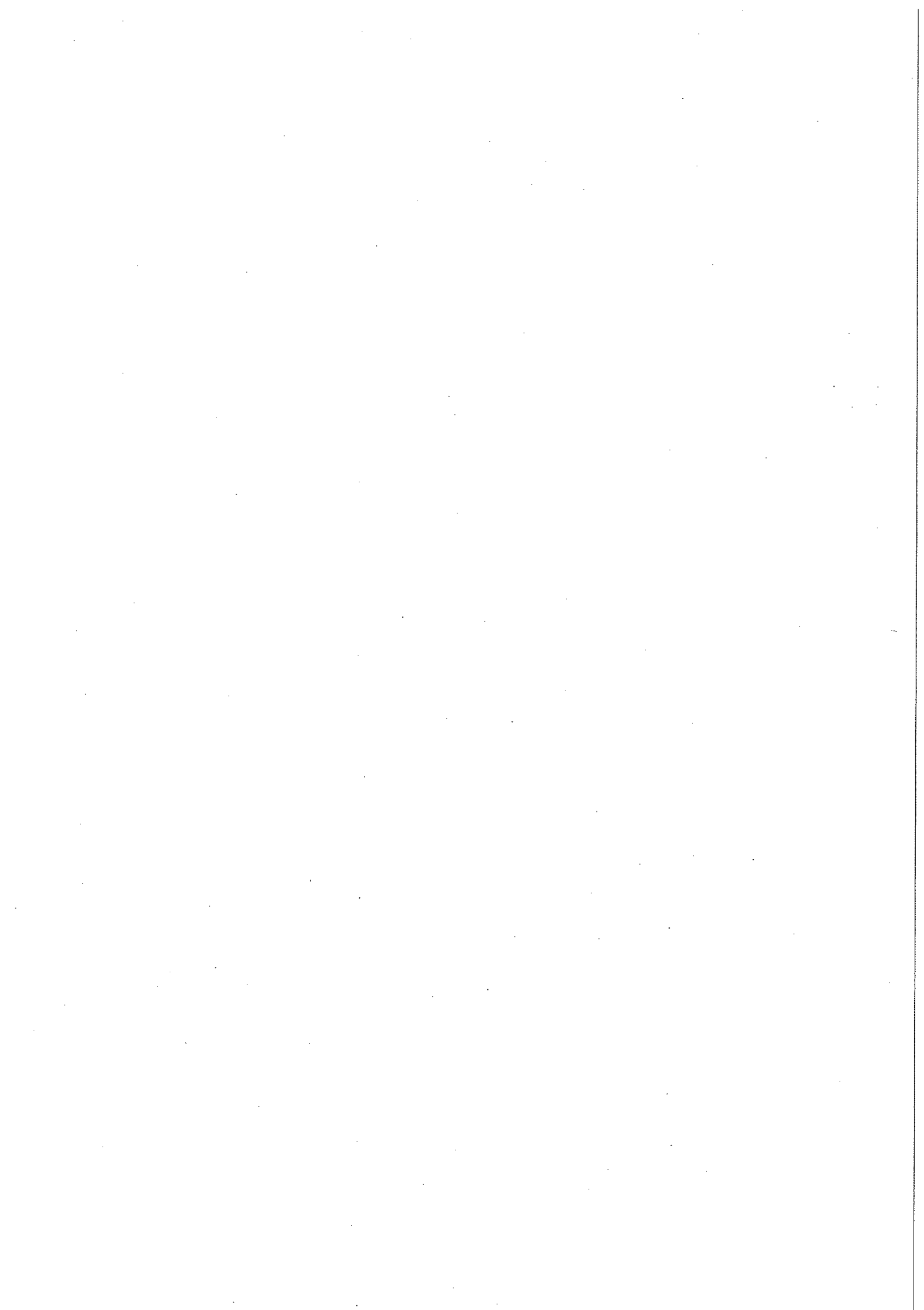
Table 8: Land acquisition, 2014–15

Property name	State	Size (ha)
Socioeconomic development		
292 Hoddle Street	Vic.	0.011 ha
Total		0.011 ha

Table 9: Number of properties acquired and granted to date, by State and Territory

State/Territory	Total properties acquired	Total properties granted
NSW	55	38
NT	19	14
Qld	56	42
SA	27	22
Tas.	7	5
Vic.	34	32
WA	53	36
Total	251	189

Since 1996 the ILC has disposed of 13 properties where Indigenous benefits were no longer achievable.



The ILC returned 14 properties to Indigenous ownership in 2014–15, a substantial increase on recent years. This means that the ILC has now divested more than 75 per cent of all properties it has acquired since inception, assisting Indigenous people to derive direct benefits through land ownership and helping to expand the Indigenous estate.

Of the properties granted in 2014–15; seven were acquired under Priority Outcome 2 for cultural, environmental/access to country and seven under Priority Outcome 1 to support socioeconomic development activities. The Board has approved the grant of a further six properties that are awaiting transfer of ownership in the new financial year (see Table 11).

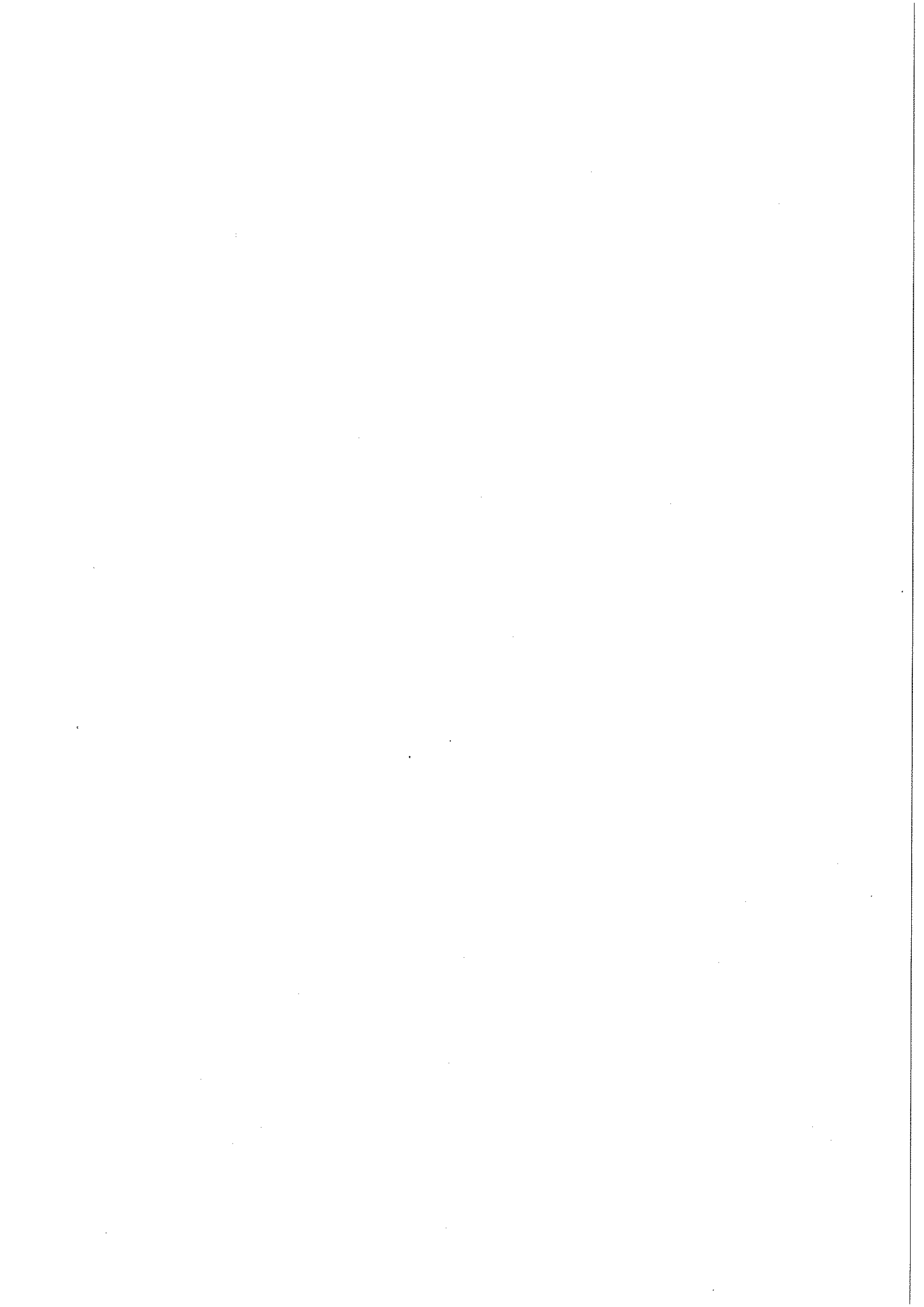
The ILC has a target of granting a further ten properties in 2015–16 and eight properties in 2016–17.



Table 10: Properties granted, 2014–15

Property name	Location	State	Size (ha)	Title holding body
Cultural and/or environmental values				
Maldenwell Acres	Maldenwell	Qld	127.36	Bunya Wakka Wakka Cultural and Heritage AC
2 Highland Park	Dorrigo	NSW	75.47	Dorodong Association Inc
Roebuck Plains Station	Broome	WA	282,823	Yawuru Native Title Holders AC Registered Native Title Body Corporate
OTC-Dampier Peninsula	Broome	WA	515	Nyamba Buru Yawuru Ltd
Jupps Riverside	Nabawa	WA	795.66	Naaguja Warangkarri AC
Lake Pleasant View	Manypeaks	WA	6.010	Albany Heritage Reference Group AC
Mt Barker, Lot 2	Harcourt North	Vic	46.00	Dja Dja Wurrung Clans AC
Socioeconomic development				
Ngoonbi Farm	Kuranda	Qld	25.97	Djabugay Tribal AC
Black Theatre site, 2nd floor	Redfern	NSW	0.1026	Gadigal Information Service AC
24 Kalamunda Road	South Guildford	WA	0.251	Burnna Yurrul AC
2 Sussex Street	Maylands	WA	0.05	Noongar Mia Mia Pty Ltd
57 Southgate Avenue	Cannon Hill	Qld	0.1006	Gallang Place Aboriginal and Torres Strait Islanders Corporation
242 Sheridan Street	Cafrns	Qld	0.320	Balkanu Cape York Development Corporation Pty Ltd
292 Hoddle Street	Abbotsford	Vic	0.011	Aboriginal Family Violence Prevention and Legal Service Victoria

AC = Aboriginal Corporation



Land Grant - Programme Highlight

Noongar Mia Mia

Western Australia



In 2011 the ILC acquired 2 Sussex Street, Maylands, Perth, for \$650,000 to ensure Noongar Mia Mia Pty Ltd had a secure base from which to expand its affordable housing services for Indigenous people. The ILC granted the premises to Noongar Mia Mia on 5 May 2015.

In addition to the grant, the ILC has provided funding for building improvements in partnership with the company and Lotterywest. The property is now valued at approximately \$1 million. The acquisition, grant and expansion have generated four full-time, one part-time and ten casual employment positions, as well as ten training places.

Noongar Mia Mia is a not-for-profit Indigenous owned and managed company with an outstanding record of achievement. Before moving to its new premises, the company operated from a

one-bedroom flat in the Perth CBD. Since its establishment in 2000, Noongar Mia Mia has obtained preferred provider registration status with the Western Australian Department of Housing and received a number of awards including a 2010 Indigenous Governance Award and the 2013 Perth NAIDOC Business of the Year Award.

In 2015 Noongar Mia Mia became completely self-funded. It currently manages 76 housing properties for an estimated 400 Indigenous people. Around 450 additional families have registered a need for accommodation. The property grant and the company's new strategic plan provide the foundation for the next stage of Noongar Mia Mia's growth. The company plans to manage 300 houses by 2018, adding eight staff and trainees positions for Indigenous people.





Performance against deliverables: land management

The Land Management Programme assists Indigenous landholders to sustainably manage their land and develop viable land uses to achieve Indigenous benefits.

The ILC funds regional projects in collaboration with other agencies and partners. Regional land management projects provide advice, mentoring, extension services and other assistance, and are a key vehicle through which the ILC supports capacity building for Indigenous land holders. Many regional projects, such as the Indigenous Landholder Service (WA) and the Indigenous Pastoral Programme (NT), provide assistance with business management, infrastructure development, pastoral advice and the improvement of natural resource management. Others such as the Real Jobs Programme (NT) and the Kimberley Ranger Programme (WA) support activities that improve the management of Indigenous-held land across wide areas.

The North West Indigenous Pastoral Programme, developed through the *Our Land Our Future* Programme in 2015, is working with the South Australian Government and the Indigenous landholders in the region in the development of Indigenous pastoral enterprises.



The number of land management projects assisted in 2014–15 (including projects approved in previous financial years) greatly exceeded the target.

A total of 53 new property-based projects were approved and supported in 2014–15. The first call for applications under the Small Land Management Programme opened in June 2014 and closed on the 22 August 2014. Fifty-one applications were received (17 property-based projects and 34 for property management planning assistance); 21 were approved for funding to a total value of \$1.2 million. Of the successful applications, four, with a combined value of \$272,000, were submitted by Prescribed Bodies Corporate (or on their behalf) for the benefit of native title holding groups. The second call for applications under this programme opened in January 2015 and closed on 31 March 2015. Fifty-one applications were received, with 31 approved for funding to a total value of \$1,467,977. Of the applications approved, 15 were property-based projects and 16 were for property management planning assistance. Of the successful applications, ten, with a combined value of \$569,217, were submitted by Prescribed Bodies Corporate (or on their behalf) for the benefit of native title holding groups.

In line with the ILC's *Our Land Our Future* delivery arrangements, the two application rounds administered this year transitioned to an open acceptance of applications from July 2015. The new process provides greater flexibility and efficiency in delivering small land management assistance to eligible Indigenous land owners. Applications will be assessed bi-monthly.

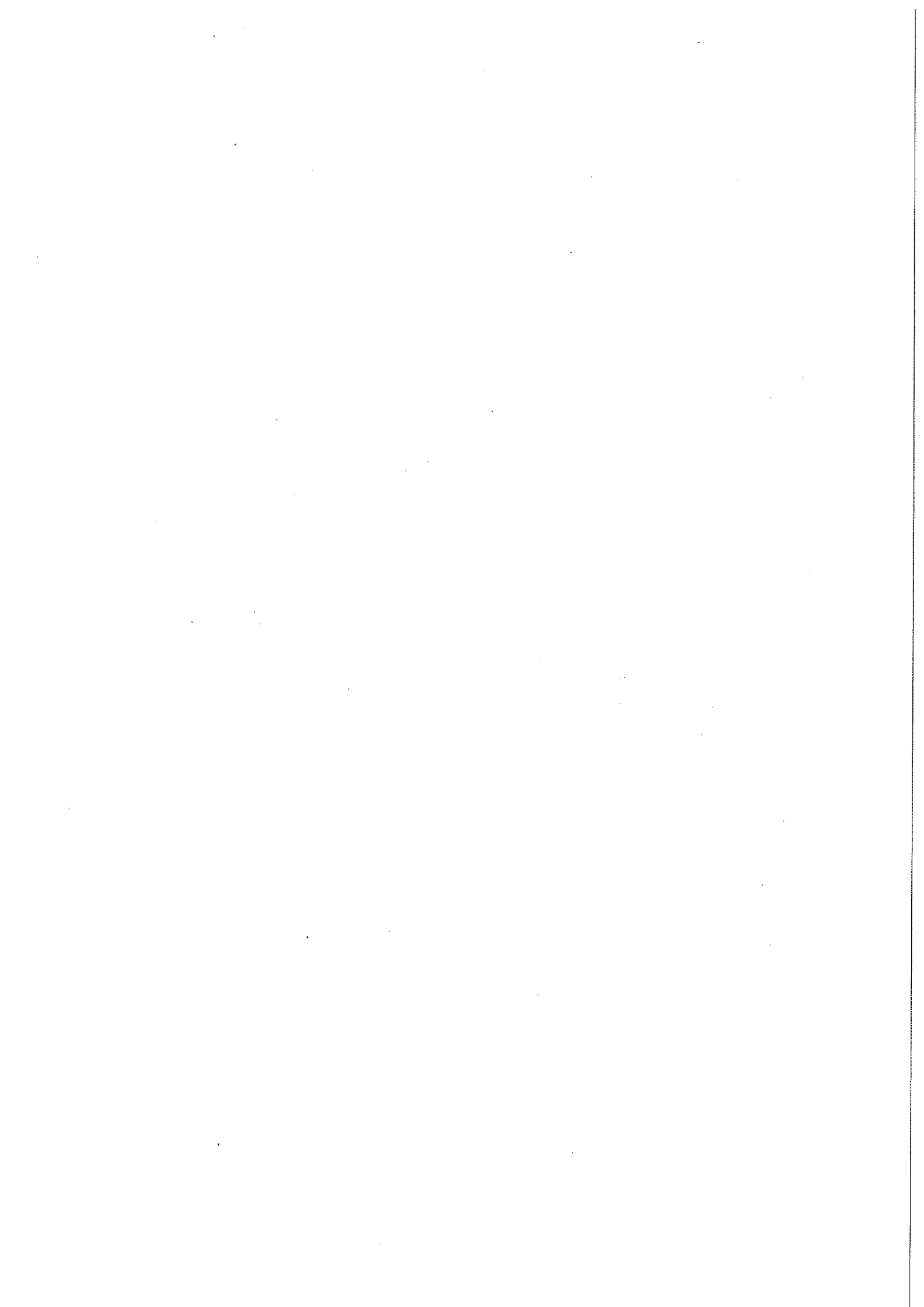


Table 13: New land management projects, 2014–15

National and regional projects
Feasibility assessment for fire in mulga landscapes Carbon Farming Initiative methodology (National)
Project audits for Merepah and Fish River Carbon Farming Initiatives (National)
Emerging project: Development of the conservation economy through expanding carbon market opportunities (National)
Programme transition for the ILC's NIFE subsidiary (National)
Developing Indigenous pastoral enterprises through the North West Indigenous Pastoral Programme (SA)
Developing and assisting Indigenous pastoral enterprises through the Indigenous Pastoral Programme (NT)
Indigenous employment in ranger activities through the Northern Land Council, Real Jobs Programme (NT)
Indigenous employment in tourism through the Lirrwi Real Jobs Programme (NT)
Property-based projects
Land management equipment and infrastructure for the 19-hectare property Yula-Punaal (NSW)
Land management equipment to allow maintenance and development of four properties owned by Wonnarua Nation Aboriginal Corporation in the Hunter Valley region (NSW)
Development of a native plant nursery at Cox's Lane, Corindi Beach owned by the Coffs Harbour and District Local Aboriginal Land Council (NSW)
Upgrade of Boomalli Aboriginal Artists Cooperative premises to comply with fire safety standards (NSW)
Fencing and revegetation across Wurdji Youang for improved management of environmental and heritage values (Vic.)
A round hay bailer and new infrastructure for hay storage at Martang (Vic.)
Fit out for the medical centre at the Indigenous Wellbeing Centre, Bundaberg (Qld)
Purchase of cattle infrastructure on the Cherbourg Aboriginal Shire Council-owned property, Braibinninya (Qld)
Purchase of plant and equipment for Quandamooka Yoolooburrabee Aboriginal Corporation to aid in the management of native title land on North Stradbroke Island (Qld)
Construction of a ranger shed and chemical shed and purchase of fencing materials for Hope Vale Congress ranger base (Qld)
Construction of a ranger base for the Jabalbina Yalanji Ranger Programme, which manages the 750,000-hectare Eastern Kuku Yalanji Indigenous Protected Area between Port Douglas and Cooktown (Qld)
Fencing to protect two culturally and ecologically significant wetlands and a burial site on Delta Downs Station, Normanton (Qld)
Clean up of a bora ring ceremonial ground on Bribie Island (Qld)
Repair and replace water infrastructure on the 90,100-hectare Glengarland Station, Cape York (Qld)
Establishment and implementation of an early dry season savanna burning Carbon Farming Initiative project on Merepah Station (Qld)
Implementation of the Yawuru divestment agreement, including environmental and cultural activities aligned with the Yawuru Indigenous Protected Area (WA)
Purchase of a backhoe for the Wuggubun Aboriginal community (WA)
Replacement of the damaged water storage facility supplying water to the resort and Indigenous workers' accommodation at the Indigenous tourism business Honeymoon Bay (WA)
Fencing and a water point installation to manage feral cattle to protect the Ieramagadu lease block (Ngurrawaana) and neighbouring Millstream Chichester National Park and Fortescue River system (WA)
Purchase of fencing material, basic equipment, tools and a trailer to support the Nyangumarta rangers land management activities (WA)
Funding for critical infrastructure following extensive damage by a wildfire in February 2015 at Malimup Springs (WA)
Facility upgrade at Ngula wiwiuna-wa (SA)
Property-based projects

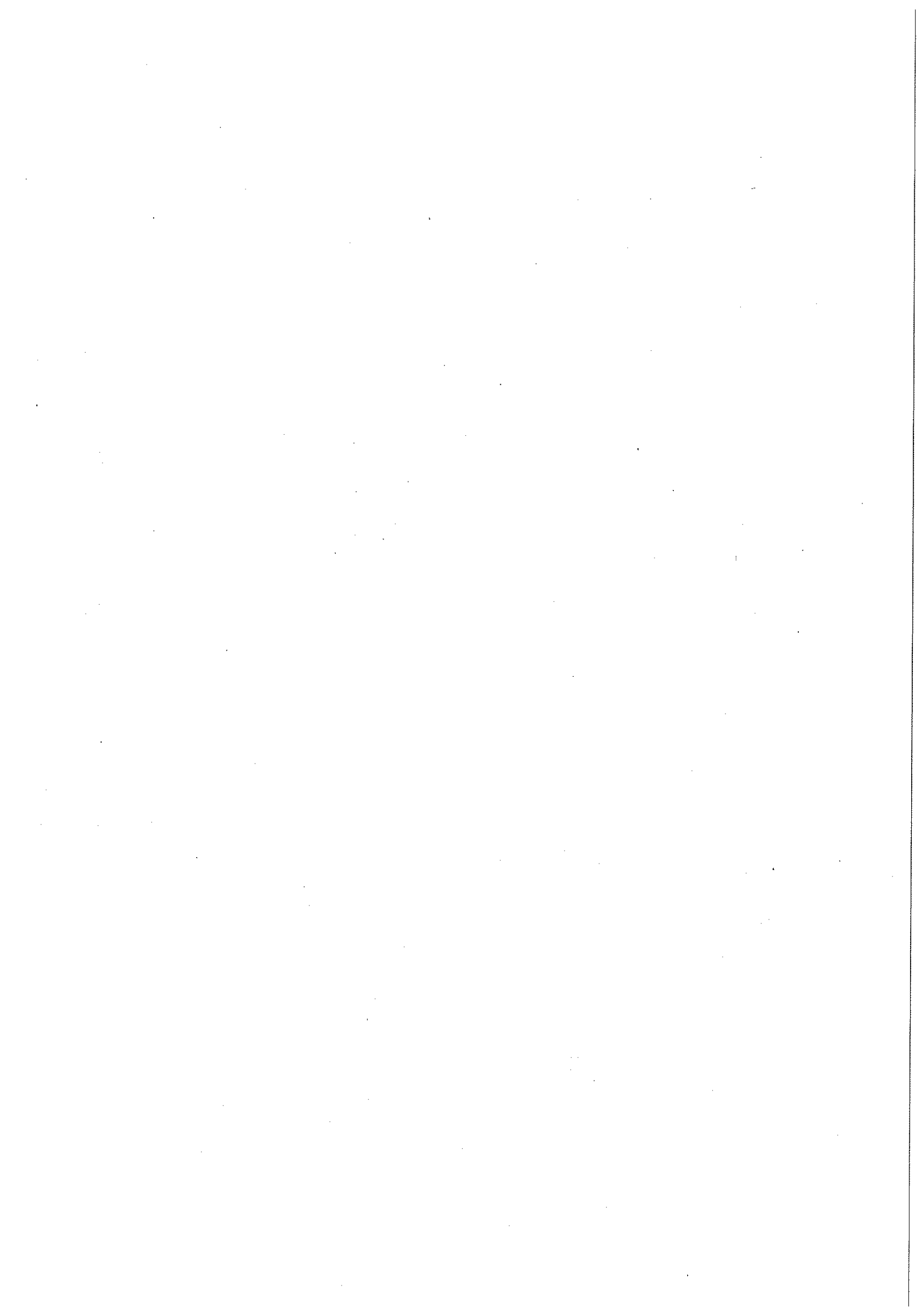
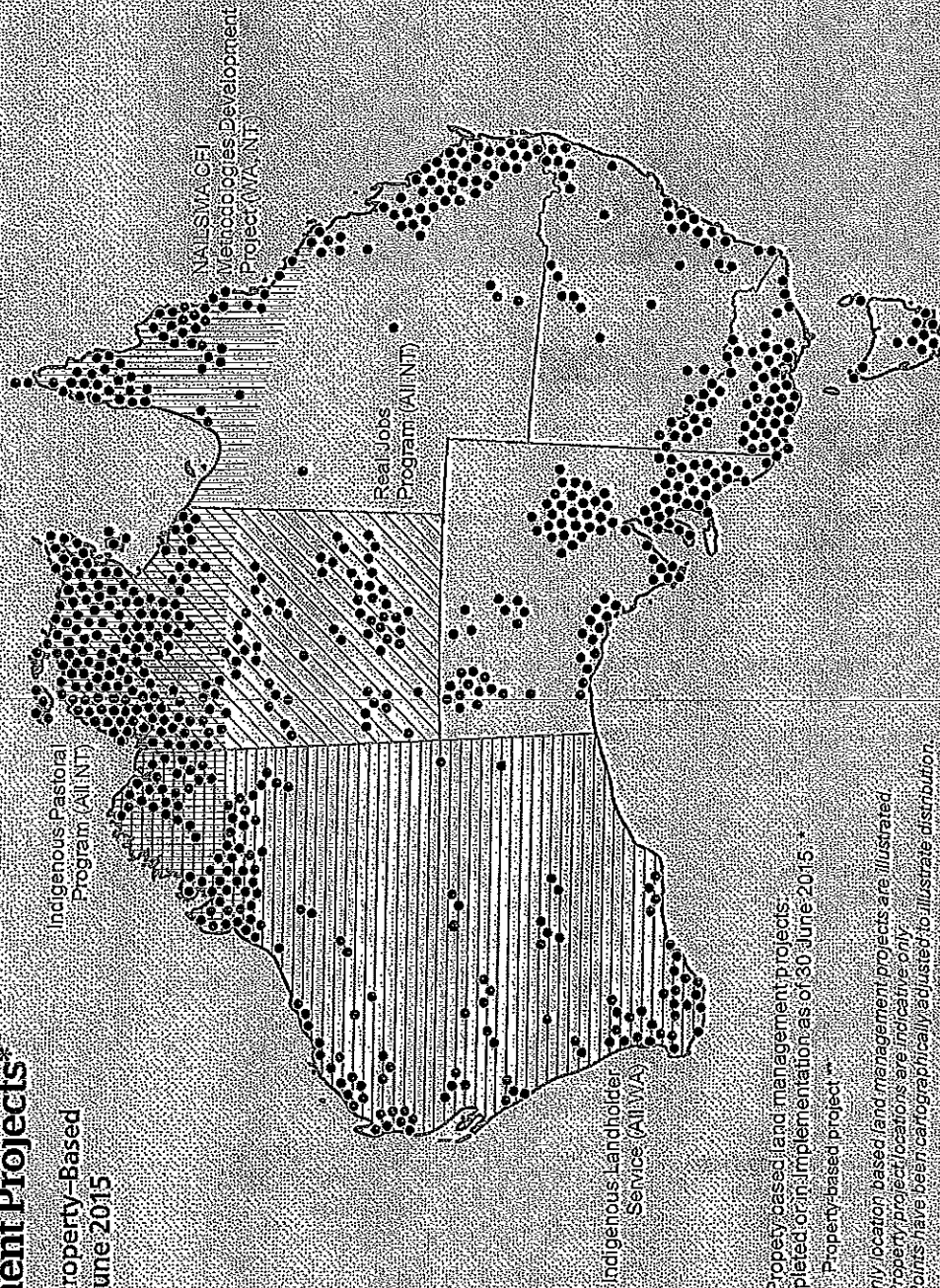


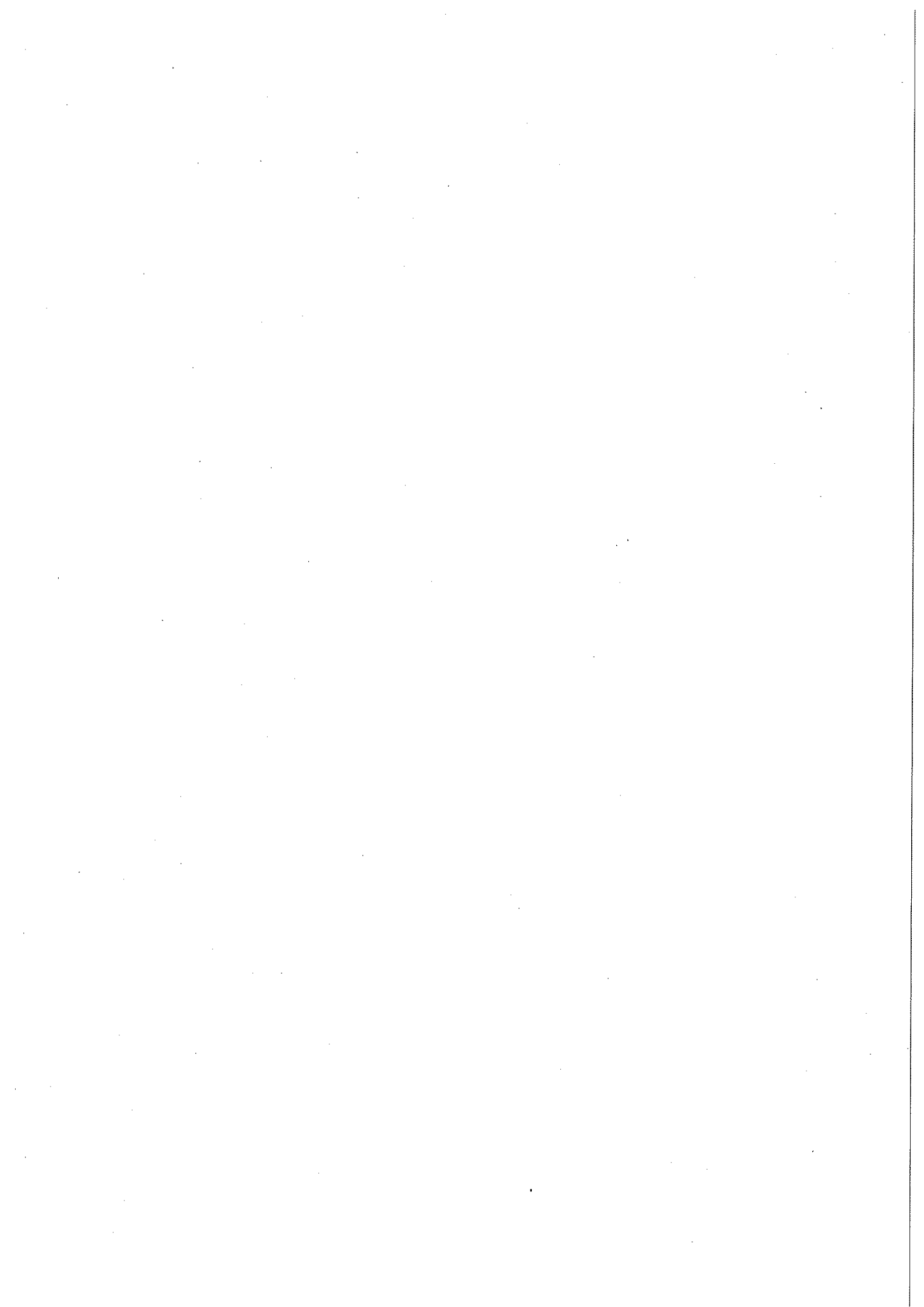
Figure 3: ILC Land Management Projects*

Regional and Property-Based Projects at 30 June 2015



ILC Property based land management projects Completed or in implementation as of 30 June 2015

- Property-based project**
- * Only location based land management projects are illustrated
- ** Property project locations are indicative only
- *** Points have been cartographically adjusted to illustrate distribution



Some projects from 2014-15 focussed on environmental heritage values

The ILC contributed to a number of projects to meet the ILC's priority outcome of providing access to and protection of cultural and environmental values. The following case studies highlight projects focused on environment and heritage and the principles of ecological sustainable development.

The ILC subsidiary, NIPE, operates agricultural businesses around Australia, primarily in the northern rangelands. The protection and improvement of cultural, environmental and heritage values are important priorities for these businesses. Projects in 2014-15 are described in the NIPE section of this report on pages 44-48.

Central Division - Murrayfield Station, TAS - 'Red Hot Tips'

In 2014-15 Indigenous employees and trainees at the ILC's pastoral property, Murrayfield, and members of Weetapoonna Aboriginal Corporation participated in a Tasmanian Government programme called 'Red Hot Tips' to build capacity and confidence in the safe use of fire to manage fuel loads and encourage regeneration of native forest. This included a training session for the local community hosted at Murrayfield, and a controlled burn of a large patch of overgrown bush in autumn. All participants were involved in planning and managing the fire on the day and everyone had the opportunity to learn and apply new skills and use fire equipment. Early signs are that the burned patch will recover quickly and that the rare orchids and grass trees present on the site will be stimulated to flower and regenerate in the coming spring. A controlled burn programme for coming years has been established, replicating traditional burning practices and helping to protect property infrastructure and important threatened species habitats from a catastrophic bush fire in the future.

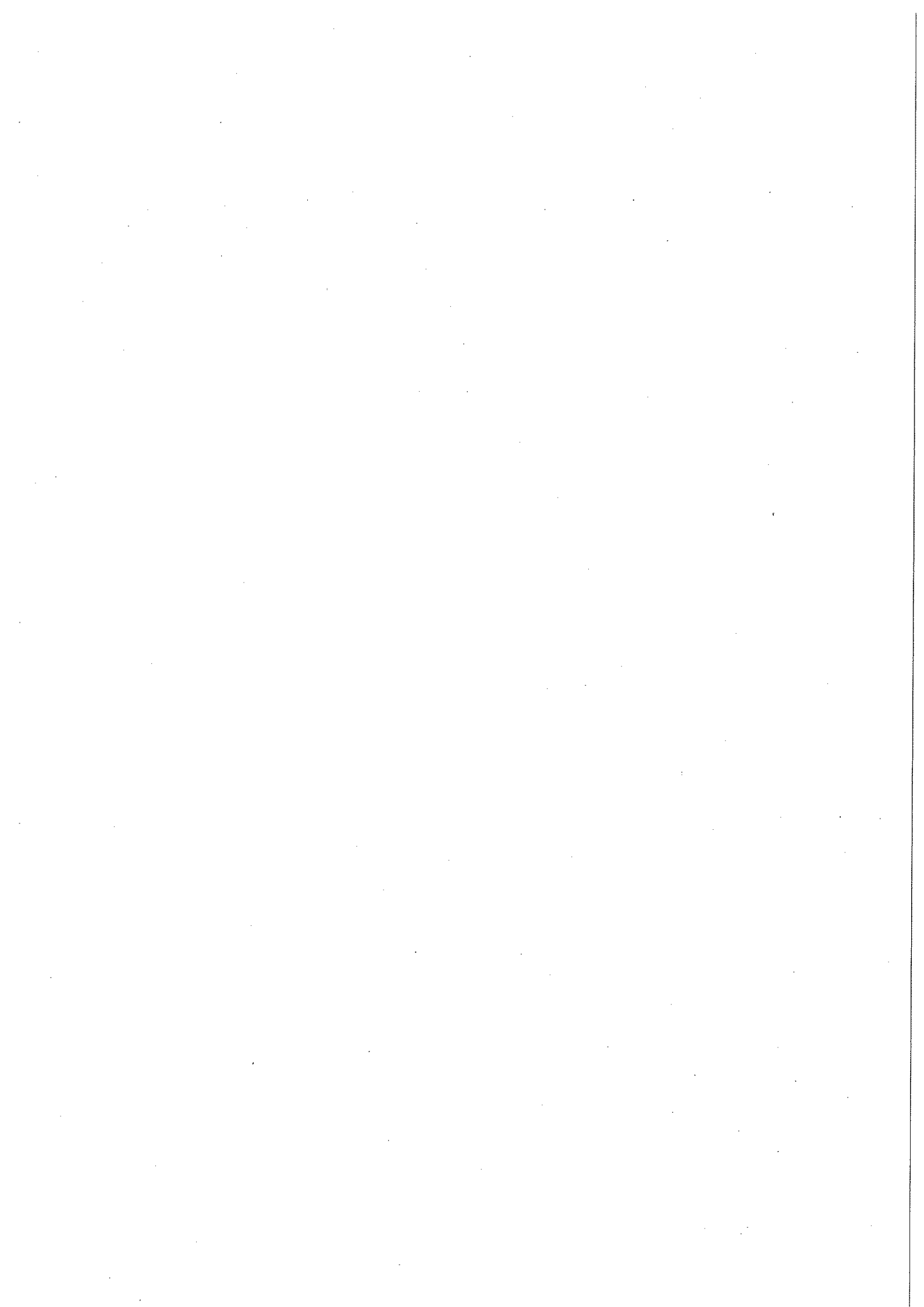
Eastern Division - Napranum Ranger Base, Cape York

The Napranum Land and Sea Management Programme has been running for many years. The programme focuses on managing traditional lands, including Pennefather River and Beach and Billy's Lagoon. In 2014-15, the ILC funded materials and infrastructure to the value of \$93,000 for the construction of a new outdoor kitchen and accommodation facilities for rangers, Traditional Owners, Elders and young people at Pennefather Beach. This development has made it easier for the rangers to manage the area, including protecting migratory shorebirds and turtles from pigs, tourists and marine debris. The infrastructure also makes it easier to conduct community education activities and cultural programmes.

Western Division - Matuwa Kurrarra Kurrara, near Wiluna, Central Desert, WA

The recently declared Matuwa Kurrarra Kurrara Indigenous Protected Area (July 2015) spans more than 600,000 hectares and comprises the old pastoral stations Lorna Glen and Earahedy over which the Wiluna Martu people hold exclusive native title rights. The Martu refer to the former station areas as Matuwa and Kurrarra Kurrara. The area has rich biodiversity owing to its location straddling both the Murchinson and Gascoyne bioregions on the southern edge of the Little Sandy Desert. The vegetation is mostly mulga shrubland, with occasional eucalypt overstorey and sand and spinifex complexes.

In July 2014, the ILC approved a grant of \$100,000 to Central Desert Native Title Services for construction of three multi-purpose camps at Matuwa and Kurrarra Kurrara, completed in September 2015. The camps will support the Martu people's aspirations to manage their country better, host cultural awareness activities and develop tourism.



Social and community activities

ILC assistance through land acquisition and land management has an impact at the individual and community levels.

In 2014–15 more than 8,500 people were involved in social and community activities through land management and land acquisition projects funded by the ILC. The Goolarrri Centre of Excellence in Broome, WA, attracted more than 6,000 Indigenous people to celebrations including NAIDOC events, 'A Taste of Broome' and 'Kimberley Girl'. ILC assistance to the Kimberley Land Council for the Kimberley Ranger Programme has enabled ranger groups to hold 78 social and community events. More than 850 people participated in these events that included community cyclone clean ups; the ranger numeracy and literacy Smackdown competition hosted by Karajarri; the Land and Sea Management Unit Healthy Country Forum hosted on Bunuba country; and school and community presentations. The latter included an Australian quarantine presentation and a public presentation in Broome through the Nulungu Talking Heads Seminar Series. Karajarri rangers and Traditional Owners travelled to Canada on an international exchange visit with Canadian First Peoples. Eight rangers and six Indigenous coordinators represented eight Kimberley Ranger Network Groups at the 2014 World Parks Congress in Sydney. In north Queensland the Jack Doughboy Indigenous Ranger Centre at Archer Point hosted 18 junior ranger activities during 2014–15.

ILC-assisted projects also helped to improve Indigenous people's access to social services. Gallang Place in Brisbane and the Indigenous Wellbeing Centre in Bundaberg have together enabled around 3,000 Indigenous people to access programmes in areas such as primary and allied health care, mental health and counselling, nutrition, alcohol and drug prevention, family and children's health, aged care, and home and community care.

Native title

The ILC Native Title Policy (commenced 2013) commits the ILC to contributing to the constructive and flexible settlement of native title claims and to assisting native title claimants and land holders to achieve economic, environmental, social and cultural benefits more generally.

Under this policy the ILC will consider providing land acquisition and land management assistance where a proposed native title settlement will facilitate a full and final resolution of claims, achieve Indigenous benefits, and improve the quality of native title outcomes for Indigenous parties. To date, the ILC has contributed to one settlement under this policy.

In 2014–15 two formal requests for settlement assistance were received under the Native Title Policy, one from South Australia in July 2014 and one from Victoria in May 2015. In the South Australian case, settlement negotiations were significantly advanced, with the date for determination imminent. After consultation with both the State Government and claimant parties, the ILC advised that the most constructive approach would be for the ILC to provide land management assistance after settlement. Since the claim was settled in September 2014, the ILC has been working closely with the group in pursuing their land-based aspirations. In the second case, the ILC is engaging with both the claim group and the Victorian Government, and will make a decision on support for the settlement once all parties are clear on their aspirations and commitments.

In 2014–15, the ILC conducted the following native title-related activities:

- received applications for property management planning and land management assistance from native title holders; more than 30 per cent of new land management projects approved in 2014–15 involved native title holders and/or Prescribed Bodies Corporate as proponents or land holders
- provided a major sponsorship package to the annual National Native Title Conference, held in Port Douglas, Qld, in June 2015 at which the Chairperson made a presentation on ILC native title-related work
- made a submission to the Australian Law Reform Commission's review of the *Native Title Act 1993*
- assisted the ILC Chairperson to make a presentation at the RNTBC Nation Building Summit co-hosted by Queensland South Native Title Services and Quandamooka Yoolooburrabee Aboriginal Corporation in December 2014
- established an ILC Board-endorsed policy position on the ILC's role as a default Prescribed Body Corporate under the Native Title Act.

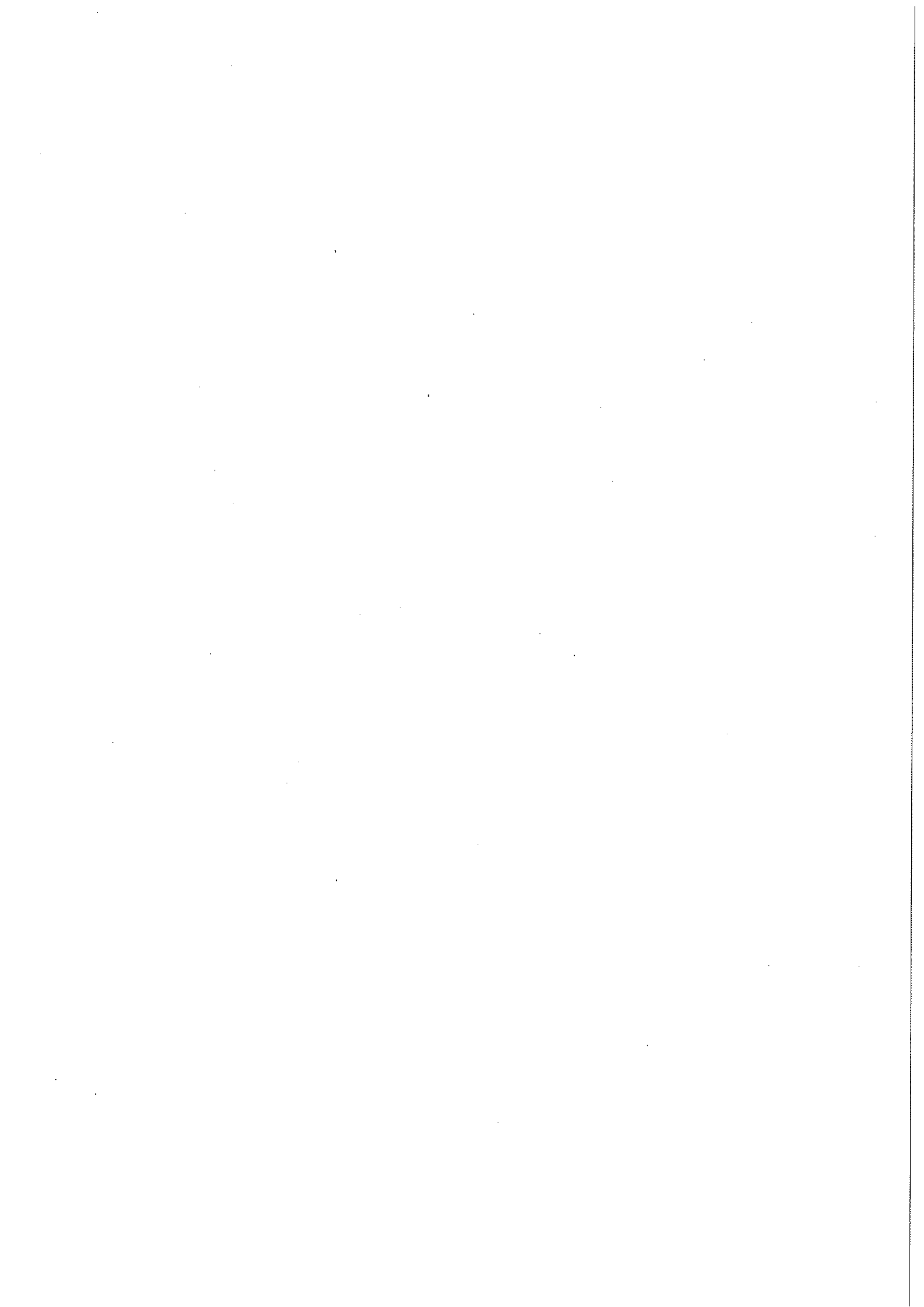
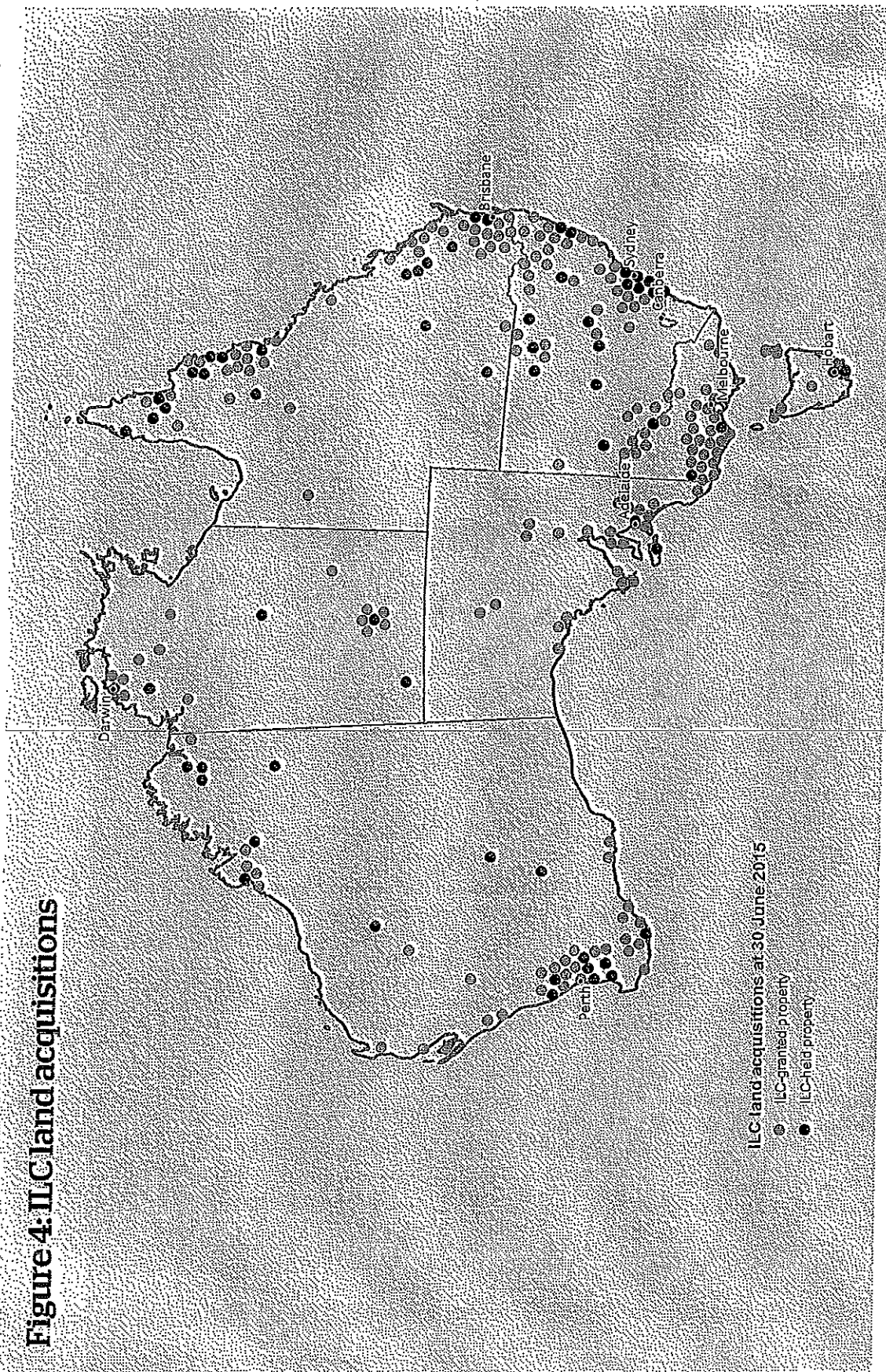
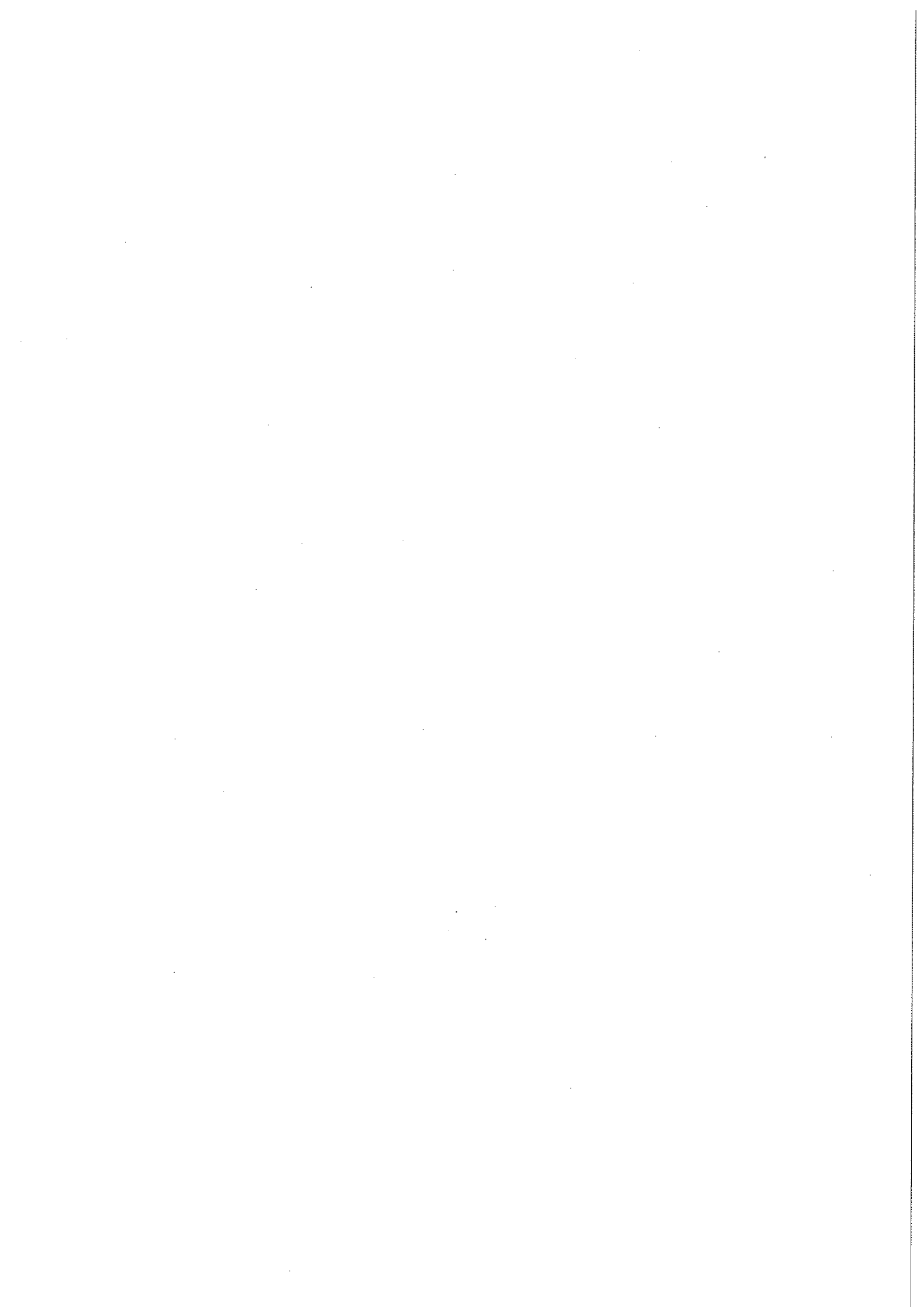


Figure 4: ILC land acquisitions



ILC land acquisitions at 30 June 2015
● ILC-granted property
● ILC-held property



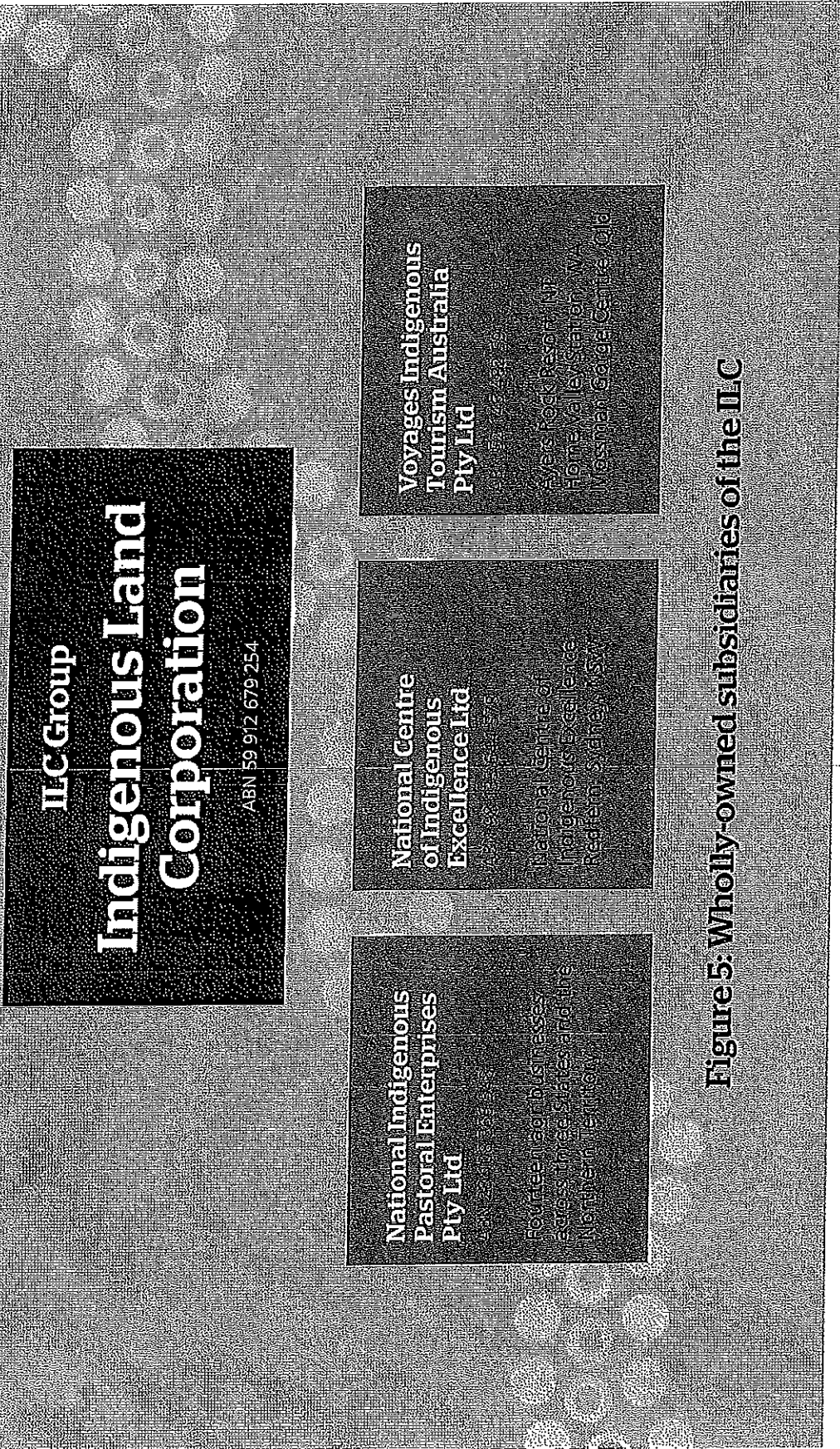
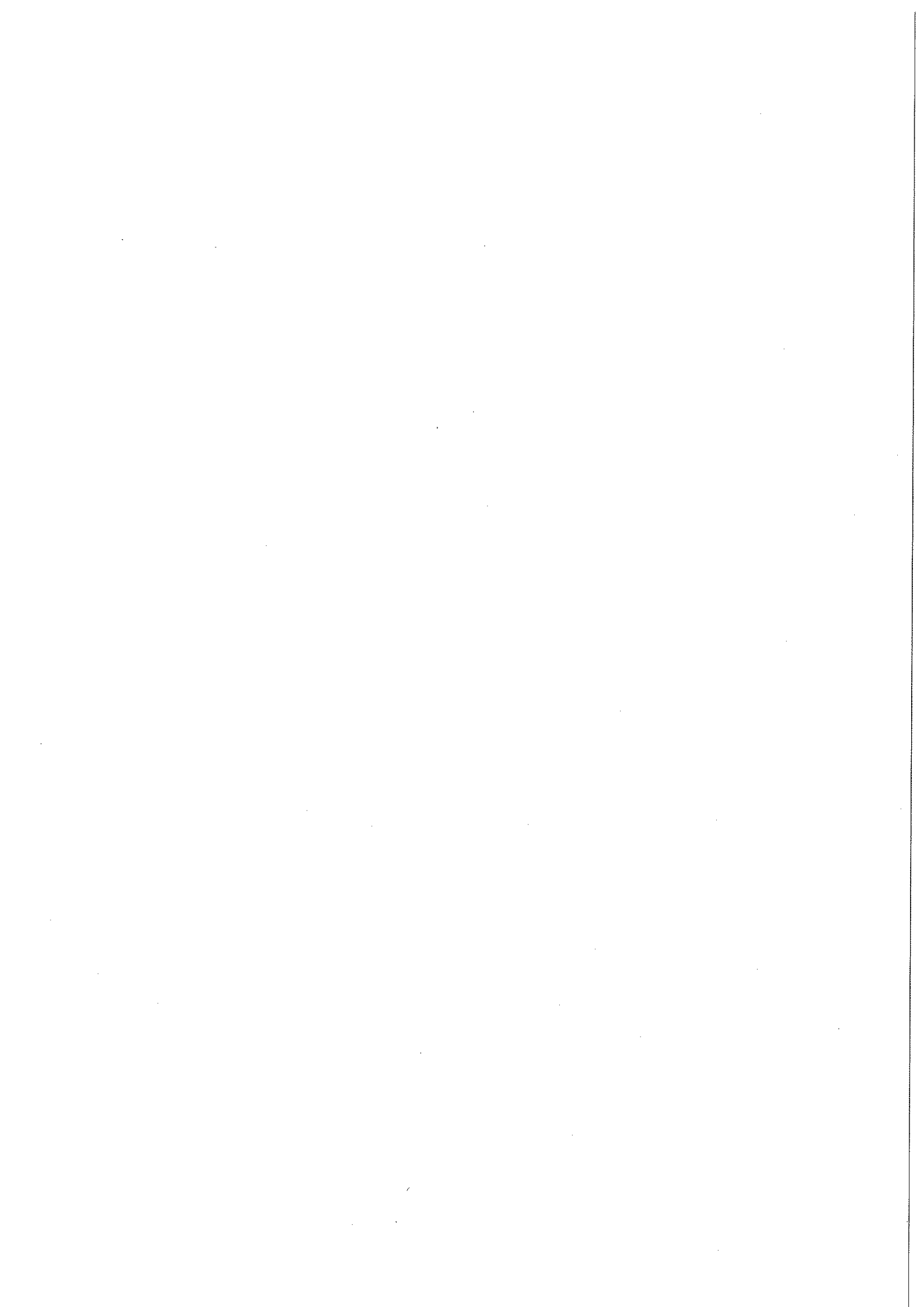


Figure 5: Wholly-owned subsidiaries of the ILC





Results in 2014-15

Business performance

NIPE generated \$22 million in revenue in 2014-15 and the cash operating result for all agribusinesses was a surplus of \$2.2 million. This was a significant improvement on the result recorded for the previous two financial years. Profits from the agribusinesses are invested back into infrastructure development and Indigenous jobs and training on properties.

The strong financial result had two basic causes:

- higher cattle prices—cattle sales revenue was \$1.7 million more than budgeted because the average price received per head was higher than in the previous two years
- greater throughput at Roebuck Export Depot near Broome, WA—the number of cattle handled was greater than in the two preceding years.

At 30 June 2015 NIPE business properties carried 88,890 head of beef cattle, 11,314 sheep and 253 horses, a total of 100,457 head. This represents a decrease in total numbers, due to an 8,611 head reduction in the cattle herd to ease grazing pressure in response to the Queensland drought and a 2,027 reduction in sheep numbers, mainly because fewer lambs are being held over the 2015 winter.

During 2014-15 the value of all livestock increased by 24 per cent, or \$9.0m, to close on 30 June 2015 at \$46.6m. The gross trading profit for all livestock

more than doubled to \$22.1 million. These results were due to the increase in the average value of the herd during the year, from an opening of \$373 a head to a close of \$512 a head. The average value of cattle sold was \$573.38 a head which is \$200 a head greater than the average opening value, so each sale was made at a premium to opening value.

Total operating costs were budgeted to increase by \$1.6m between 2013-14 and 2014-15, but actually increased by \$3.275 million. The extra \$1.67 million in costs came mainly from increased feed costs at Roebuck Export Depot WA, increased selling expenses due to NIPE's taking advantage of the higher prices being paid for cattle, and increased supplement costs resulting from the drought in Queensland and a below-average season at Roebuck Plains Station, WA.

Environmental management

NIPE remains a committed custodian of the land under its care. The protection and improvement of cultural, environmental and heritage values on land are important priorities for NIPE businesses. In 2014-15 NIPE and the ILC continued to review business operations to manage risks and create opportunities in this area.

In September 2014 the ILC granted Roebuck Plains Station to Yawuru native title holders. Following the property transfer, NIPE leased the property so it could continue to run the NIPE cattle business for 15 years (initially seven years with an option for a further eight years). Working with Yawuru



Indigenous employment and training

Indigenous people comprise around three quarters of the workforce on the ILC/NIPE agribusinesses. During the year the agribusinesses directly employed 133 Indigenous people in a full range of activities associated with agricultural operations; three of the 14 station managers are Indigenous. The businesses also hosted 132 Indigenous trainees, and employed 11 Indigenous people as contractors to undertake fencing, mustering and building activities. For more information on Indigenous training and employment on ILC/NIPE businesses, see page 80.

Challenges and opportunities

In mid-2014 the Bureau of Meteorology indicated a high probability of an El Niño developing over the summer of 2014–15. El Niño is usually associated with below-average rainfall over south and eastern inland Australia, with about two thirds of El Niño events since 1900 causing major drought over large parts of the continent.

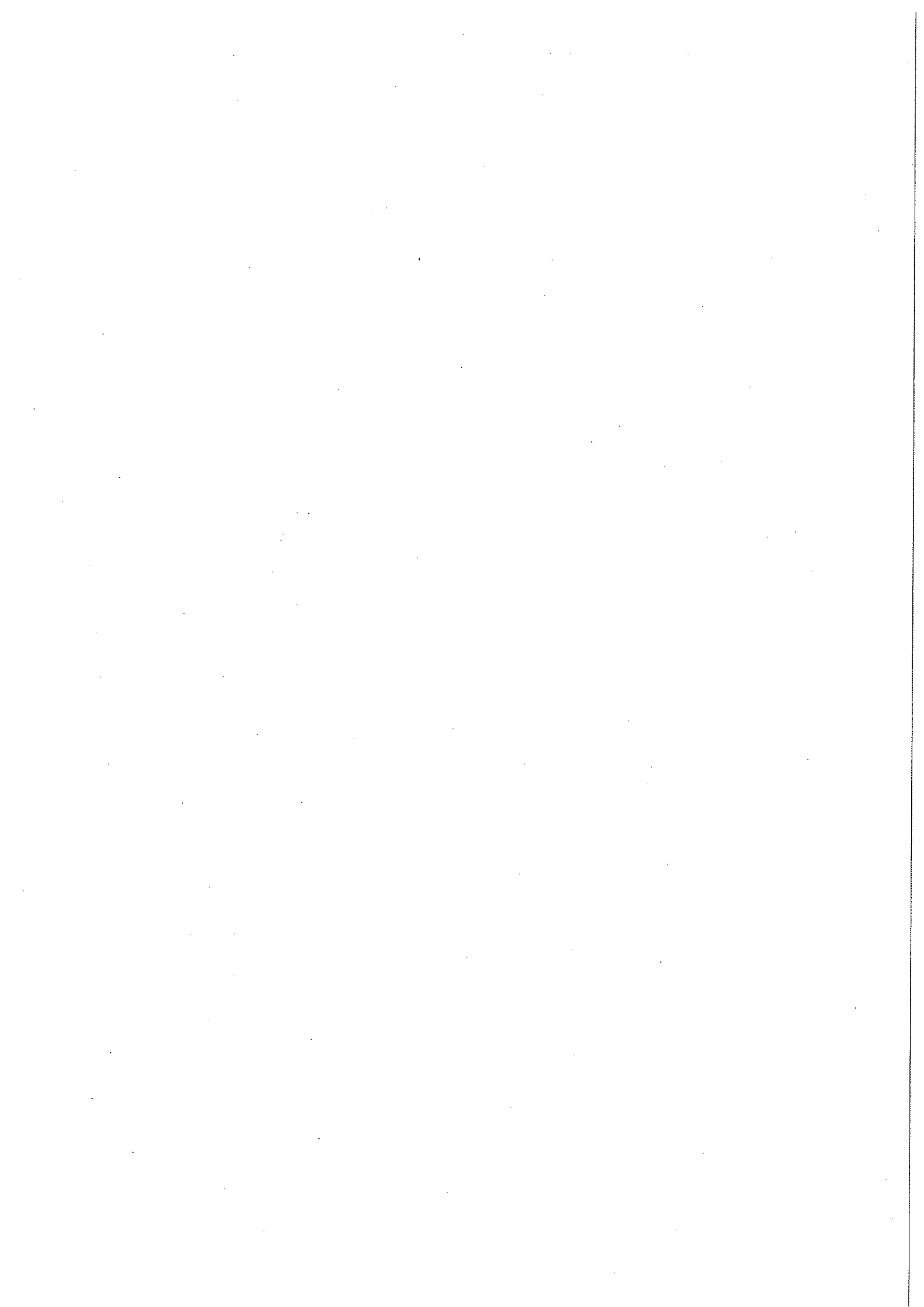
As expected, the 2014–15 wet season rainfall at Roebuck Plains, Gunbalanya, Warrigundul/Strangways, Merepah, Bulimba and Crocodile/Welcome was below average. However, contrary to the forecast, rainfall at Myroodah, the Banana properties and Mimosa was better than average. During the year plans to manage the weather risk were developed involving the early sale of cattle, reductions in herd size and movement of cattle from properties under stress to others where more pasture was available. NIPE's integrated model that moves cattle between properties to make the most of available water and feed helps to manage seasonal and regional variations.

Cattle sale prices received increased during the year to reach unprecedented levels (\$2.75/kg liveweight) for live export feeder steers sold in Broome and Darwin. Queensland cattle prices also improved considerably during the second half of the financial year. NIPE took advantage of the higher prices, accelerating its planned 2015 sales. As many cattle as possible were sold as early as possible.

Animal welfare

During the year a complaint of poor animal welfare practices on Murrayfield was investigated by Tasmanian authorities—it was found that the complaint could not be substantiated—and an infringement notice issued for a separate issue on the same property (see page 69 for further information). Though sound animal husbandry has always been basic to NIPE's operations, the company developed an improved policy to support animal welfare and embed this into NIPE's operating procedures. NIPE consulted widely on the policy with internal and external stakeholders. The result is a contemporary animal welfare policy, adopted by both the ILC and NIPE, incorporating principles advanced by the World Organisation for Animal Health. The approach embodied in the policy is robust and practical as it considers animal welfare within the context of production.

The welfare of NIPE's animals is essential to the success of the company. NIPE invests in fencing and water points, pasture improvement and the latest animal husbandry and management practices to provide stock with the best opportunity to flourish. Regular monitoring of NIPE stock and their health is a priority.



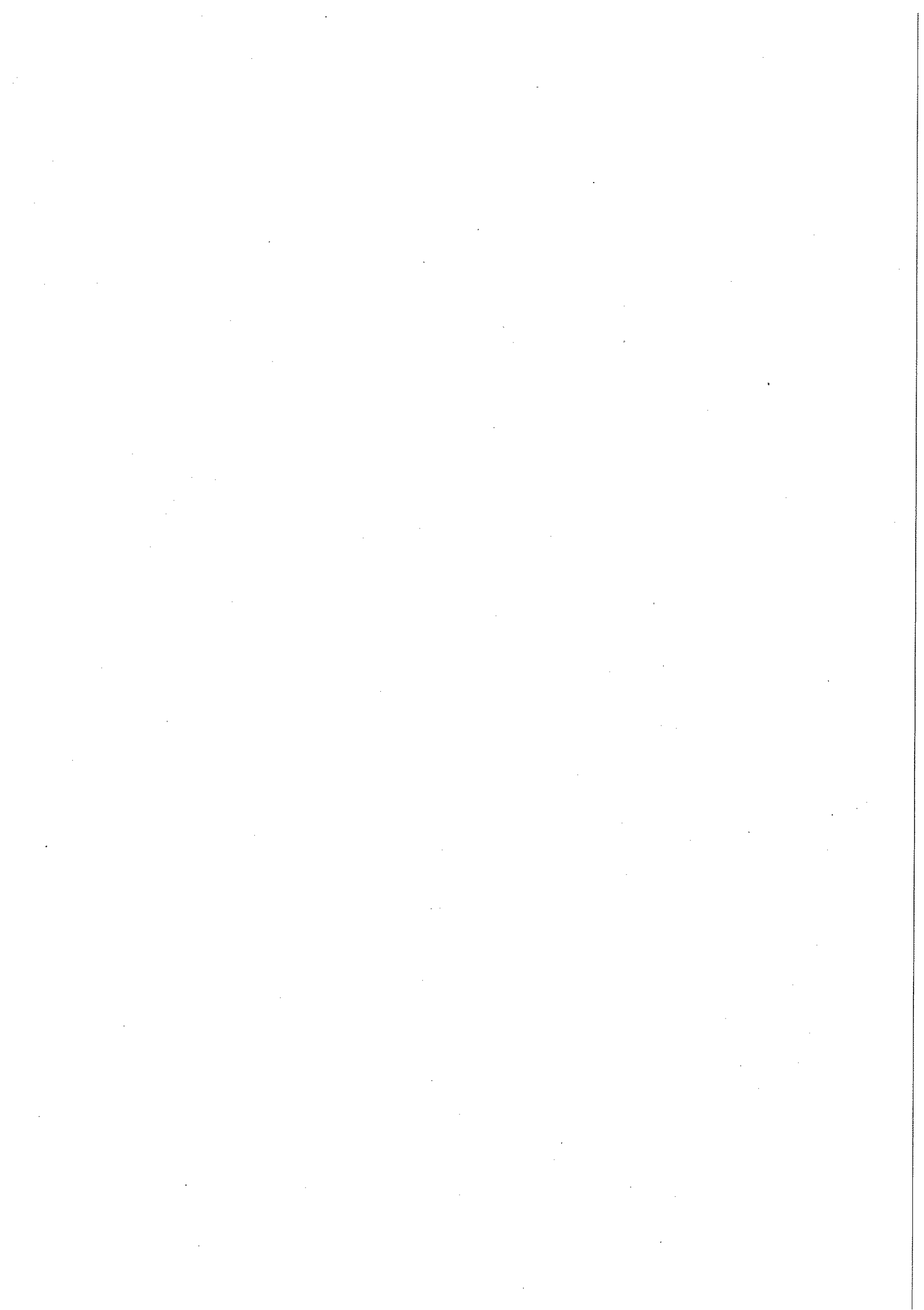
Performance of ILC/NIPE businesses, 2014-15

Table 14: Structure of agricultural operations

Commercial operations on ILC-leased properties		As at 30 June 2015
Bulimba, Qld	294,740ha	6,245 cattle
Cardabia, WA	199,808ha	3,234 cattle
Gunbalanya Station, NT	80,000ha	3,063 cattle
Gunbalanya Meats, NT	n/a	0
Warrigundu Strangways, NT	419,200ha	11,888 cattle
Roebuck Plains Station, WA	283,493ha	22,958 cattle
Roebuck Export Depot, WA	100ha	
Commercial operations on ILC-held properties		
Banka Banka West, NT	147,500ha	2,639 cattle
Crocodile Welcome, Qld	124,800ha	4,991 cattle
Merepah, Qld	186,000ha	7,204 cattle
Mimosa, Qld	3,806ha	701 cattle
Mindanao/Somerset/Tiamby, Qld	4,409ha	2,071 cattle
Murrayfield, Tas	4,097ha	11,314 sheep
Myroodah, WA	401,944ha	23,718 cattle
Total area all properties	2,149,897ha	

Table 15: Agricultural business performance, 2014-15

	2014-15	2013-14	2012-13
Number of head (all livestock) at 30 June	100,457	110,914	106,411
Value of all livestock at 30 June	\$46.6m	\$37.6m	\$34.5m
Natural increase (number of head cattle)	22,359	28,087	22,810
Number of cattle sold	24,865	18,037	20,348
Average value of cattle sold (\$/head)	\$573.38	\$538.21	\$459.62
Gross trading profit all livestock	\$22.1m	\$10.8m	\$4.1m
Total cash revenue	\$21.6m	\$15.9m	\$13.7m
Cash operating costs	\$17.8m	\$15.0m	\$12.9m
Livestock purchase costs	\$1.2m	\$1.5m	\$0.5m
Actual cash operating result	\$2.6m	\$(0.6m)	\$0.3m



Results in 2014-15

Business performance

In the 2014-15 financial year Voyages recorded total revenues of \$134 million and EBITDA (Earnings Before Interest, Taxation, Depreciation and Amortisation) of \$16.7 million. Voyages' EBITDA is used to contribute to the servicing of borrowings related to the acquisition of Ayers Rock Resort and to fund capital expenditure including ongoing refurbishment projects at the resort. See the Chairperson's report at page 10 for further information on debt servicing in relation to Ayers Rock Resort.

Ayers Rock Resort

Ayers Rock Resort recorded a hotel occupancy of 74.3 per cent for the financial year, up from 60.5 per cent the previous year, reflecting a strong recovery in the inbound and domestic leisure tourism market during the year, supported by improved air access to the resort. During 2014-15 Jetstar commenced a direct service from Melbourne four times a week and increased the frequency of its Sydney service from four times weekly to daily. Virgin also added capacity on its Sydney service through use of larger aircraft. The more convenient and accessible air access supported the growth in visitation during the year. Increased demand for the destination has also been driven by extensive improvement to the standard of the resort product and service levels through continuing refurbishment and development of the guest experience.

CBRE undertook an independent valuation of the resort at 30 June 2015. Based on the results of this valuation, the Voyages board has determined the fair value of Ayers Rock Resort assets at 30 June 2015 is \$248 million, an increase of \$23 million in the resort's fair value compared to June 2014. The increase in fair value reflects the resort's improved operating performance supported by increased air access, strengthening market conditions and the ILC investment in improvements to the resort.

Home Valley Station

The tourist season at Home Valley operates from 1 May to 31 October each year. For the 2014 season Home Valley recorded occupancy of 47.5 per cent compared to 2013 occupancy of 44.5 per cent. Market conditions in the region remain relatively flat year-on-year, with *ad hoc* group business secured during the year contributing to the rise in occupancy. After allowing for costs associated with Indigenous engagement programmes, Home Valley Station recorded an operating loss of \$891,000 for the financial year compared to \$718,000 for 2013-14.

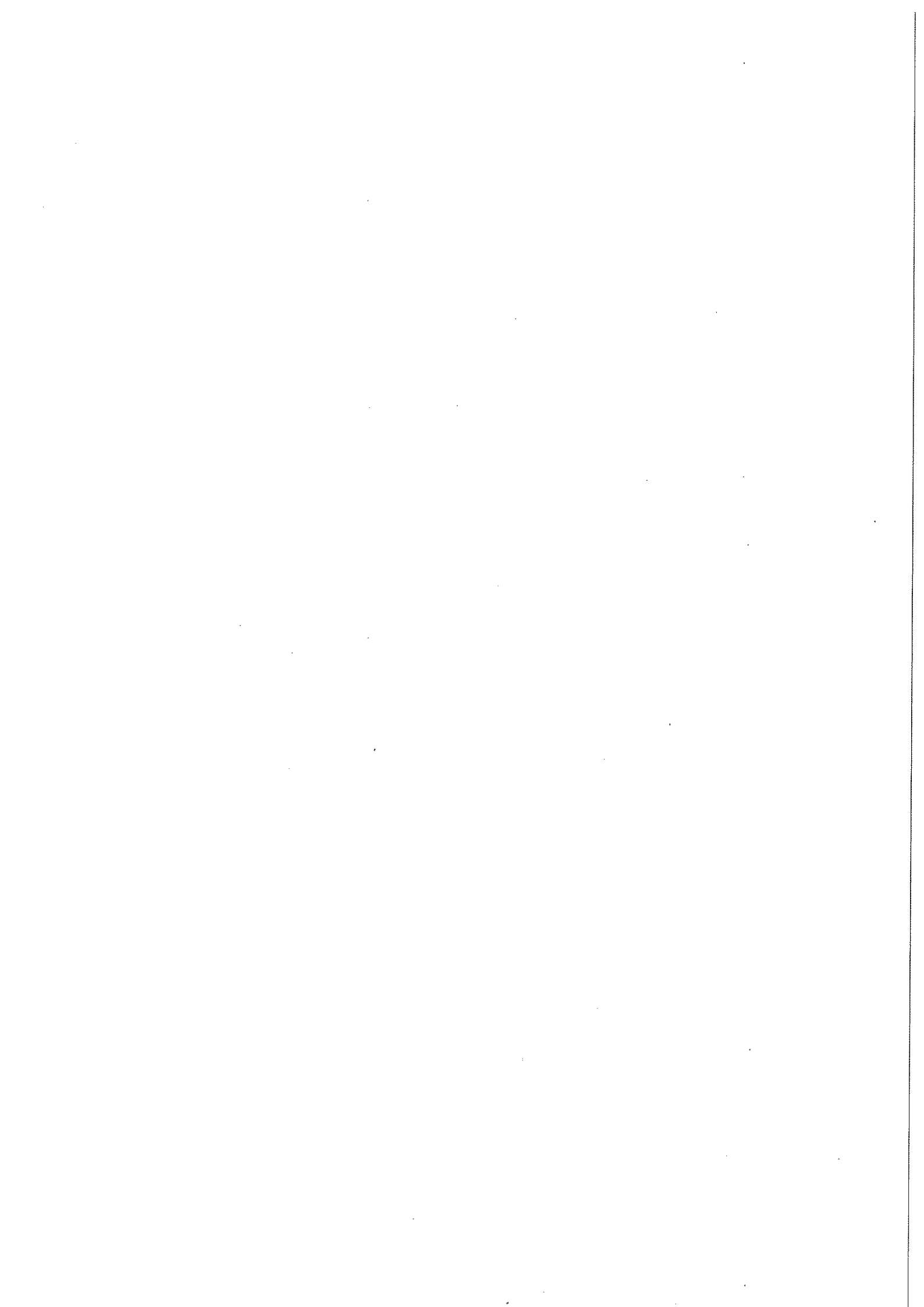
Mossman Gorge Centre

Mossman Gorge Centre welcomed 276,000 visitors during the year, a small decrease from the 279,000 visitors in the previous year. Total revenue increased to approximately \$3.8 million, up from \$3.3 million in 2013-14. Increased revenue and effective management of expenses resulted in the centre's operating loss (after allowing for costs associated with Indigenous engagement programmes) reducing from \$788,000 in 2013-14 to \$495,000 this year. This loss is expected to decrease further as the centre's operations stabilise following its start-up phase. The centre's Dreamtime Walks with local Indigenous guides are proving especially popular with visitors. Enhanced promotion of this product is under way.

Business development

During the year Voyages completed a full refurbishment of Emu Walk Apartments, the serviced apartment offering at Ayers Rock Resort, at a total cost of \$6.8 million. The project was completed on time and within budget and has been well received by the market with a significant improvement in guest satisfaction survey scores.

A new website for Ayers Rock Resort launched during the year provides a greatly enhanced and interactive experience for customers and enables guests to book a complete itinerary including third-party tours and activities online, directly with Voyages. This development is expected to generate more bookings over time, reducing the commissions paid to travel agents.



Mutitjulu Foundation

Overview and governance

The Mutitjulu Foundation was established by the former owners of Ayers Rock Resort, as a charitable trust with the aim of supporting projects and initiatives that improve the health, education and wellbeing of residents in the neighbouring Aboriginal communities of Mutitjulu, Docker River and Imanpa.

In February 2015, the ILC and Voyages Boards approved the transfer of responsibility for the Mutitjulu Foundation from the ILC to Voyages. Voyages is now the sole member and trustee of the Mutitjulu Foundation Charitable Trust. This new arrangement is designed to improve the financial performance of the Foundation and more clearly align its governance, administration and strategic objectives. The Foundation is chaired by Mr John Morse AM with the ILC Chairperson, Dr Dawn Casey, and ILC Director Olga Havnen serving on the board.

The Mutitjulu Foundation receives donations from guests and staff at Ayers Rock Resort, private-sector businesses and the general public. Voyages matches guest donations dollar-for-dollar up to \$200,000 each year. Over its life, the Foundation has generated more than \$1 million to fund projects.

Activities in 2014-15

With the significant increase in visitors to Ayers Rock Resort, along with concerted fund raising activities, donations to the Foundation grew significantly this year, totalling \$232,350 including Voyages' matching donations.

Projects supported by the Mutitjulu Foundation included:

- the Yirimin project, a journey of 15 people from Mutitjulu community to visit five communities in the Kimberley, WA. The project's stated aim is to 'build stories in young people' with different generations of families participating
- sponsorship of the Southern NT Indigenous Softball Championships, enabling four local communities to compete
- the Mutitjulu Ninja Circus, enabling nine local school students to attend the Byron Bay Circus School for a week's training camp and to perform in a local festival. The project aims to build self-esteem through learning and performing
- preparation of a scope of works for refurbishment of the Mutitjulu Adult Education Centre.

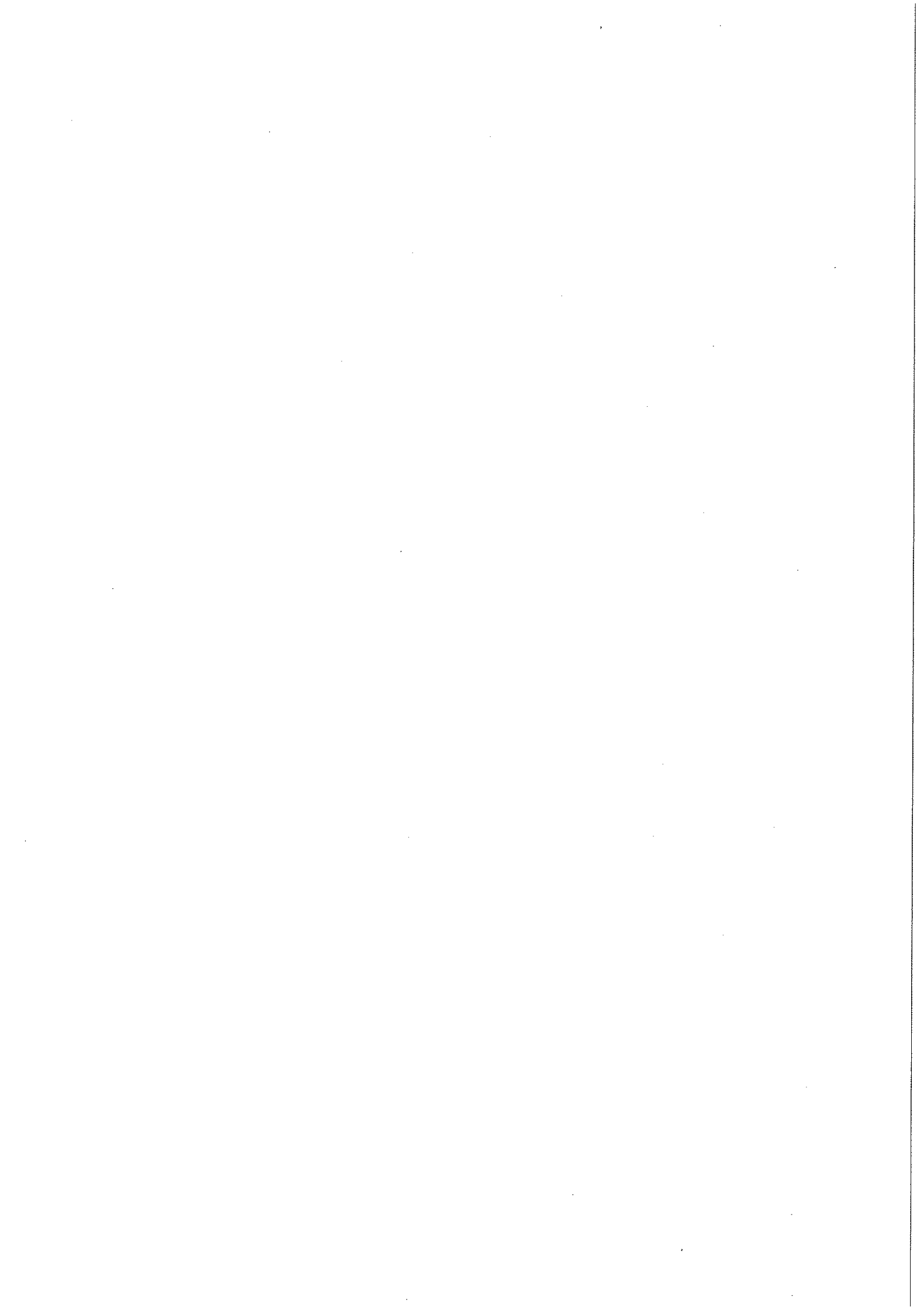
Looking forward

The recovery in the tourism market, particularly the inbound leisure segment, is expected to continue in 2015-16, supported by further depreciation in the Australian dollar. Ayers Rock Resort should see further growth in occupancy; the strength of the demand for the destination will provide an opportunity to grow average room rates. Continuing product development will support this increase with Desert Gardens Hotel scheduled to commence a major refurbishment in 2015-16.

Voyages has entered a long-term lease for the installation of a 1.8MW solar power system at Ayers Rock Resort. The facility, expected to be operational in early 2016, will reduce the resort's reliance on gas-fired power generation and deliver lower energy costs.

In the coming year Voyages will work with other ILC subsidiaries to share their experiences in achieving Indigenous employment and training outcomes across their operations.

Several projects are being considered for the Mutitjulu Foundation for 2015-16, including continuing support for the softball and Ninja Circus activities funded this year. Mutitjulu Community Aboriginal Corporation is expected to seek partial funding for the refurbishment of the community's adult education centre.



Results in 2014-15

Business performance

The NCIE is a charitable institution, run to achieve social impact rather than profits. In 2014-15 it earned \$6 million in total revenues from various sources including the running of programmes, payments for services and third-party donations.

Engagement and social impact

More than 1,500 local Indigenous people participated in core programmes such as fitness, aquatics, healthy lifestyles, jobs training, afterschool programmes, young leaders programmes, and sports and school vacation programmes. Community groups staying at the NCIE came from across Australia.

NCIE takes a collective impact approach to service delivery and has collaborated with more than 20 pathway partners and supporting organisations during 2014-15 including the Telstra Foundation, Salesforce, Commonwealth Bank, ING, Westpac, Shell Australia, Crown Resorts, Goodman, Lend Lease, Morgan & Banks, Samsung, OzHarvest and Foodbank.

More than 50 organisations used NCIE facilities in 2014-15 including resident Indigenous organisations, National Aboriginal Sporting Chance Academy (NASCA), Australian Indigenous Mentoring Experience (AIME) and Tribal Warrior Association. Others using the accommodation and sporting facilities included Tranby Aboriginal College, Jawun, NRL Harmony 9s, AC Milan Football Club, Red Dust Healers, the Sydney Film School, Little Kickers and Gamarada Men's Group. Programmes delivered from the NCIE site touched more than 10,000 Indigenous people during 2014-15 (including programmes delivered by resident Indigenous organisations).

High-profile guests to the NCIE during the year included the Governor-General of Australia, the Australian Ambassador to Norway and Denmark, the King and Queen of Norway, the Premier of New South Wales and many local mayoors and federal and state members of parliament.

The NCIE continued its high level of engagement with the Redfern and wider Sydney communities, hosting events for Sorry Day, Reconciliation Week and NAIDOC Week, conducting 'meet and greets' with local community organisations, holding family days, running Close the Gap Health and Wellbeing Days around Sydney, and developing the Exceller8II programme with Shell Australia, NASCA and Multi-lit. A *Friday Night Live* event developed by the NCIE

will commence in the new financial year bringing local families and at-risk young people together at the centre.

The Indigenous Digital Excellence Initiative, a partnership with the Telstra Foundation, is seeking to strengthen Indigenous participation and entrepreneurship in the digital economy. It is based at a collaboration and innovation space (the IDX Hub) at the NCIE, and runs workshops and events to engage young Indigenous people. The Indigenous Digital Excellence Vision Paper was launched in 2014-15.

In 2014-15 the NCIE was involved in the production of five anti-tobacco advertisements for television, as well as *Clouded History*, a documentary feature on Indigenous tobacco use (both projects part of the Australian Government's tackling smoking initiatives for Indigenous people). The NCIE continued to collaborate with NITV/SBS especially its news, *Living Black* and *Awaken* programmes.

The NCIE branded more than 20 of its programmes to raise awareness of the Indigenous Excellence philosophy. Market research conducted from October 2014 to March 2015 showed a 9 per cent mainstream awareness of the NCIE brand across Australia, rising to 22 per cent in the local south Sydney area.

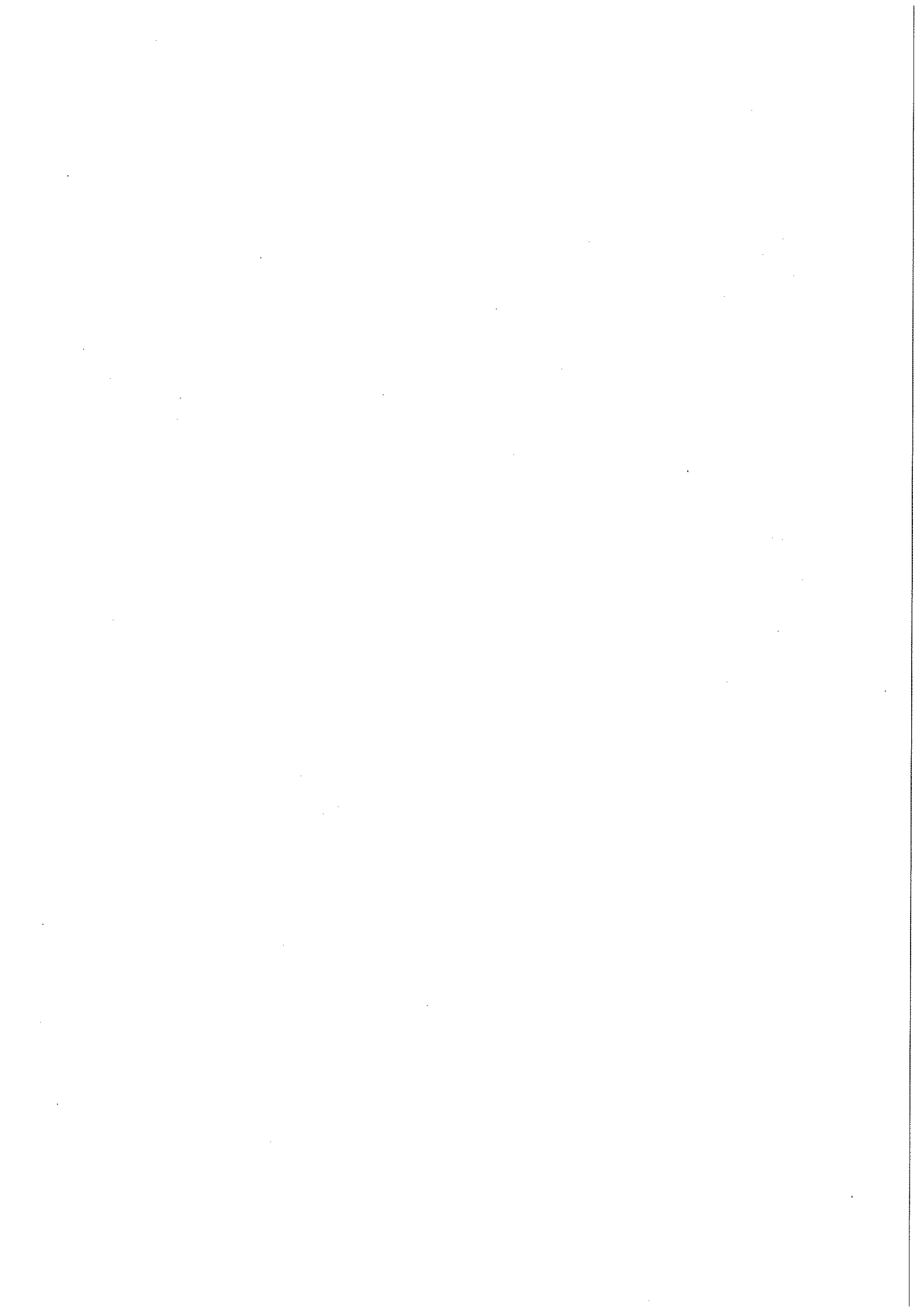
Indigenous employment and training

Of the NCIE's 99 employees at 30 June 2015, around half were Indigenous Australians. Further information is provided on pages 81-82.

NCIE Koori Job Ready ran Certificate II and III programmes in hospitality and construction from the Yaama Dhiyaan training facility at the Australian Technology Park in Darlington, with more than 100 trainees graduating. The course educates participants for job placements and provides mentoring and support throughout their placements.

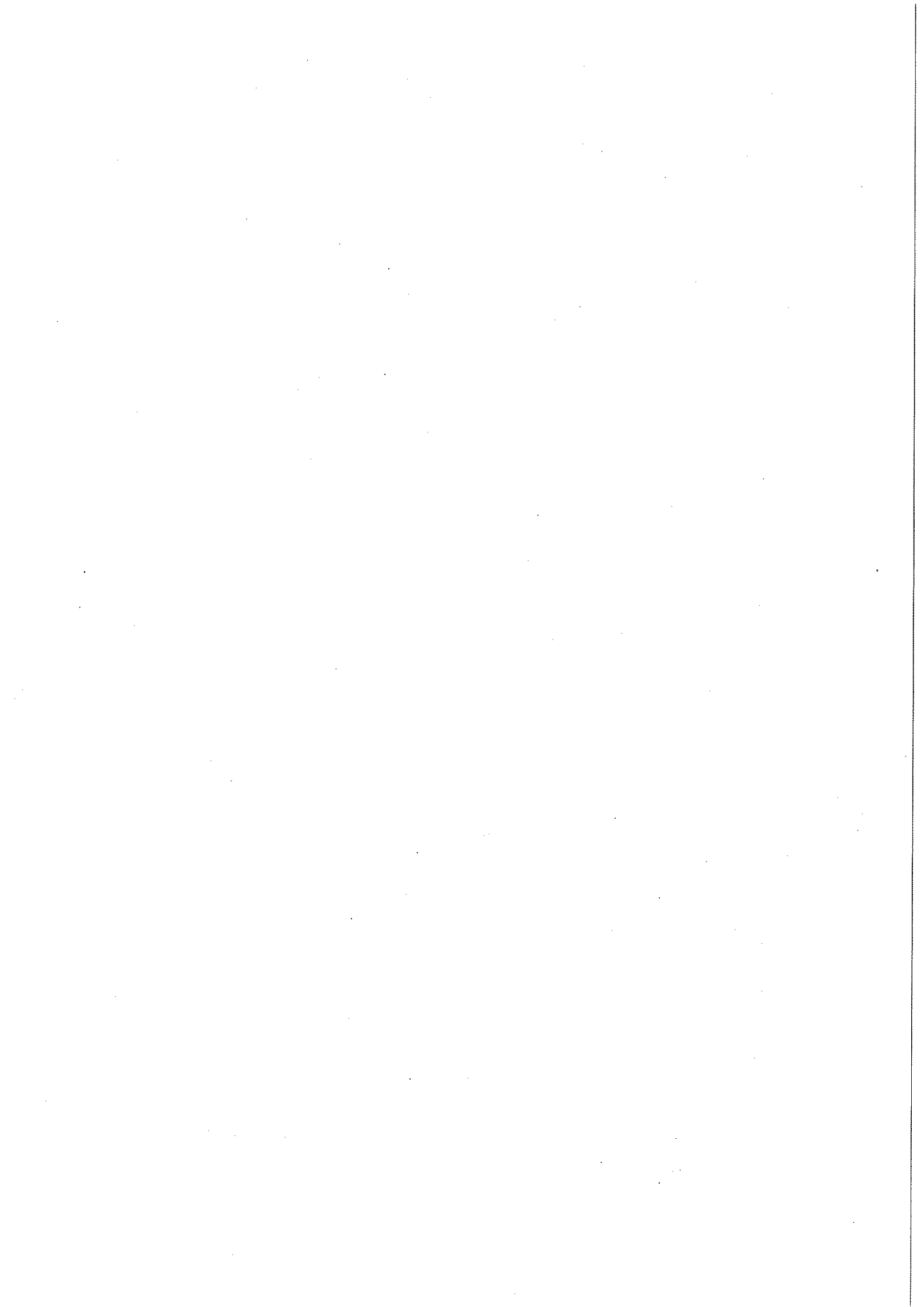
Looking forward

The NCIE this year drafted a new five-year strategy and business plan. After five years of solid and rapid growth, the focus is now on building organisational capacity and financial sustainability. Core programmes and activities are being streamlined into a foundation for future growth with a view to ultimate financial independence from the ILC, paving the way for grant of the NCIE site to an Indigenous organisation with strong community links.





Governance



Purpose

The ILC is a corporate Commonwealth entity established under the *Aboriginal and Torres Strait Islander Act 2005* (ATSI Act) to assist Indigenous people to acquire and manage land to achieve economic, environmental, social and cultural benefits.

Enabling legislation

The ILC was established by the *Land Fund and Indigenous Land Corporation (ATSIC Amendment) Act 1995*, which was part of the Australian Parliament's response to the High Court's *Mabo* judgment (June 1992). The ILC now operates under the subsequently enacted ATSI Act.

Responsible Minister



The responsible Minister for 2014–15 is Senator the Hon Nigel Scullion, Minister for Indigenous Affairs (the Minister).

The *Public Governance, Performance and Accountability Act 2013* (PGPA Act), which came into effect on 1 July 2014, requires the ILC to inform the Minister of

any events of significance such as the establishment of a new company. The ILC is also required to keep the Minister informed of its operations and provide both the Minister and the Minister for Finance with reports, documents and information on the operations of the ILC as requested from time to time.

General policies of the Australian Government

The ILC must comply with any Australian Government Policy Order to the extent that it applies to the ILC. After 1 July 2014 General Policy Orders are notified to the ILC under section 22 of the PGPA Act. Application of a Policy Order requires the responsible Minister to consult with directors of Commonwealth authorities prior to notification of the policy applying. There were no General Policy Orders that applied to the ILC during the year.

ILC Board

The seven-member Board is the ILC's primary decision-making body. The Board determines the policies of the ILC, and is responsible for the proper and efficient performance of the ILC's functions. Board Directors are appointed by the Minister. There were no changes to the Board in 2014–15.

The Board is governed by a Board Charter which sets out Directors' legal, financial and conflict-of-interest responsibilities so they can discharge their obligations to the highest standards in accordance with the PGPA Act.

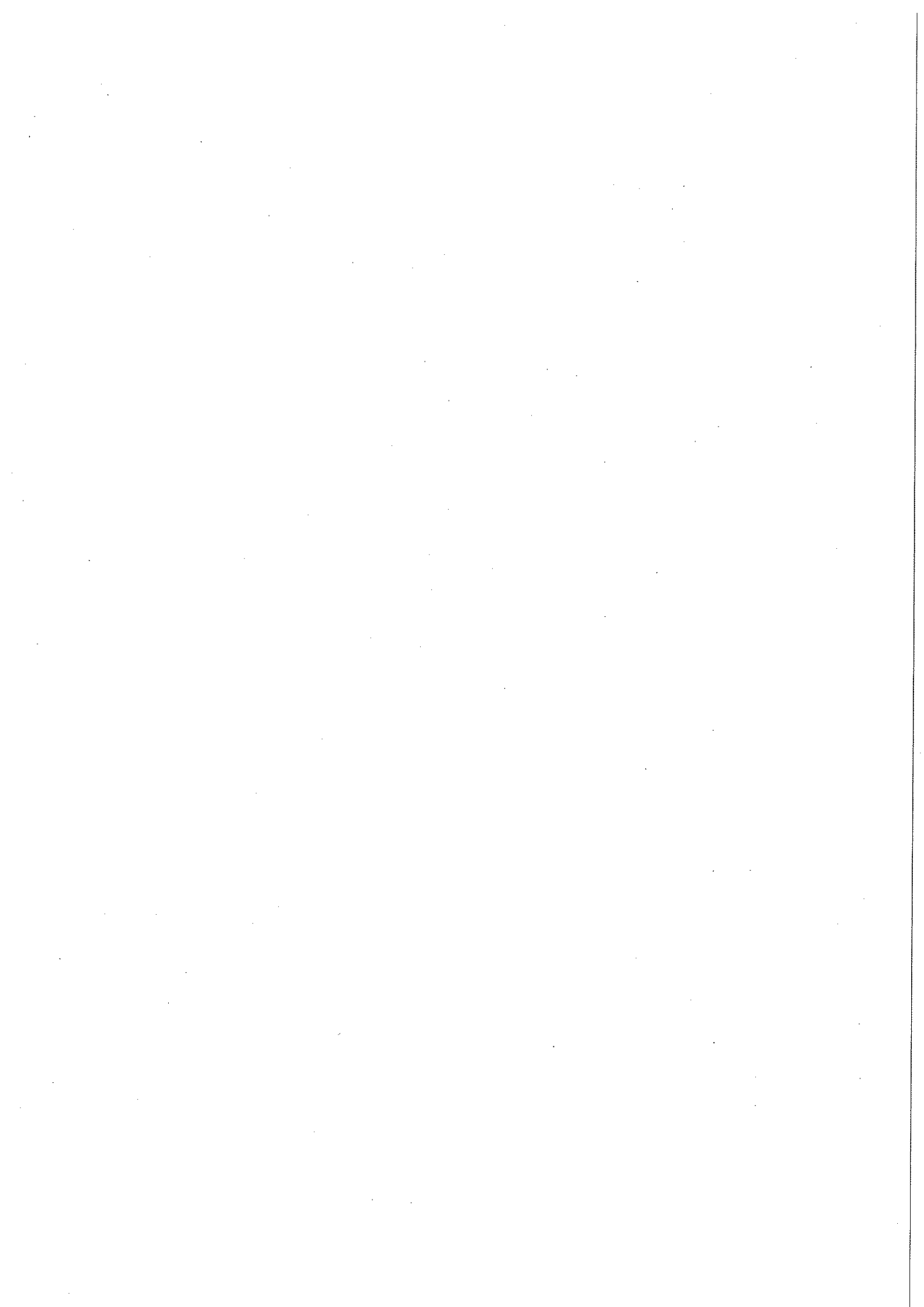
Key objectives of the Board include:

- achieving the ILC's purpose as specified in the ATSI Act
- providing accountable, effective, measurable and strategic leadership
- exercising control over the ILC and subsidiary operations, including consideration and adoption of appropriate risk-management strategies
- reviewing and strengthening Board governance arrangements.

The ILC Board undertook an effectiveness review of itself and its committees in 2014–15.

The Board appoints the Chief Executive Officer (CEO), who is responsible for the day-to-day administration of the ILC.

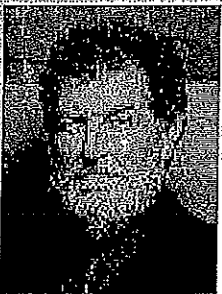
There were 19 Board meetings in 2014–15 at which land acquisition and land management proposals were considered and approved, strategic direction and policy set, and performance and accountability monitored. Appendix 2 lists Directors' attendance at these Board meetings.





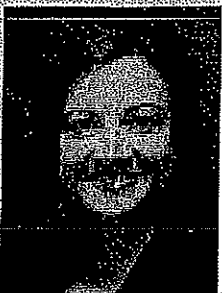
Ms Olga Havnen

Ms Havnen has held a number of senior government and non-government roles in a long career in Indigenous affairs, and is currently chief executive officer of the Danila Dilba Biluru Butji Binnitulum Health Service in Darwin, NT. She has been head of Aboriginal and Torres Strait Islander Strategy at the Australian Red Cross; NT Coordinator-General for Remote Services and senior policy advisor at the NT Department of the Chief Minister. She is a former director of the Clontarf Foundation and of the NT Community Justice Consultative Council. Ms Havnen grew up in Tennant Creek and is the daughter of Aboriginal educator Peg Havnen. Ms Havnen was appointed to the ILC Board in October 2011 for a term of four years.



Mr Neil Westbury PSM

Mr Westbury has more than 40 years experience working with Indigenous Australians across the government, non-government and private sectors, at regional, state and national levels. He currently chairs the Machado Joseph Disease Foundation and is co-director of Westbury and Associates. He is a former Assistant Secretary in the Prime Minister's Department, secretary to the Council for Aboriginal Reconciliation, Visiting Fellow in Indigenous Public Policy at the Australian National University, general manager of Reconciliation Australia and executive director in the Office of Indigenous Policy, NT Department of the Chief Minister. He received Australia Day achievement awards in 1996, 1997 and 1998. Mr Westbury was appointed to the ILC Board in October 2011 for a term of four years. He currently chairs ILC subsidiary National Indigenous Pastoral Enterprises Pty Ltd.



Ms Alison Page

Ms Page is a member of the Wadi Wadi and Walbanga peoples of New South Wales. She is a former executive officer of the Saltwater Freshwater, Aris Alliance and creative director of the National Aboriginal Design Agency. She is a current board member of Ninti One Ltd—CRC for Remote Economic Participation. Previous board memberships include Museums & Galleries of NSW, Australian Museum Trust, Regional Development Australia Mid North Coast and North Coast Institute of TAFE. She is also a former member of the Australian Government's Expert Panel on Constitutional Recognition of Aboriginal and Torres Strait Islander Peoples. Ms Page is a graduate of the Australian Institute of Company Directors and received a Bachelor of Design, First Class Honours, from the University of Technology Sydney. She was appointed to the ILC Board in October 2013, and in April 2014 was appointed to chair the ILC subsidiary National Centre of Indigenous Excellence Ltd.



Ms Lisa Gay

Ms Gay chairs the Markets Disciplinary Panel of the Australian Securities and Investments Commission, and has held various senior executive roles at both JB Were and the Goldman Sachs JB Were Group. She is also a member of the Council of Trustees of the National Gallery of Victoria. Ms Gay was appointed to the ILC Board in October 2013, and was appointed to chair ILC subsidiary Voyages Indigenous Tourism Australia Pty Ltd in the same month.

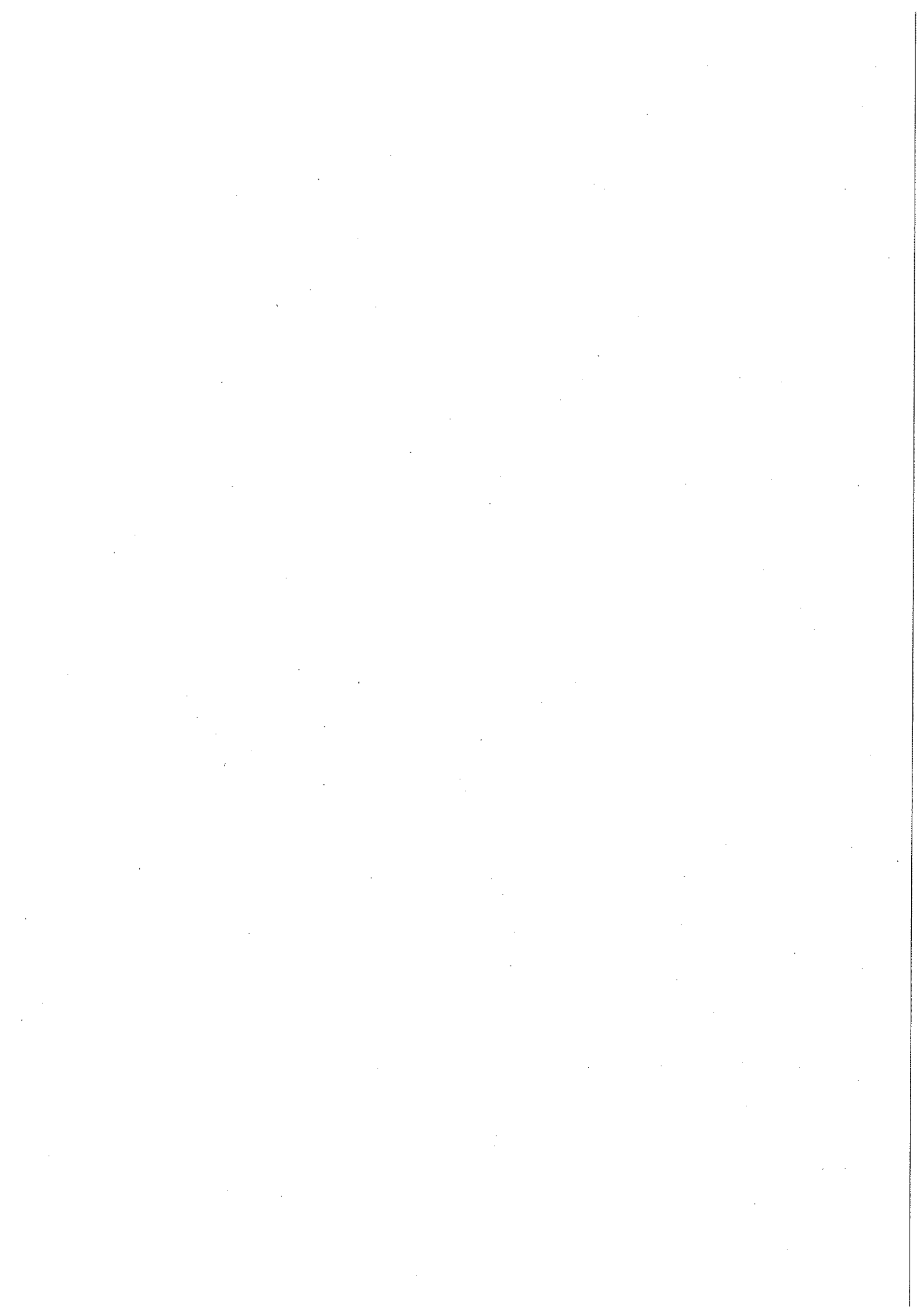


Table 16: Location of the ILC's Offices

Location	Function	Responsible Senior Executive as at 30 June 2015
Adelaide Head Office	Central Division (servicing SA, NT, VIC and TAS)	Mr Tim Larkin Divisional Manager
	Finance- Human Resources Risk and Corporate Services Information & Communication Systems	Mrs Jodie Lindsay Chief Operating Officer
	Legal	Mr Tri Nguyen General Counsel
	Office of the Chief Executive Officer	Mr Michael Dillon Chief Executive Officer
Canberra	Corporate Governance	Ms Beth Fielder Executive Director Corporate Governance
	National Indigenous Pastoral Enterprises	Mr Garry Cook General Manager NIPE
	Policy and Programme Development Environmental Carbon and Heritage Public Affairs	Ms Kate Gumley Executive Director Strategy
Brisbane	National Program Delivery	Mr Craig North Executive Director Program Delivery
	Eastern Division (servicing QLD and NSW and ACT)	Ms Tricia Button Divisional Manager
Perth	Western Division (servicing WA)	Ms Kate Alderton Divisional Manager

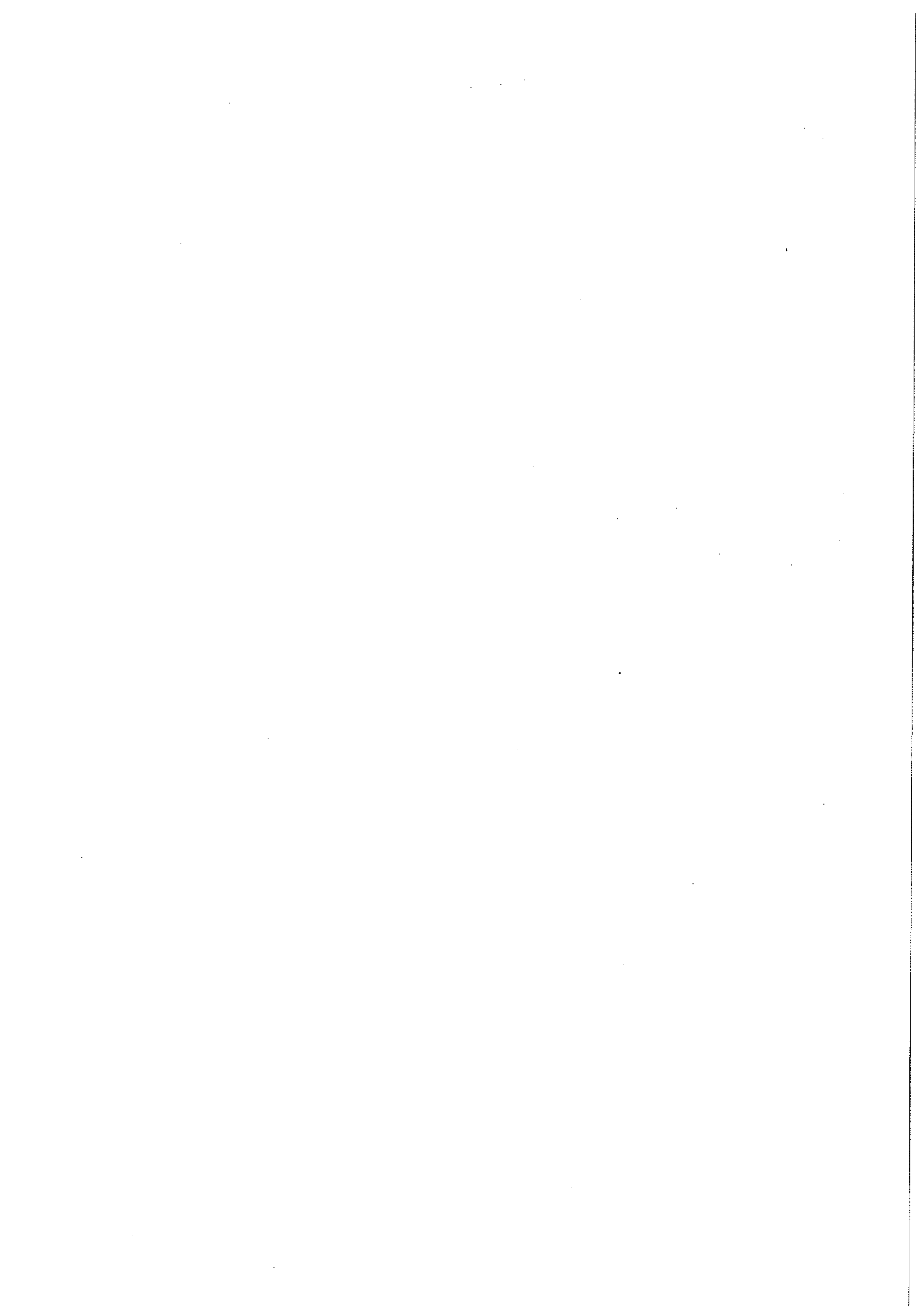
Administration

The CEO is a statutory officer appointed by the Board. The CEO, Mr Michael Dillon, is responsible for managing the day-to-day administration of the ILC according to directions and policies set by the Board. The Senior Executive team supports the CEO in strategic, operational and administrative matters and in carrying out the decisions of the Board.

The ILC works from the four main locations listed in the table above. ILC operations are not restricted to these offices.

The CEO, Senior Executive, management and employees participate in a number of committees where policy, operational, technical or staffing issues are deliberated:

- Executive Committee, comprising the CEO and all Executive Directors
- Corporate Management Team, comprising members of the Executive Committee as well as the CEOs and Chief Operating Officers of ILC subsidiaries: a forum to discuss and progress issues, risks and opportunities and to assist in ensuring the ILC and its subsidiaries are fulfilling the ILC's statutory purpose and work effectively as a group
- Consultative Committee: a management and employee forum for discussion of issues relating to employment conditions at the ILC
- Indigenous Consultative Group: a committee elected by Indigenous employees who provide support to Indigenous staff and assist in the development and implementation of the Indigenous Employment Strategy
- Work Health and Safety (WHS) Committee: see the WHS report on page 72.
- Information Technology (IT) Steering Committee: a management forum to plan and monitor IT implementation across the ILC
- Environment and Heritage Advisory Committee: a group responsible for setting policy, and for developing tools and templates for use in the ILC and in making environment-related submissions to government.



Strategic and operational planning

The ILC planning framework aligns operational activities, resource decisions and organisational performance with the strategic direction and policies set by the National Indigenous Land Strategy (NILS), the ILC's key policy document required under the ATSI Act. The NILS, Portfolio Budget Statements, annual corporate priorities, operational plans and business and project plans guide the implementation of specific activities. They describe how the ILC will achieve its purpose of Indigenous Australians' achieving sustainable economic, environmental, social and cultural benefits through owning and managing land.

A review of the ILC planning, monitoring and evaluation frameworks will be conducted in the new financial year in line with requirements of the new PGPA Act.

National Indigenous Land Strategy 2013-17

The National Indigenous Land Strategy 2013-17 sets out multi-year priorities and how the land acquisition and management functions will be implemented to achieve the ILC's legislated purpose.

Components of the NILS are:

- the ILC's two priority outcomes:
 - 1) Socioeconomic development and
 - 2) Access to and protection of cultural and environmental values
- strategies to achieve the priority outcomes
- the Benefits Framework, setting out how ILC activities assist Indigenous Australians to achieve economic, environmental, social and cultural benefits.

Future revision of the NILS will take into consideration the corporate planning requirements under the PGPA Act.

Regional Indigenous Land Strategies

The Regional Indigenous Land Strategies (RILS) are seven documents aligned with the principles of the NILS 2013-17 but focused on the six States and the Northern Territory (the Australian Capital Territory is included with New South Wales). They discuss ILC activity in each jurisdiction and provide contextual information relating to Indigenous Australians. The Board approved updated RILS in 2014-15.

Stakeholder engagement

Consultation and working with stakeholders

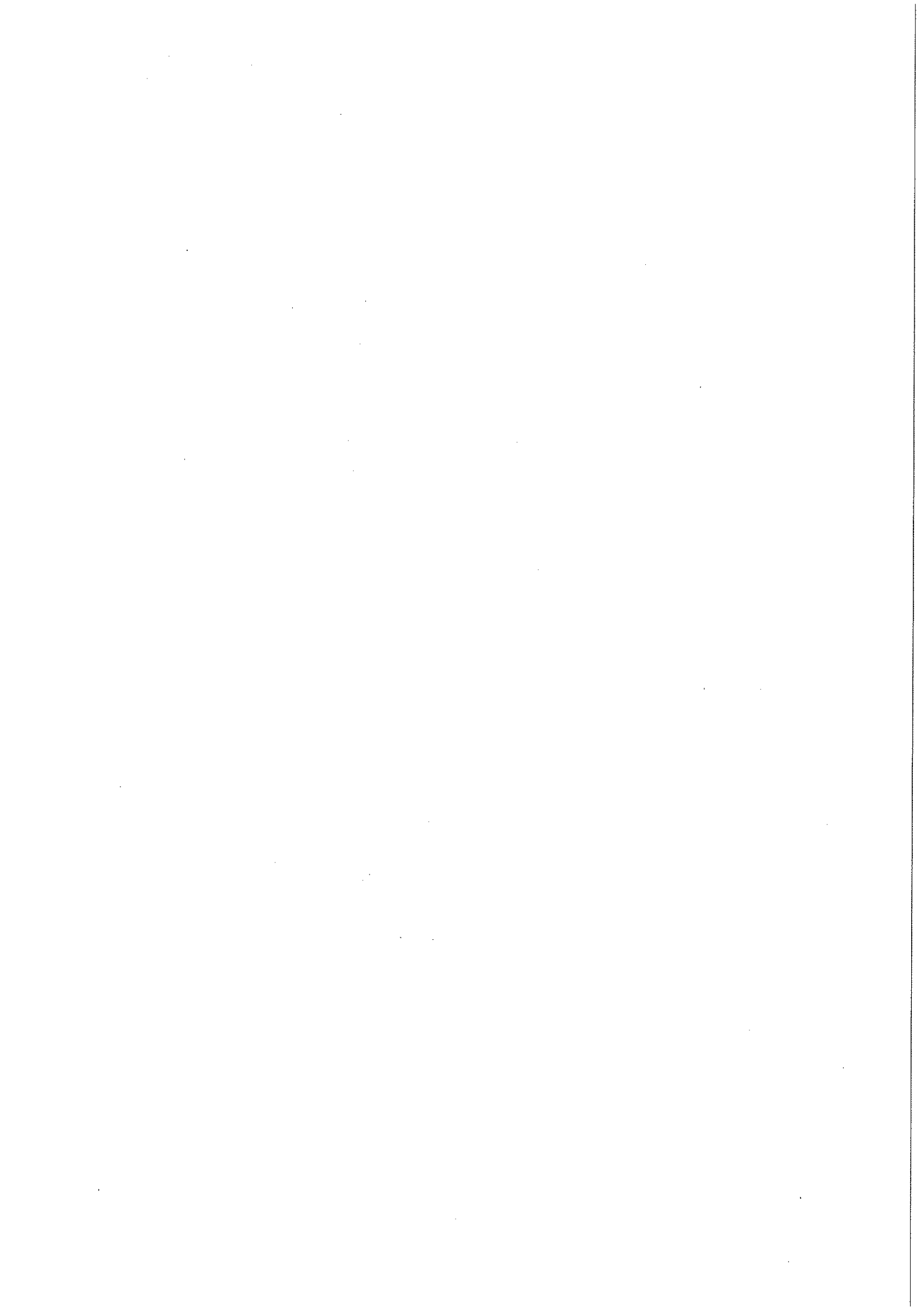
The ILC has this year revised its way of working with Indigenous land owners, its key stakeholders. The ILC's *Our Land Our Future* arrangements are aimed at strengthening collaboration in project development, design and implementation. In restructuring its relationship with Indigenous land owners, the ILC will also build on its collaborations and partnerships with other agencies and corporate and philanthropic entities.

In 2014-15 the ILC Board also undertook significant stakeholder engagement in relation to the Stronger Land Account Bill introduced to Parliament by the Australian Greens in June 2014. For further information, see the Chairperson's report at pages 8-9.

Information for stakeholders

The ILC distributed information on its policies and programmes including:

- messages from the Chairperson on the ILC website and in Indigenous and mainstream media
- advertisements in Indigenous media, printed and electronic
- printed and electronic material including leaflets, e-brochures and booklets directed at regional bodies, applicant groups and Indigenous land councils
- programme handbooks and policy documents published on the ILC website.



Evaluation Framework

The ILC's Evaluation Framework is used to guide evaluation activities that gauge strategic, programme and project performance. The ILC embeds monitoring activities into its project-management processes ensuring that ILC investments in land acquisition and land management deliver direct and enabled economic, environmental, social and cultural benefits to Indigenous people.

The ILC conducted one strategic evaluation in 2014–15, commenced planning for one other strategic evaluation and undertook 44 project-level evaluations.

The ILC's policy, planning and evaluation frameworks have been analysed in preparation for the ILC's compliance with the requirements of the PGPA Act. As the increased focus on non-financial performance and performance measures through the PGPA Act is realised, the ILC will continue to review its evaluation processes to ensure both compliance with the PGPA Act and a system well suited to informing the business decisions of the ILC.

Strategic evaluation: Real Jobs Programme

Since 2007 the ILC has used annual funding from the Australian Government to transition unemployed Indigenous people into full-time equivalent (FTE) positions in the pastoral, tourism and land-management sectors throughout the Northern Territory. This is delivered through the ILC's Real Jobs Programme (RJP) which has these elements:

- contractual arrangements with service providers to deliver employment projects across the Northern Territory
- placing unemployed Indigenous people into ongoing full-time employment
- enabling participation in enterprise activities that help transition people into sustainable employment and career pathways
- assisting Indigenous people to manage, use, care for and improve land, delivering sustainable benefits.

In 2014 the ILC engaged Sustineo to evaluate the effectiveness and efficiency of the RJP and associated models against desired impacts, and to identify ways of improving the RJP.

The evaluation found that the RJP is achieving its core objectives, and performing well overall.

The primary objective of placing 150 Indigenous people into employment annually was exceeded and other benefits were enabled including social benefits, Indigenous business development, improved management of Indigenous-held land and preservation of Indigenous cultural values. Important success factors to be built on for ongoing implementation include:

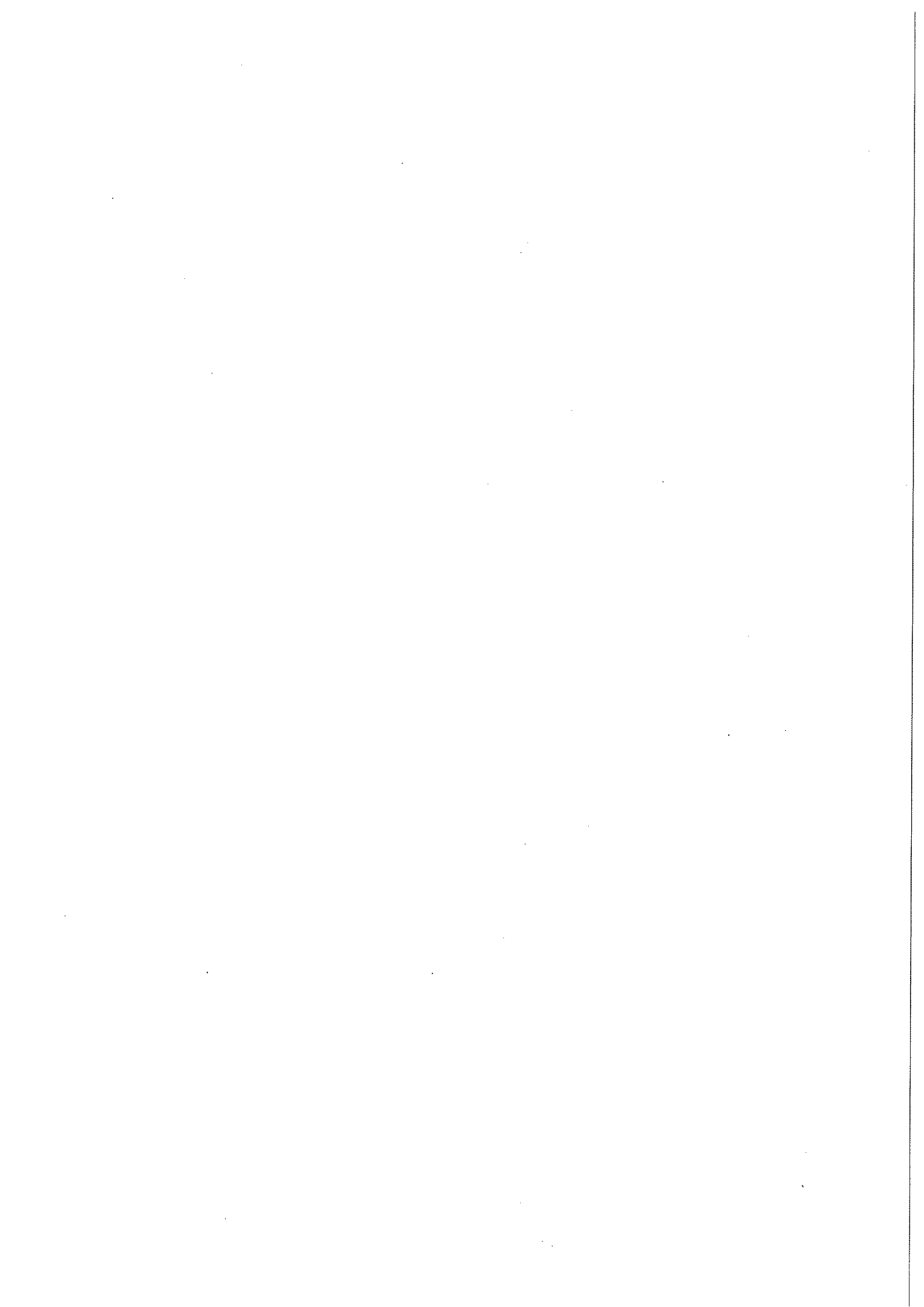
- the flexible programme structure allowing both the ILC and service providers to deal with issues as they emerge
- the provision of 'wrap around' support services, such as mentors, career counselors and other social support. Employees provided with training in life skills, literacy and numeracy and basic work skills were seen to have improved retention and work performance. Service providers will be required to provide such training to complement the technical training provided by employers. RJP staff will also focus on supporting host employers to access these services where possible
- the benefit of delivering RJP projects in concert with other ILC programmes (such as the Indigenous Pastoral Programme). The 2015–18 RJP budget allocates a number of positions to support employment in ILC-funded land-based projects in the Northern Territory.

Project evaluations

The ILC conducts project evaluations to review evaluation criteria such as the effectiveness, efficiency, impact and sustainability of projects, with a particular focus on understanding the benefits and outcomes achieved.

Project evaluations are completed every three years from project commencement, and at the completion of projects. In 2014–15 six land acquisition evaluations and 38 land management evaluations were undertaken by ILC staff.

Evaluations identified benefits consistently exceeding original targets. This reflects the high quality of projects and the ILC's commitment to continuous improvement of its land acquisition and land management programmes.



The ILC Board and each subsidiary board understand their responsibilities to manage risk, while senior management has responsibility for managing corporate and operational risk. Each entity's audit committee reviews systems of risk oversight and management.

Internal Audit Programme

The ILC Group's Internal Audit Programme is overseen by the Audit and Assurance Committee. The programme is risk-based, providing systematic coverage of whole-of-group activities in the context of the Risk Management Framework. Internal audit work is outsourced.

Each subsidiary has its own internal audit programme. Subsidiary boards, audit committees and senior management receive reports on the implementation of recommendations to ensure findings are addressed.

The following internal audits were commenced or completed in 2014–15:

- Operational Controls (Voyages)
- Fraud Risk Assessment, Control, Awareness Training and Data Mining (Voyages)
- Fraud Data Mining (ILC/NCIE)
- Internal Financial Controls – follow up (NCIE)
- Work Health and Safety – Hazard Identification, Risk Assessment and Control (ILC/NIPE/NCIE)
- Queensland Integrated Properties (ILC/NIPE)
- Human Resource Management (ILC).

Fraud control and awareness

The ILC maintains a rigorous Fraud Control and Awareness Programme to minimise the risks of fraud and deal with any allegations of fraud that arise.

The CEO certifies that the ILC complies with the Commonwealth Fraud Control Policy. The ILC has taken all reasonable measures to minimise the incidence of fraud and to investigate and recover the proceeds of any fraud against the ILC. It has in place:

- fraud risk assessment and fraud control plans
- appropriate fraud prevention, detection, investigation, reporting and data collection procedures to meet the specific needs of the ILC Group and comply with relevant guidelines.

Maintenance of ethical standards

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

External scrutiny

There were no judicial decisions, decisions of administrative tribunals or decisions by the Australian Information Commissioner in 2014–15 that had, or may have, a significant impact on the operations of the ILC.

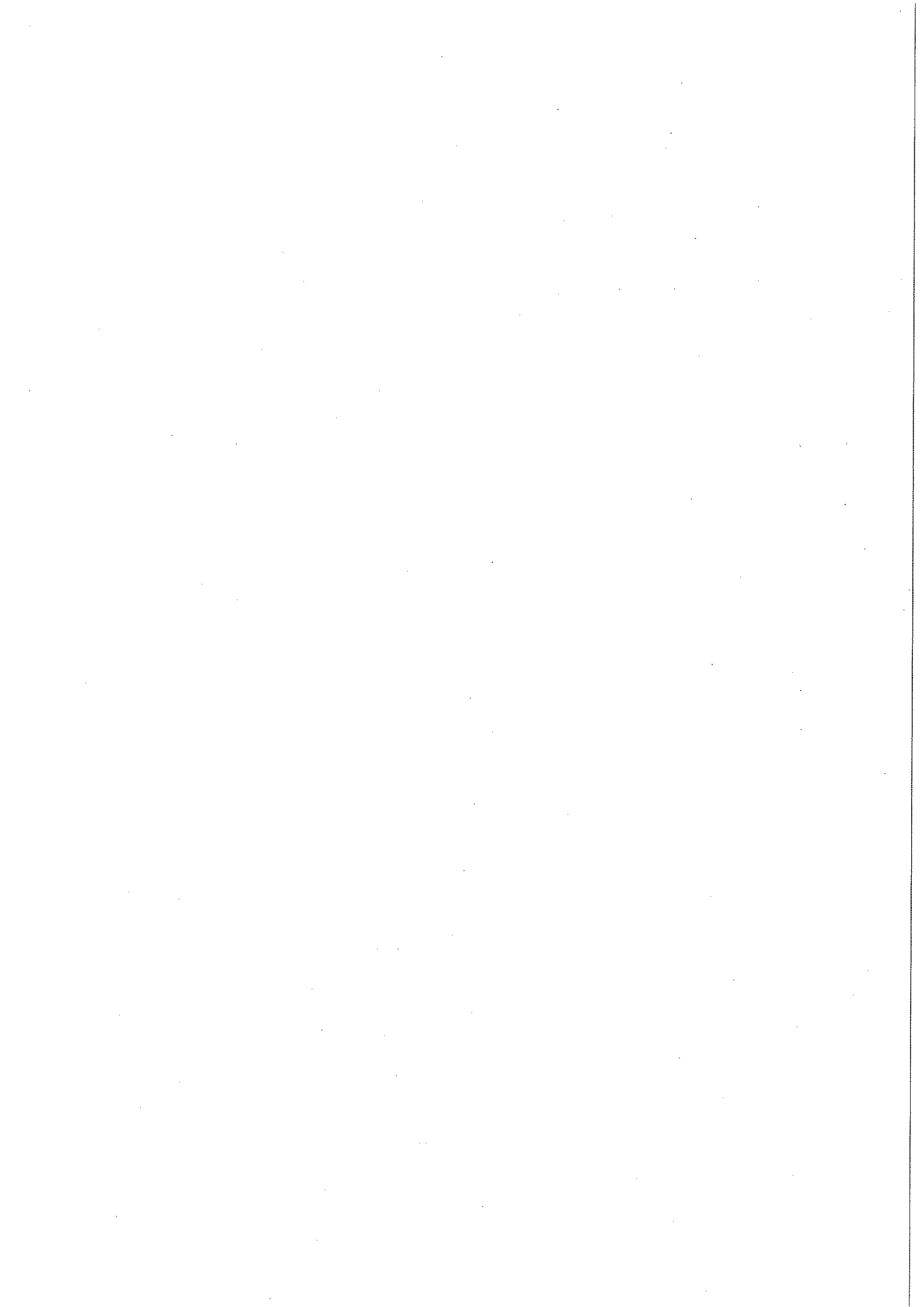
There were no reports by the Commonwealth Ombudsman in connection with the ILC during this financial year.

The ILC provided information to the Australian National Audit Office in response to inquiries from a Member of Parliament. The ILC has not been advised of any issues arising from this matter.

The Tasmanian Department of Primary Industry, Parks, Water and the Environment (DPIPWE) conducted an investigation into allegations made in July 2014 about animal welfare on the ILC-owned business at Murrayfield on Bruny Island. In February 2015 DPIPWE advised that the allegations were so dated they were difficult to evidence. In a separate incident DPIPWE issued an infringement notice for a delay in culling one sheep resulting in a \$280 fine. In March 2015 DPIPWE issued an official instruction on the humane killing of sheep.

Appearances before parliamentary committees

The ILC appeared before the Senate Community Affairs Legislation Committee on 13 February 2015, in relation to the latter's inquiry into the Stronger Land Account Bill. The ILC appeared before the Senate Estimates Committee (Finance and Public Administration) on 29 May 2015.



against personal liabilities they might incur while properly performing their roles as officeholders. The indemnities do not cover certain liabilities arising from particular statutory breaches, breaches of the criminal law or actions involving a lack of good faith. The ILC has provided written assurance to individual Directors that it will uphold to the fullest extent its obligation to indemnify Directors under this Deed, and indemnified the Chairperson for legal costs incurred to the sum of \$13,435 as a result of a threatened defamation action against her.

Purchasing

The ILC Purchasing Policy is based on principles set out in the 2014 Commonwealth Procurement Rules: value for money; encouraging competition; efficient, effective, economical and ethical procurement; accountability and transparency. The policy guides the purchasing of goods and services in relation to administration and land acquisition and land management projects. It describes staff members' 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 ILC uses corporate credits cards for efficiency.

Consultants

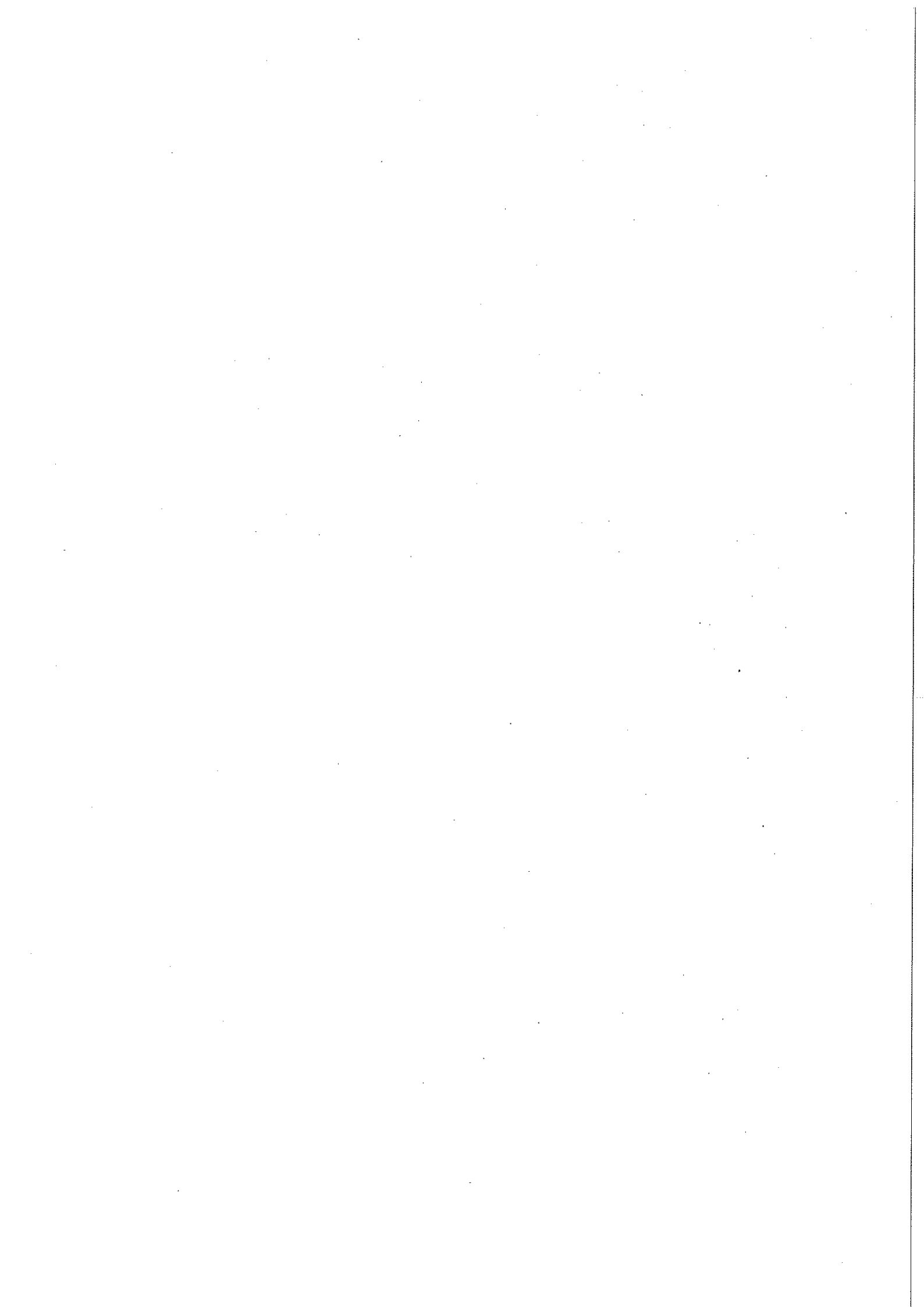
See Appendix 6.

Information and communication services

Information management, technology, communications and online services are provided to support the Board, ILC offices, ILC subsidiaries (including individual agricultural and tourism businesses) and employment and training programmes.

During 2014–15 in-house management systems were maintained or upgraded. Mapping and related Geographical Information Systems (GIS) services, including the ILC's database of Indigenous land holdings, were maintained. An upgrade of the ILC's GIS technical infrastructure to take advantage of emerging technologies commenced. A trial implementation of mobile mapping was undertaken to inform its possible future roll out. While GIS services are primarily for the ILC's internal use, in some instances they were provided to ILC partners (government agencies, community groups) on request.

Implementation of upgraded information-security policies was completed, including IT-security information sessions for all users of ILC-provided IT systems and services.



Environmental performance

The ILC monitors and reports on environmental performance using quantitative indicators and measures modelled on the Global Reporting Initiative's reporting framework. These indicators align with Ecologically Sustainable Development reporting requirements for Commonwealth agencies under the *Environment Protection and Biodiversity Conservation Act 1999*.

All ILC offices have Environmental Management Plans detailing specific initiatives for each location to reduce energy use, water consumption, waste generation and business travel. New staff are introduced to these measures at induction sessions. The Adelaide office, which accommodates around half of the ILC's staff, is located in a building rated five stars in the six-star National Australian Building Environment Rating System. A five-star rating reflects a number of sustainability measures including water reuse, automatic adjustment of window blinds for climate control and the purchase of 10 per cent accredited GreenPower by the building manager. All Environmental Management Plans will be reviewed and updated in 2015–16 with the participation of staff and with input from the Environment and Heritage Advisory Committee.

Electricity

ILC offices are located in buildings with multiple tenancies, so a component of electricity use (e.g. elevator operation, foyer lighting) is managed by building managers. The ILC-controlled component is separately metered. Table 17 reports ILC-metered electricity use. In 2014–15 the ILC's overall electricity use decreased by 0.3 per cent over the previous year. The associated carbon footprint fell by 10 per cent, however, due to falling carbon intensity in the power grids supplying ILC offices. All ILC offices use a number of energy-saving measures which are identified in the Environmental Management Plans.

Travel

Most ILC travel is by air, hire car and taxi. Staff travel decreased over the previous year across all three areas in terms of distance travelled. This may be attributable in part to organisational efforts to create administrative efficiencies and cost savings across the ILC, as well as the installation of a new video conferencing system that better facilitates meetings among staff in multiple locations.

Waste

Paper is the most significant waste product generated by ILC office activities. All ILC offices collect waste paper for recycling. The ILC tracks paper purchase as an indicator for efficient use of paper. In 2014–15 paper use by employee increased by 20 per cent over the previous year; however, this may reflect purchase and storage cycles rather than a significant change in paper use. Separation of recyclable content from kitchen waste continued in some ILC offices.

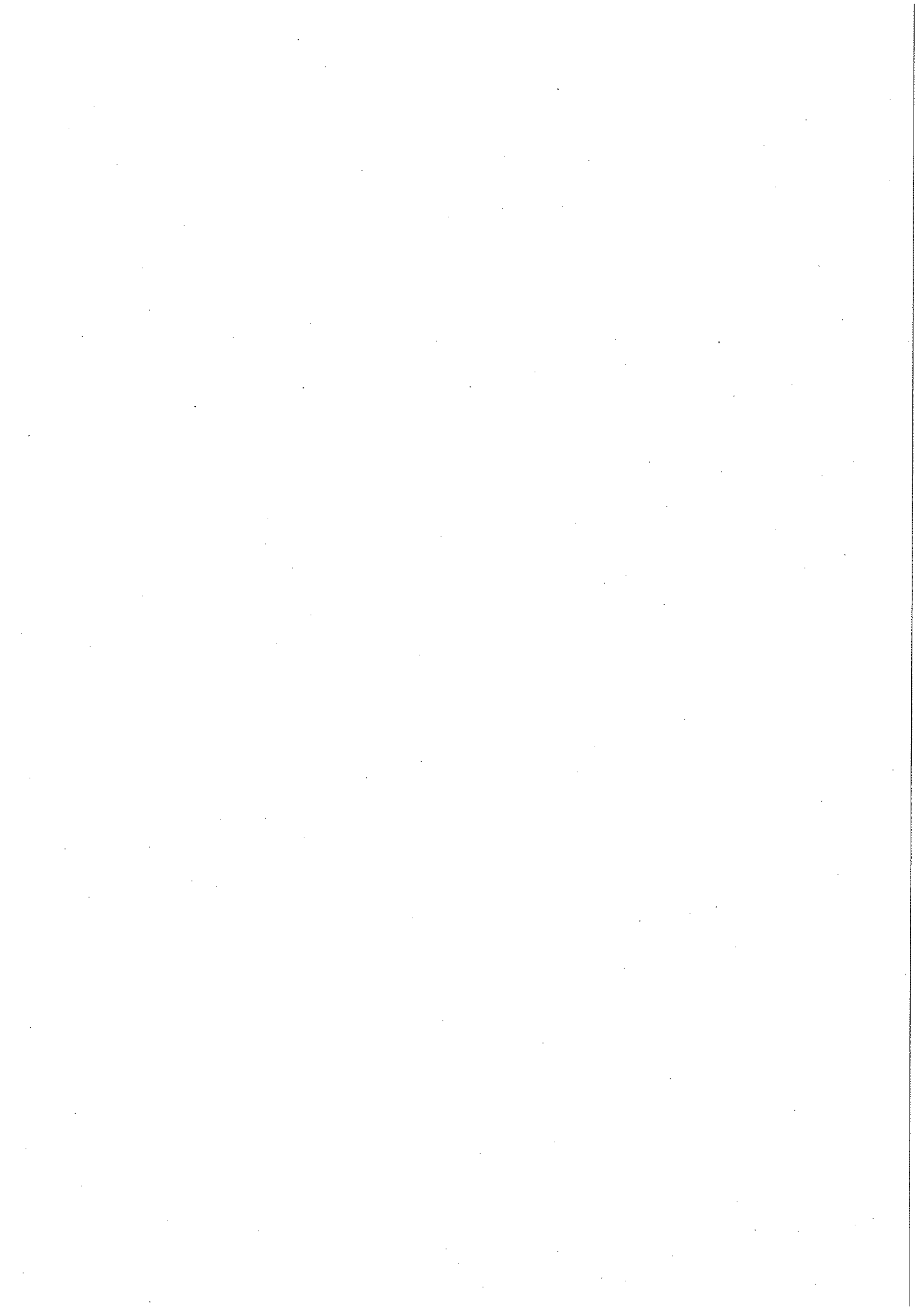
Water

Water usage charges for ILC offices are either included in lease fees or apportioned by floor area. This means that water use figures vary depending on the rental status and water use behaviour of the building's occupants as a whole and cannot be accurately linked to water use for reporting purposes. The Adelaide office is in a building that includes water recycling for flush toilets, waterless urinals and efficiency devices for taps.

Carbon footprint

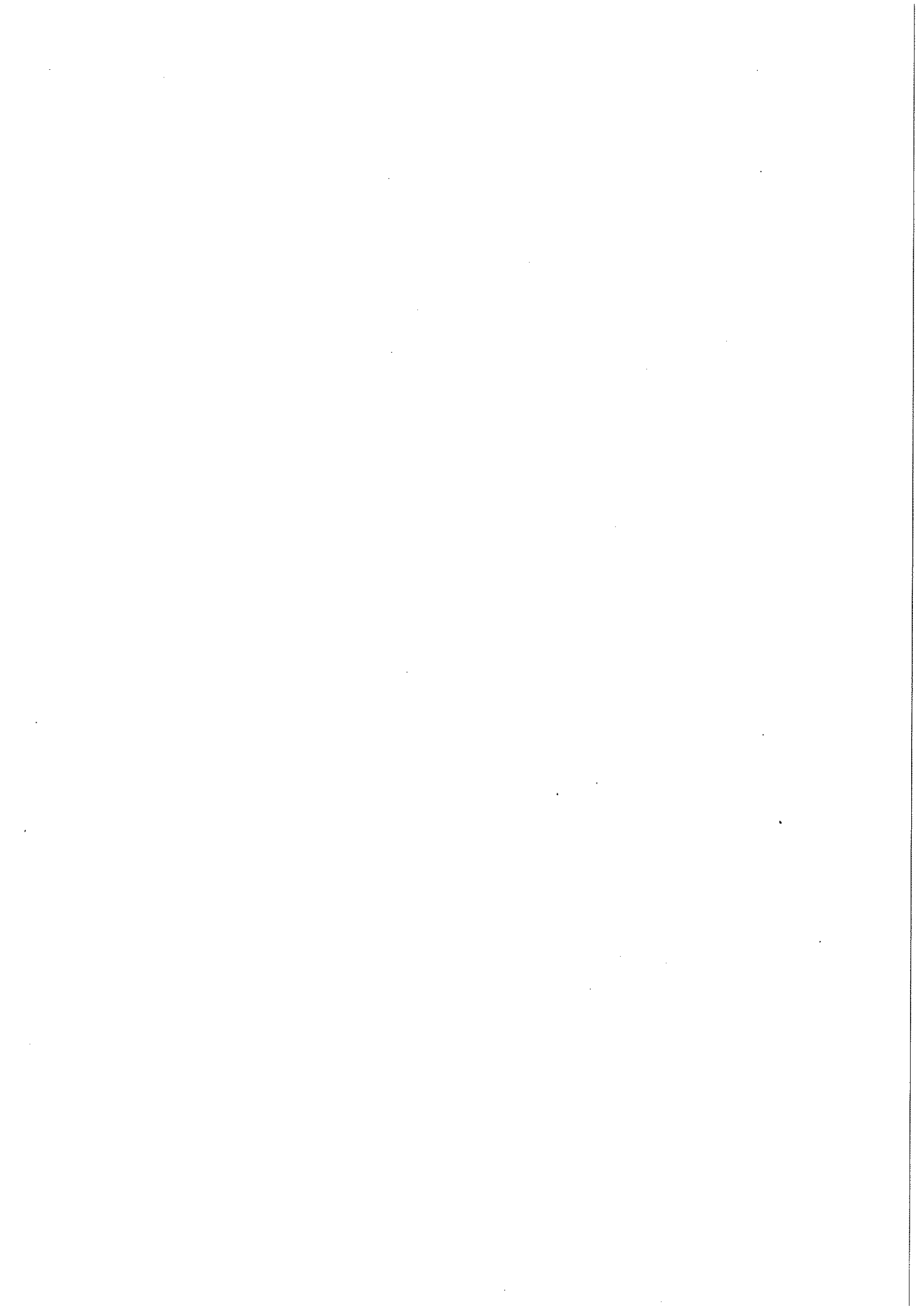
In 2014–15 the ILC continued measuring and monitoring its carbon footprint (an assessment measuring the greenhouse gas emissions from the operations of a business or the lifecycle of a product). The emissions associated with electricity, staff travel and paper purchases are the most significant generated from ILC office activities. Emissions fell across all measured areas compared with the previous financial year, reflecting the reduction in travel and the increased purchase of carbon-neutral paper.

To enable a better understanding of the emissions profile and intensity of ILC offices and ILC subsidiaries, further work is planned in 2015–16 to establish a carbon footprint baseline for the ILC Group. Establishment of such a baseline could serve a number of purposes including better management of emissions, financial benefits to the ILC Group, the potential to promote emissions' management as an indicator of the ILC Group's corporate social responsibility, and enabling a component of the ILC Group to plan for potential carbon-neutral certification in the future.





Our People



Human resource management

In 2014–15 the ILC continued to maintain and refine its strategies to manage and develop employees.

Indigenous Employment Strategy

The ILC's Indigenous Employment Strategy (IES) complements the training and employment strategies delivered through the *Our Land Our Jobs* Programme. The IES is monitored through the Indigenous Consultative Group (ICG), made up of Indigenous employees elected from each ILC office, in conjunction with the Manager, Human Resources.

The IES has four objectives:

- Increase Indigenous recruitment to the ILC
- Develop Indigenous employees' skills and career pathways
- Increase retention of Indigenous employees
- Foster awareness and understanding of Indigenous cultures within the ILC.

In 2014–15 the Chief Executive Officer (CEO) met twice with the ICG to discuss development of the IES and the ILC's learning and development strategies.

The Reconciliation Action Plan developed last financial year in conjunction with the ICG was finalised this year, endorsed by Reconciliation Australia and launched at an event in Parliament House, Canberra, in July 2015. The RAP is based on three principles:

- Building relationships with Indigenous peoples
- Maintaining respect for the diversity of ideas, backgrounds and cultures of Indigenous peoples, our staff and other stakeholders
- Providing opportunities for the ILC's Aboriginal and Torres Strait Islander staff.

Performance indicators measure the success of the RAP. Outcomes achieved in 2014–15 are set out below.

Developmental/entry-level programmes

- Three Indigenous trainees were employed in ILC offices and one completed a traineeship.
- Indigenous cadets were employed through the National Indigenous Cadetship Project, with all four cadet positions filled at the end of the reporting period.

Education assistance

- Three Indigenous employees received studies assistance to attend university part-time, and three were assisted to undertake diploma/certificate qualifications part-time.

Recruitment

- Two Indigenous candidates were engaged, one at the Senior Executive level.

Performance management

ILC employees participate in a Performance Evaluation and Management Programme. The process begins with the manager and employee discussing expectations and agreeing on performance indicators for the upcoming performance cycle. Performance is then formally assessed against the indicators twice a year. Work Performance Tools are available to assist managers to assess performance and identify learning and development opportunities.

Learning and development

The ILC encourages a learning culture. In preparation for the introduction of the *Our Land Our Future* Programme this financial year, a consultant was engaged to deliver 'impact investment' training to staff involved in programme delivery. The ILC also supported training for employees in the following areas:

- Indigenous cultural awareness for new employees, with refresher courses for existing employees
- the prevention of bullying and harassment, including training for Harassment Contact Officers
- business report writing
- records and information management
- payroll and taxation
- leadership and management
- Microsoft applications.

The ILC offers a Studies Assistance Scheme which provides an allowance for course costs and paid leave to attend courses.

National Disability Strategy

The former Commonwealth Disability Strategy has been superseded by the National Disability Strategy 2010–20, which sets out a ten-year national policy framework to improve the lives of people with a disability, promote participation and create a more inclusive society. A high-level biennial report will track progress against each of the six outcome areas of the Commonwealth Disability Strategy and present a picture of how people with disabilities are faring. These reports can be found at www.dss.gov.au.

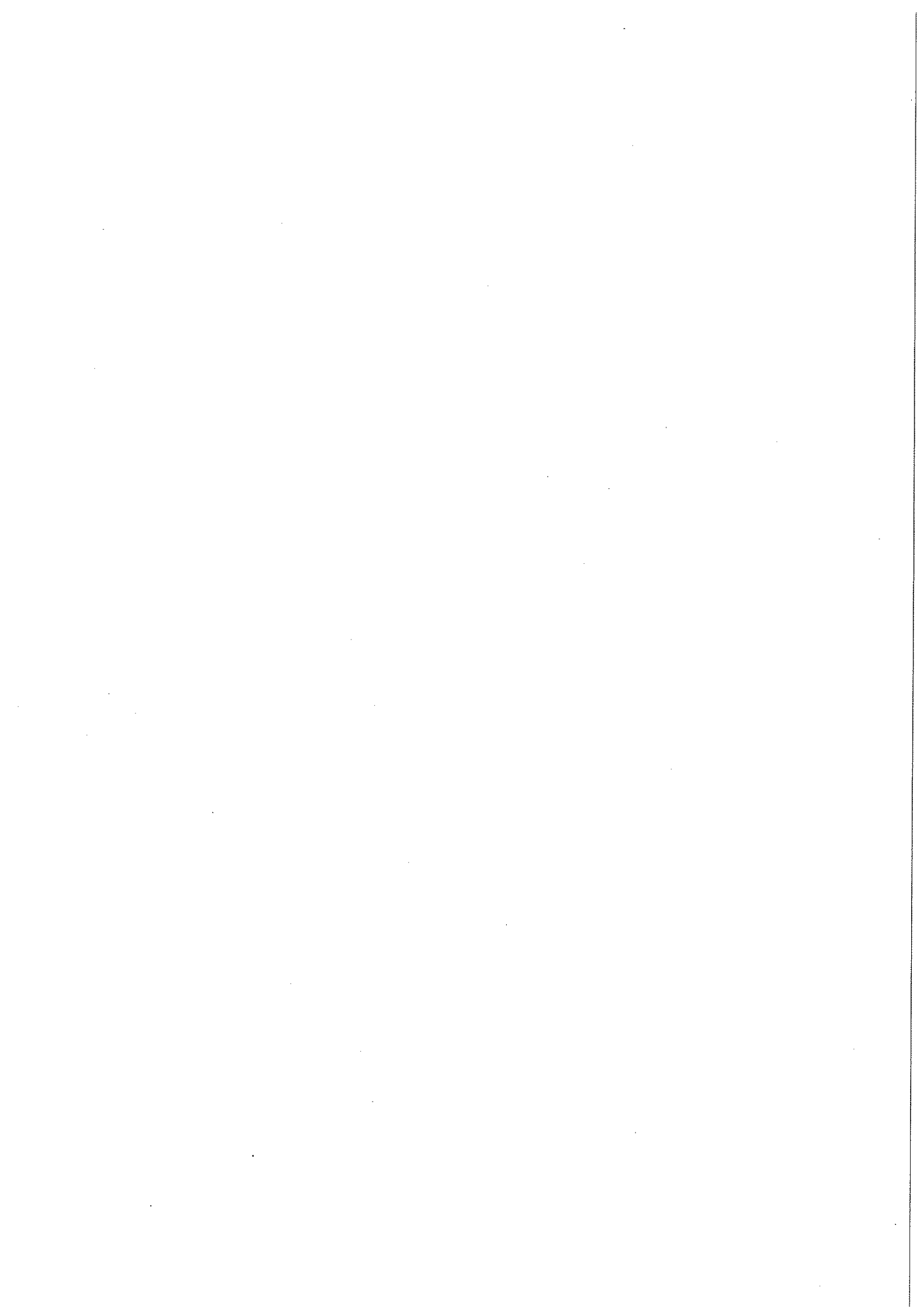


Table 18: ILC employees (FTE) by diversity group, at 30 June 2015

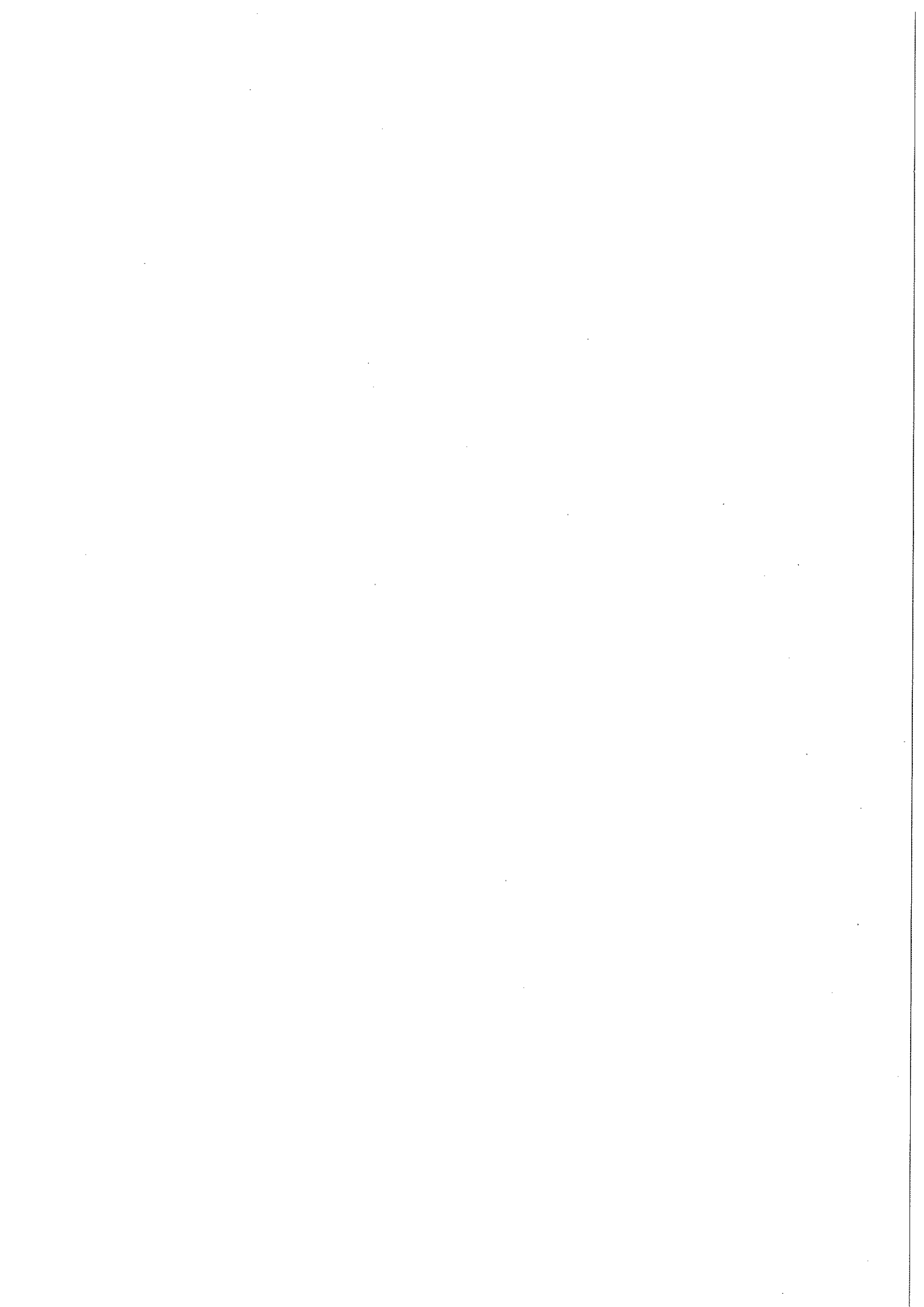
	Non-Indigenous		Indigenous		Total	
	13-14	14-15	13-14	14-15	13-14	14-15
Business Employment and Training	8.0*				8.0	
Female	1.0				1.0	
Male	7.0				7.0	
Central Divisional Office	8.0	7.6	7.0	7.8	15	15.4
Female	3.0	2.8	6.0	6.8	9.0	9.6
Male	5.0	4.8	1.0	1.0	6.0	5.8
Eastern Divisional Office	7.8	7.8	7.0	8.0	14.8	15.8
Female	2.8	2.8	4.0	5.0	6.8	7.8
Male	5.0	5.0	3.0	3.0	8.0	8.0
Western Divisional Office	8.0	7.6	8.0	6	16	13.6
Female	7.0	6.6	4.0	3.0	11.0	9.6
Male	1.0	1.0	4.0	3.0	5.0	4.0
Head Office	40.0	36.8	12.0	8.0	52.0	44.8
Female	18.0	19.8	10.0	6.0	28.0	25.8
Male	22.0	17.0	2.0	2.0	24.0	19.0
Grand total	71.8	59.8	34	29.8	105.8	89.6

* Employees seconded to NIPE during the year.

Table 19: ILC employees (FTE) by classification and diversity group, at 30 June 2015

Classification	Female			Male			Grand total
	Indigenous	Non-Indigenous	Total	Indigenous	Non-Indigenous	Total	
ILC1: \$46,000-\$55,000	6.8		6.8	2.0	-	2.0	8.8
ILC2: \$57,000-\$69,000	7.0	5.2	12.2	2.0	1.0	3.0	15.2
ILC3: \$71,000-\$87,000	5.0	12.2	17.2	1.0	10.8	11.8	29.0
EL: \$94,000-\$128,000		10.6	10.6	1.0	12.0	13.0	23.6
Legal: \$56,000-\$130,000	1.0		1.0	-	2.0	2.0	3.0
SE: >\$128,000	1.0	4.0	5.0	3.0	2.0	5.0	10.0
Grand total	20.8	32.0	52.8	9.0	27.8	36.8	89.6

EL = Executive Level
SE = Senior Executive



Employee arrangements: Voyages

Voyages Indigenous Tourism Australia (Voyages) Pty Ltd is a wholly-owned subsidiary of the ILC. At 30 June 2015, Voyages had 804 employees at Ayers Rock Resort, 42 at Home Valley Station and 90 at Mossman Gorge Centre, with 81 in the Voyages Corporate Office, Sydney (all figures head count).

Voyages employee numbers include six executive team members whose remuneration and benefit arrangements include a discretionary annual bonus, mobile phone, food and beverage allowance and use of company vehicles and housing. Other Voyages employees are engaged variously under a Common Law Contract, an Enterprise Agreement or a relevant Modern Award. Benefits available to employees include: relocation reimbursement, uniforms, flexible work arrangements, study support, training courses, and career development opportunities. A number of senior Voyages employees received performance payments during the year.

In 2014–15 Voyages engaged 821 new employees (373 female and 448 male); 733 employees separated, a 74 per cent turnover (2013–14: 78 per cent). At 30 June 2015 the proportion of Indigenous employees was 35 per cent (2013–14: 34.5 per cent), and of female employees 48.2 per cent (2013–14: 56.8 per cent).

Table 23 provides data on a position basis (not FTE). Remuneration ranges in Table 24 are provided on an annual equivalent excluding superannuation.

Employee arrangements: NCIE

The National Centre of Indigenous Excellence (NCIE) Ltd is a wholly-owned subsidiary of the ILC. At 30 June 2015, the NCIE had 99 employees (head count), compared to 113 at the end of 2013–14. NCIE employees, including executive team members, are engaged on Individual Employment Agreements. Benefits provided under these agreements include an employee assistance programme, training and development courses, salary sacrificing provisions and vaccinations. Many NCIE employees are engaged on a casual basis.

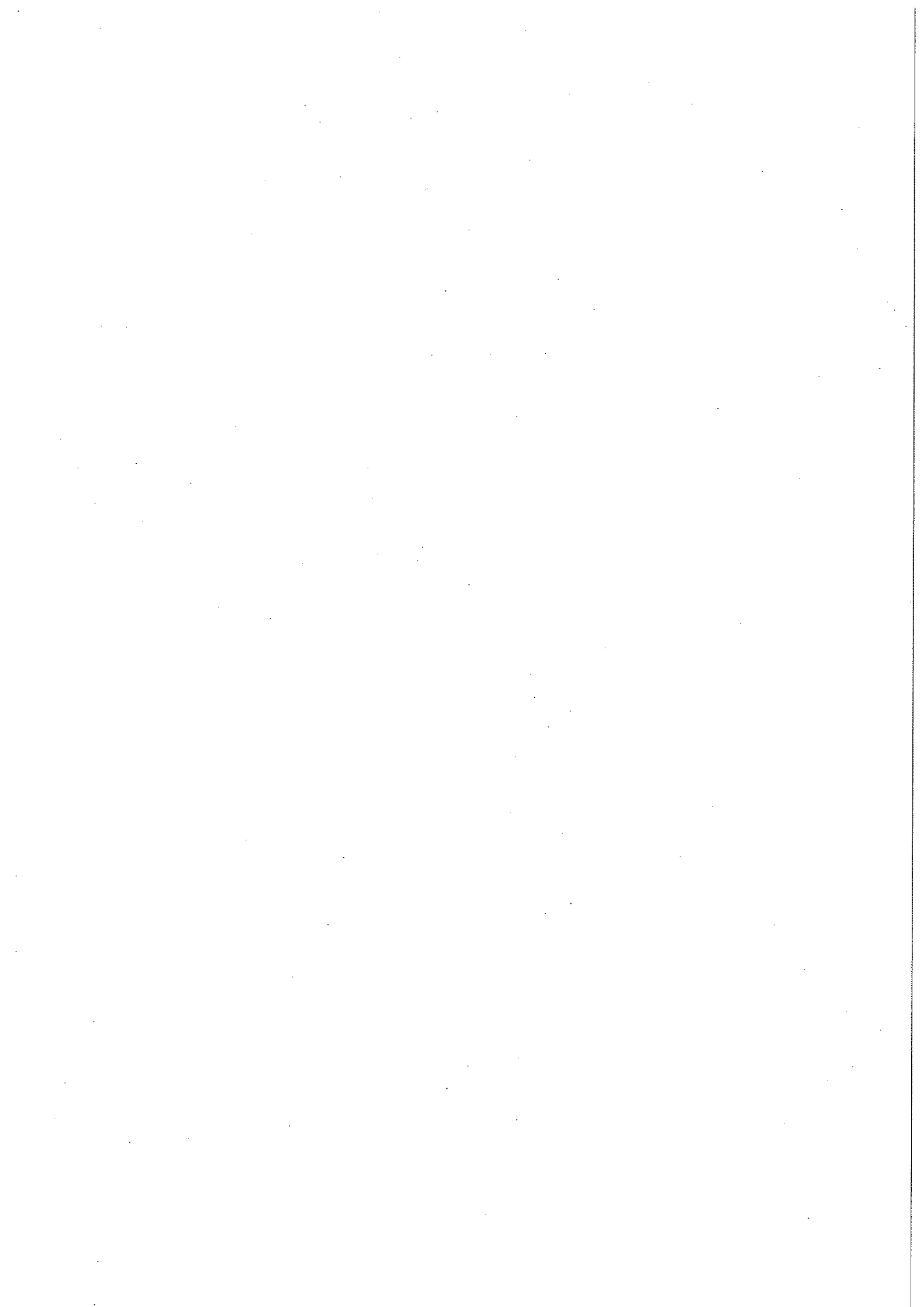
No NCIE employee received a performance payment during the year.

During 2014–15 the NCIE engaged 36 new employees (20 female and 16 male). Sixty-two employees separated during the year, a 54.9 per cent turnover (2013–14: 53.1 per cent). At 30 June 2015 the proportion of Indigenous employees was 49.5 per cent (2013–14: 57.5 per cent), and of female employees 51.5 per cent (2013–14: 46 per cent).

During the year staff participated in training across a range of areas: cultural engagement, hospitality, life saving, cultural and intellectual property, media production, art and design and marketing. All staff attended a comprehensive workplace bullying and harassment course. Non-Indigenous staff attended cultural awareness training. All necessary staff completed Working with Children Checks.

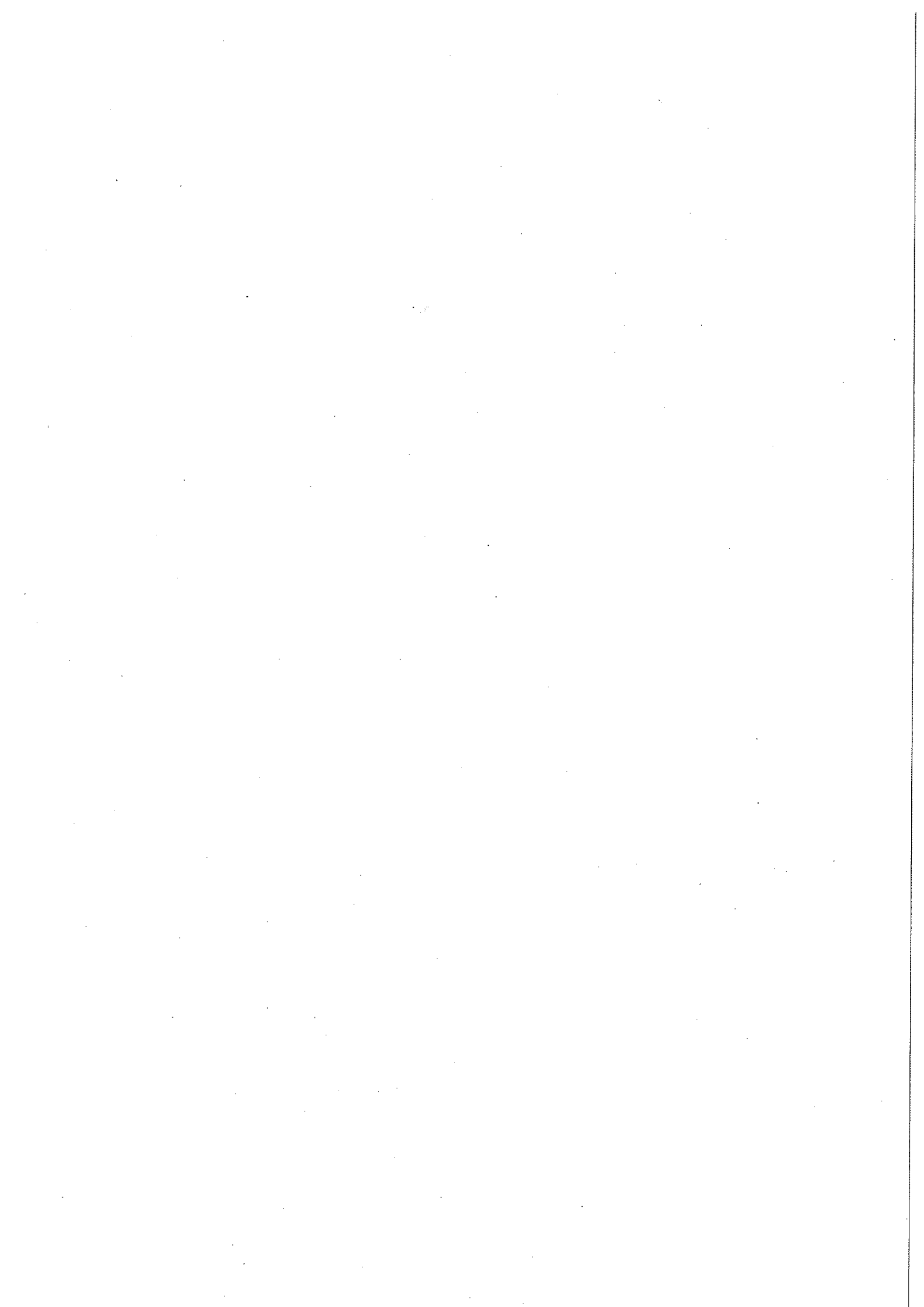
Table 22: Voyages employees by diversity group, at 30 June 2015

	Non-Indigenous		Indigenous		Total	
	13–14	14–15	13–14	14–15	13–14	14–15
Northern Territory	537	542	241	262	778	804
Female	237	233	97	130	334	363
Male	300	309	144	132	444	441
Queensland	10	10	81	80	91	90
Female	3	4	42	43	45	47
Male	7	6	39	37	46	43
Western Australia	27	30	13	12	40	42
Female	10	14	5	3	15	17
Male	17	16	8	9	25	25
New South Wales	66	79	2	2	68	81
Female	53	61	1	2	54	63
Male	13	18	1	0	14	18
Grand total	640	661	337	356	977	1,017





Financial Administration



Overview of ILC Group financial results

Under section 191H of the ATSI Act, the ILC can invest money of the ILC. The ILC Group had \$48.5 million in cash reserves and investments at 30 June 2015 (30 June 2013–14: \$51.4 million). The funds are used to supplement the ILC's annual income for servicing the debt on Ayers Rock Resort and for functional and operational expenditure.

The ILC acquires land for granting an interest in that land to Aboriginal and Torres Strait Islander corporations. At 30 June 2015, the ILC held properties at a value of \$162 million (excluding Ayers Rock Resort). While the ILC holds properties, it is responsible for maintenance and statutory costs.

The ILC holds properties for grant that have a significant amount of livestock on them. At 30 June 2015 the ILC Group held 100,457 head of livestock at a value of \$44.3 million. In accordance with Australian Accounting Standards, the ILC values the livestock on a mark-to-market basis. Accordingly, positive change in the market value of livestock in any given period is recognised as a gain, while negative movement is recognised as an expense in the Income Statement. Transfers between properties do not create actual profits or losses. (See Part 2 of this report for commentary on ILC-operated businesses.)

The ILC 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 value at reporting date.

An independent valuation of the non-financial assets of Ayers Rock Resort was undertaken at 30 June 2015. The fair value of these assets was assessed to be \$248 million at that date, representing a fair value increase of \$23 million against the previous impairment. The accumulated impairment loss is \$62 million.

In addition to direct spending on land acquisition and land management, the ILC Group incurs travel and staff costs related to:

- conducting community consultations
- managing land held by the ILC, pending grant
- monitoring activities related to the ILC's land acquisition and land management functions
- providing management and administrative support to commercial businesses run on ILC-held properties
- evaluating programmes and opportunities.

The ILC 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 ILC business activities
- changes in the market value of livestock.

Total resourcing of the agency represents the funds available to the ILC to carry out its legislated functions.

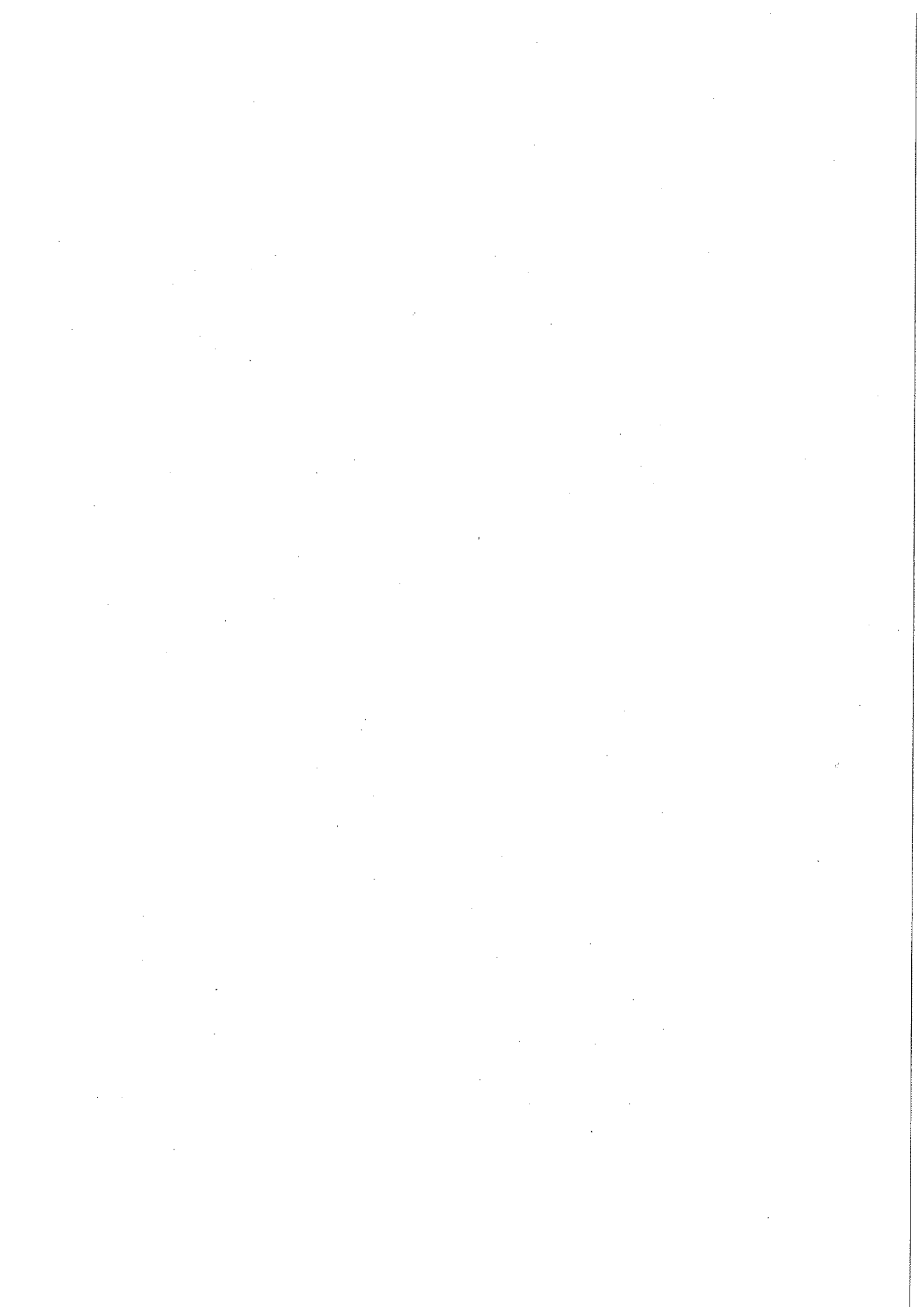
In accordance with the Australian Government's budgetary framework, the ILC prepares budget estimates in May of each year for the coming financial year and three future years.

Management of investment funds

The ILC has accumulated surpluses from previous years. The ILC invests its funds in accordance with policy set by the ILC Board. Section 193K of the ATSI Act exempts the ILC from complying with section 59(1) of the PGPA Act dealing with authorised investments. The investment policy objectives are: the protection of the investments' capital value, the maintenance of liquidity and the achievement of high rates of return with minimal risk. The investment portfolio is monitored by the Board and supplements annual payments from the Land Account to fund the ILC's functional and operational expenditure.

Asset management

Asset Management Registers are maintained for all ILC assets and other portable and attractive items. Adequate insurance is maintained on all assets and reviewed bi-annually. A stocktake is undertaken at least annually. Where the ILC conducts a commercial business on a property, the assets are independently valued annually (excluding Ayers Rock Resort).





INDEPENDENT AUDITOR'S REPORT

To the Minister for Indigenous Affairs

I have audited the accompanying annual financial statements of the Indigenous Land Corporation and the consolidated entity for the year ended 30 June 2015, which comprise:

- Statements by the Accountable Authority, Chief Executive Officer and Chief Financial Officer;
- Statements of Comprehensive Income;
- Statements of Financial Position;
- Statements of Changes in Equity;
- Cash Flow Statements;
- Schedules of Commitments;
- Schedules of Contingencies; and
- Notes to and forming part of the financial statements, including a Summary of Significant Accounting Policies.

The consolidated entity comprises the Indigenous Land Corporation and the entities it controlled at the year end or from time to time during the year.

Accountable Authority's Responsibility for the Financial Statements

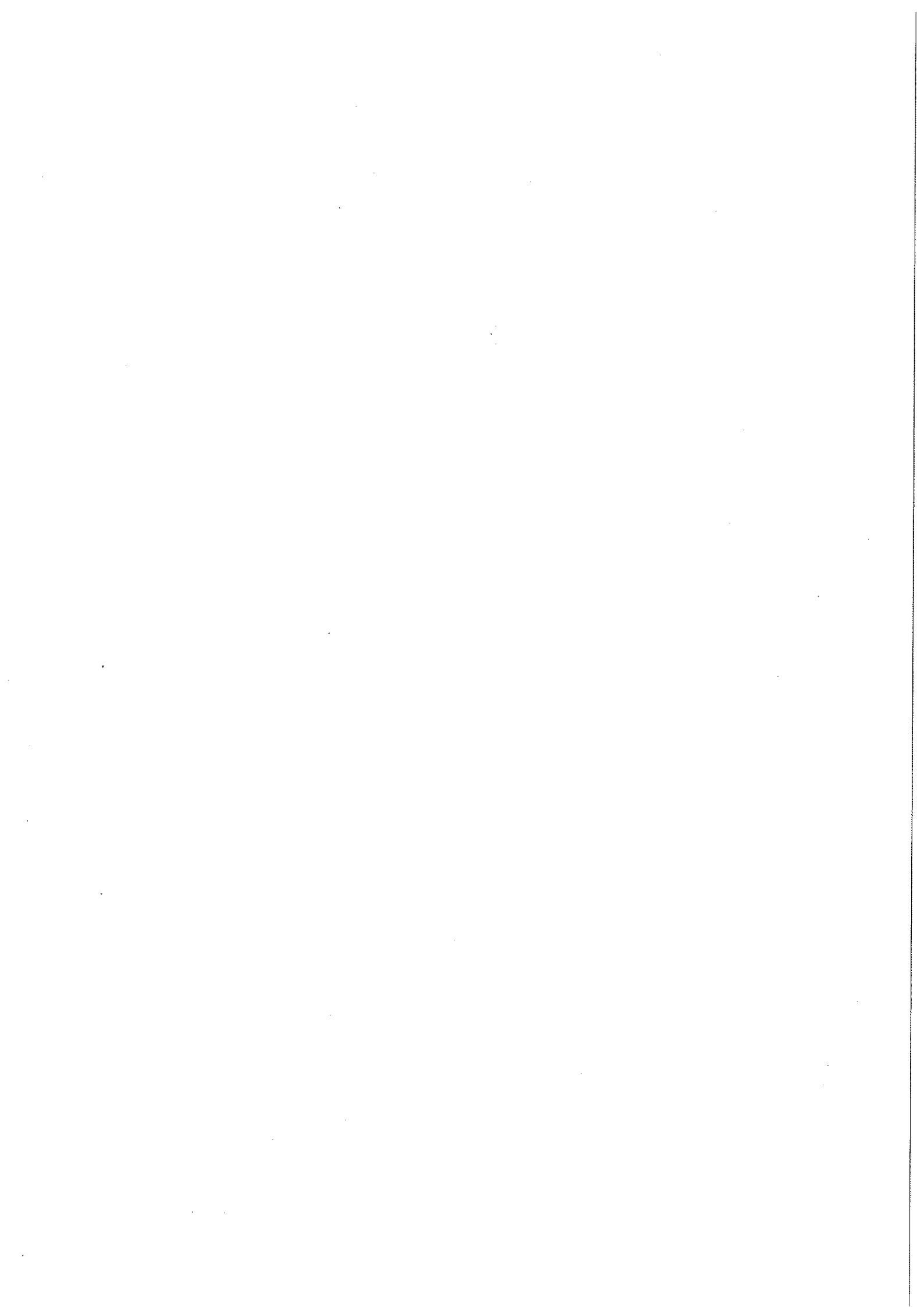
The directors of the Indigenous Land Corporation are responsible under the Public Governance, Performance and Accountability Act 2013 for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards and the rules made under that Act. The directors are also responsible for such internal control as is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These auditing standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Accountable Authority of the entity, as well as evaluating the overall presentation of the financial statements.

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**Australian Government
Indigenous Land Corporation**


ABN 53 911 679 154

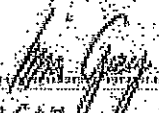
Statement by the Accountable Authorities, Chief Executive Officer and Chief Financial Officer

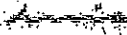
In our opinion, the attached financial statements for the year ended 30 June 2015 comply with subsection 4(2) of the Public Governance, Performance and Accountability Act 2013 (PGPA Act), and are based on properly maintained financial records as per subsection 4(3) of the PGPA Act.

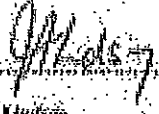
In our opinion, at the date of this statement, there are reasonable grounds to believe that the Corporation will be able to pay its debts as and when they become due and payable.

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

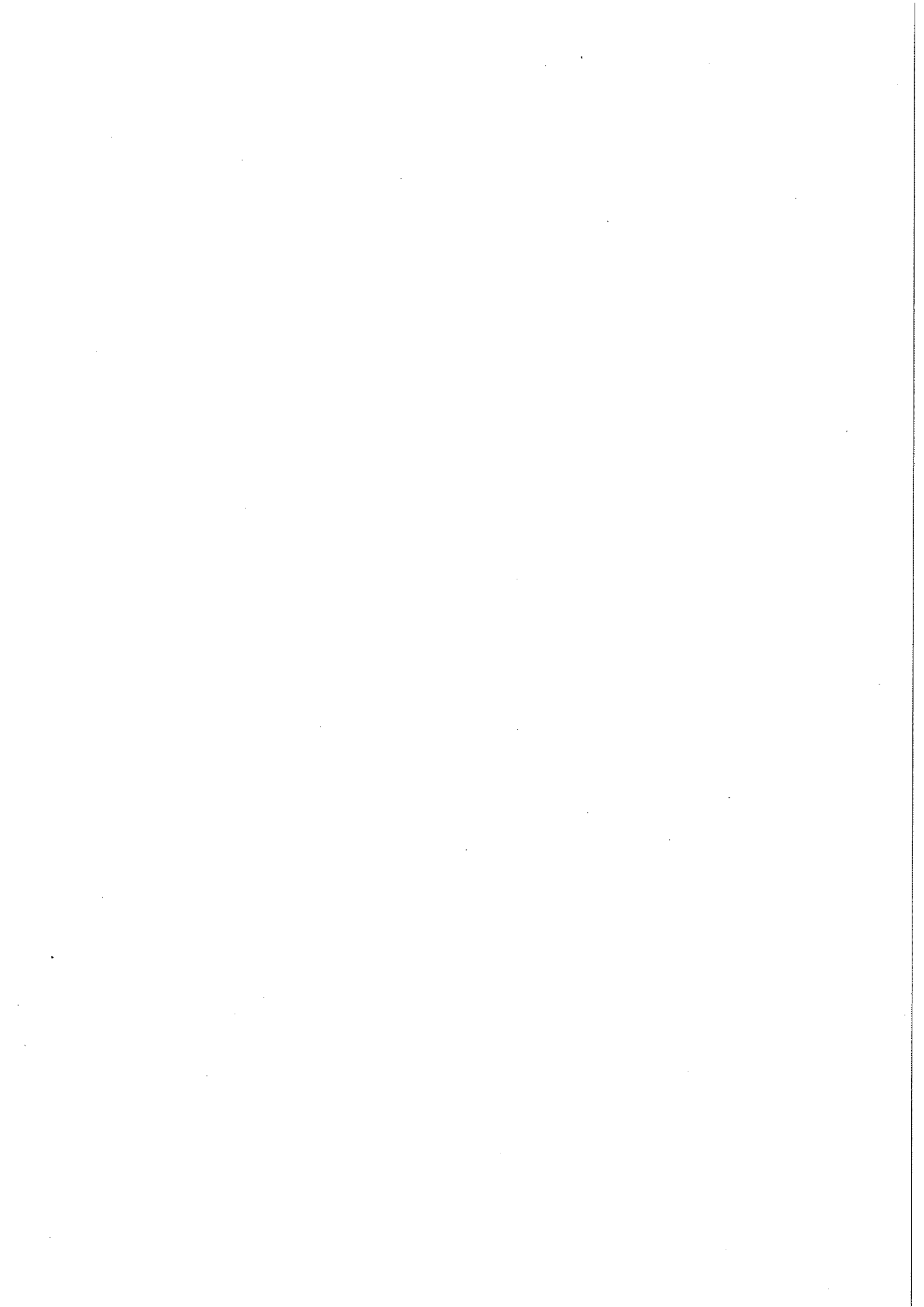
Signed: 
Dr Dawn Carey
Chairperson
Accountable Authority

Signed: 
Lisa Carey
Director
Accountable Authority

Signed: 
Mr Andrew Dillon
Chief Executive Officer

Signed: 
Mr Justin Lindsay
Chief Financial Officer

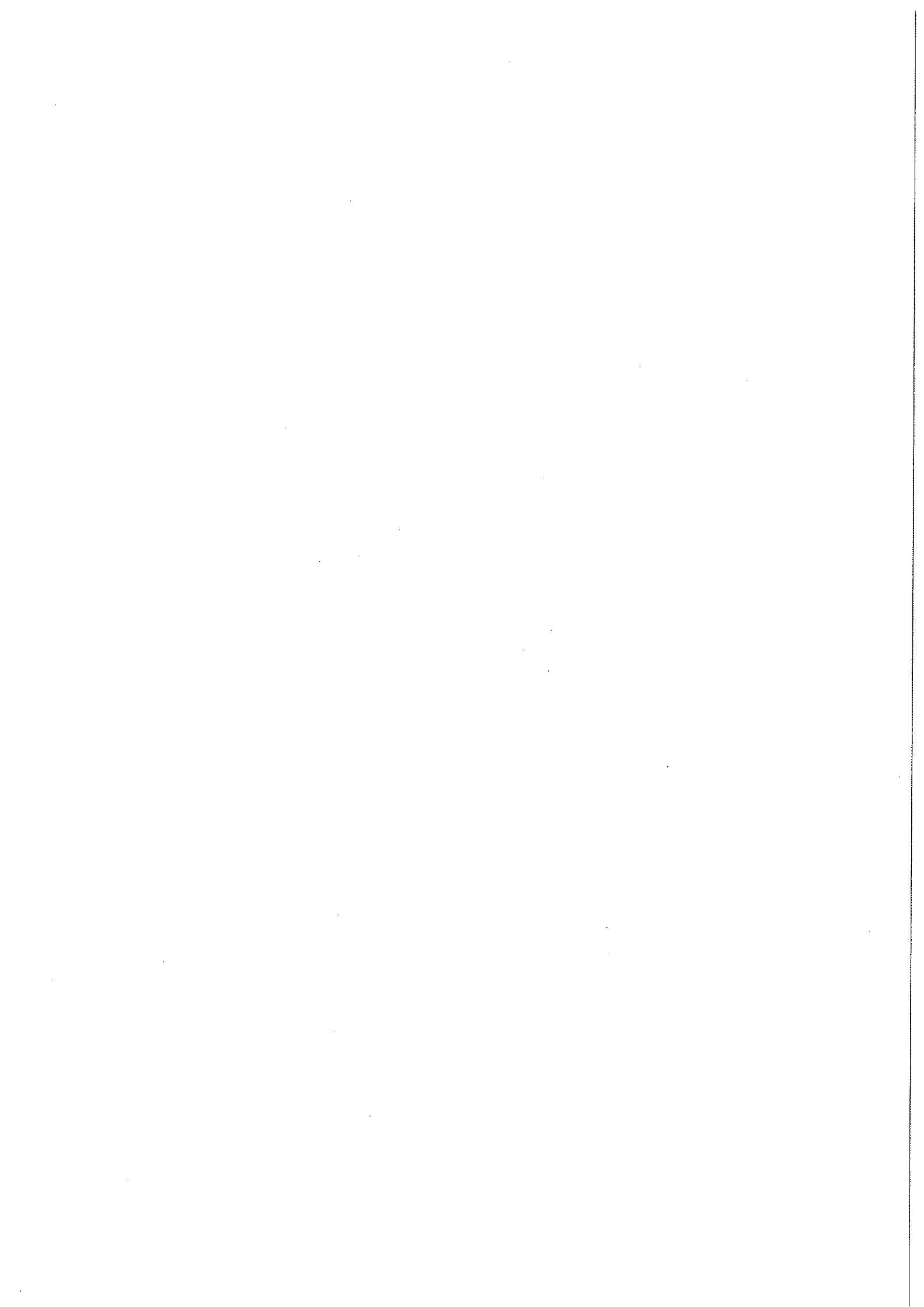
16 September 2015



Statement of Financial Position as at 30 June 2015

	Notes	Consol 2015 \$,000	Consol 2014 \$,000	ILC 2015 \$,000	ILC 2014 \$,000
ASSETS					
Financial assets					
Cash and cash equivalents	9A	48,477	51,403	31,753	38,721
Trade and other receivables	9B	9,930	12,037	4,868	6,811
Investments	9C	10,000	-	24,045	-
Other financial assets	9D	93	327	337,342	321,744
Total financial assets		68,500	63,767	398,008	367,277
Non-financial assets					
Biological assets	10A	44,277	35,687	31,938	35,687
Inventory – other	10B	4,428	4,135	355	277
Held for sale assets	10C	-	345	-	345
Inventory – property held for grant	10D	136,419	149,531	136,419	149,531
Assets held in trust	10E	25,773	25,773	25,773	25,773
Land	10F	48,342	44,016	-	-
Property, plant and equipment	10G	282,892	272,670	84,026	92,141
Intangible assets and goodwill	10I	5,847	5,507	188	248
Other non-financial assets	10M	6,649	7,101	6,098	6,563
Deferred tax asset	5J	167	-	-	-
Total non-financial assets		554,794	544,765	284,797	310,565
Total Assets		623,294	608,532	682,805	677,842
LIABILITIES					
Payables					
Suppliers	11A	13,725	14,102	6,272	5,498
Other payables	11B	22,487	19,323	20,382	19,121
Interest bearing loans	11C	198,000	198,000	138,000	138,000
Total payables		234,212	231,425	164,654	162,619
Provisions					
Employee provisions	12A	8,666	7,633	2,940	2,802
Provision for property held for grant	10D	136,419	149,531	136,419	149,531
Provision for assets held in trust	10E	25,773	25,773	25,773	25,773
Provision for make good	12B	403	403	403	403
Total provisions		171,261	183,340	165,535	178,509
Total Liabilities		405,473	414,765	330,189	341,128
NET ASSETS		217,821	193,767	352,616	336,714
EQUITY					
Parent entity interest					
Reserves		5,212	5,794	5,077	5,724
Retained surplus		212,609	187,973	347,539	330,990
Total Parent Entity Interest		217,821	193,767	352,616	336,714
TOTAL EQUITY		217,821	193,767	352,616	336,714

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

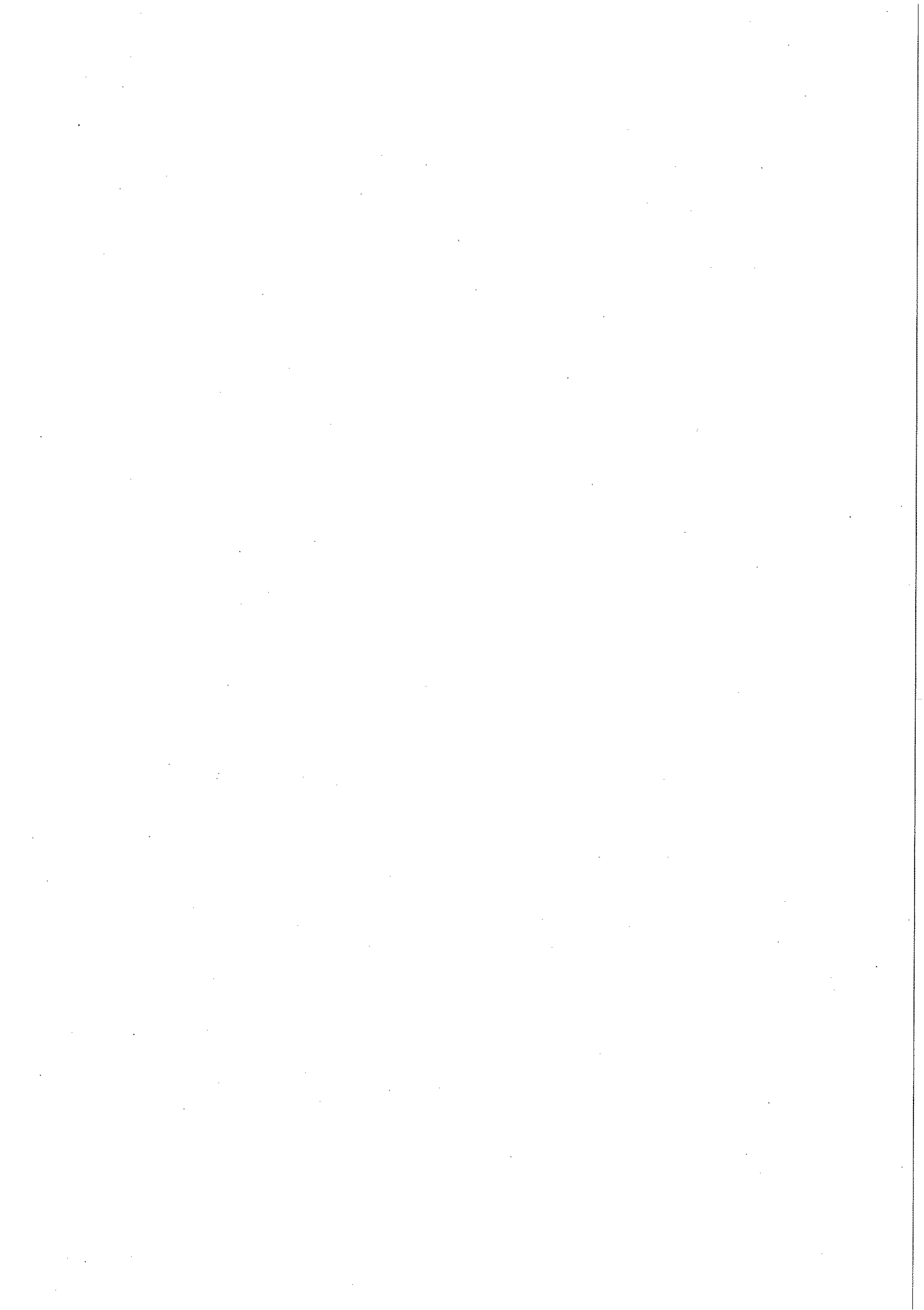


**Statement of Changes in Equity
for the year ended 30 June 2015**

ILC

	Retained Earnings		Asset Revaluation Reserve		Total Equity	
	2015	2014	2015	2014	2015	2014
	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000
Opening Balance	330,990	325,772	5,724	6,874	336,714	332,646
Balance carried forward from previous period		767		(767)		
Adjustment on correction of error (refer Note 1.30)						
Adjusted opening balance	330,990	326,539	5,724	6,107	336,714	332,646
Comprehensive Income						
Surplus for the period	15,639	4,373			15,639	4,373
Other comprehensive income			263	(305)	263	(305)
Fair value revaluation of property plant and equipment			263	(305)	263	(305)
Total comprehensive income attributable to the Australian Government	15,639	4,373	263	(305)	15,902	4,068
Amount transferred from revaluation reserve for property, plant and equipment disposed of	910	78	(910)	(78)		
Closing balance attributable to the Australian Government	347,539	330,990	5,077	5,724	352,616	336,714

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



Schedule of Commitments as at 30 June 2015

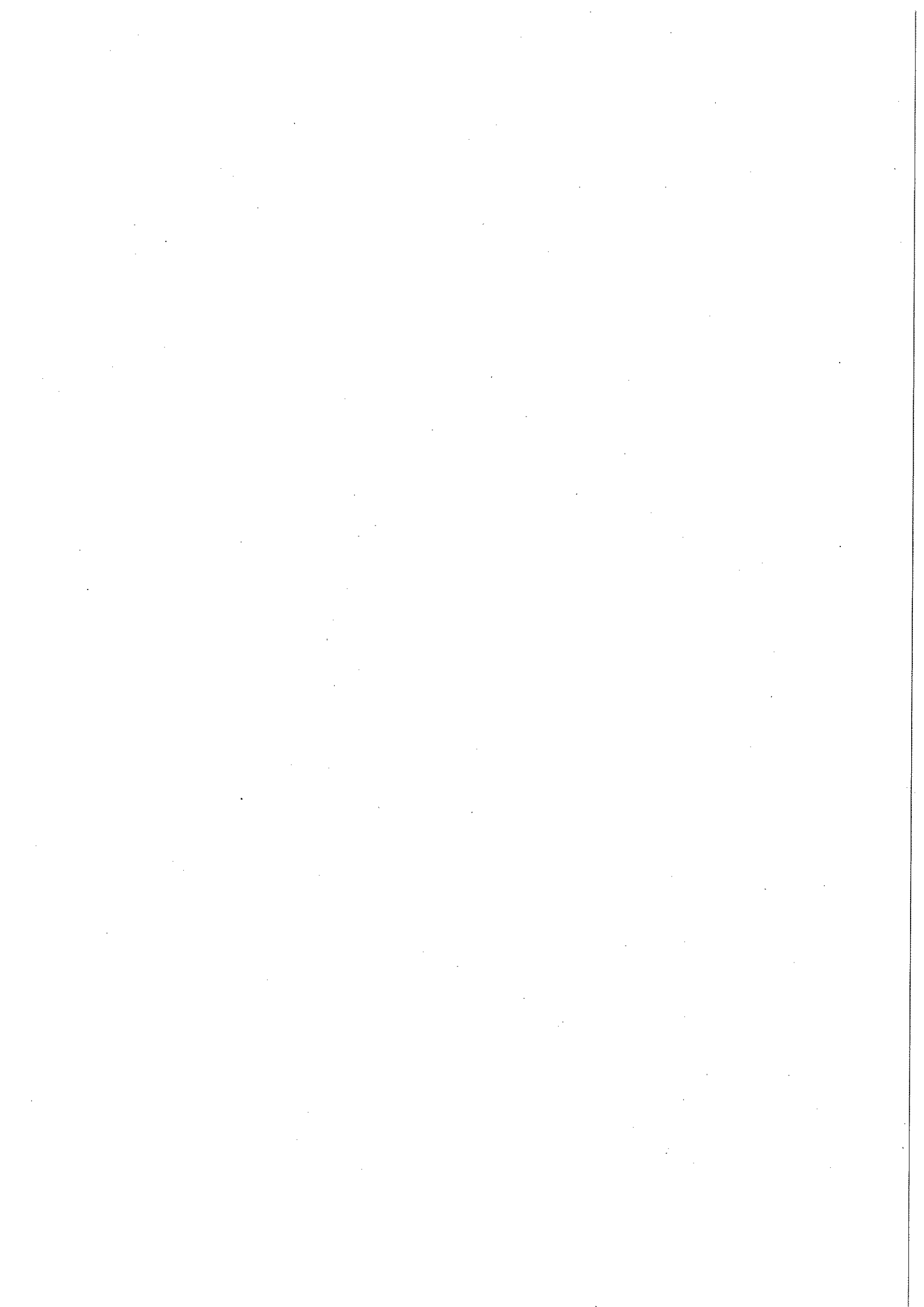
TYPE	Consol 2015 \$,000	Consol 2014 \$,000	ILC 2015 \$,000	ILC 2014 \$,000
Commitments receivable¹				
Goods and services tax	(2,086)	(3,162)	(562)	(715)
Leases	(9,004)	(12)		
Sale of biological assets	(733)		(733)	
Total commitments receivable	(11,823)	(3,174)	(1,295)	(715)
Capital commitments				
Other ²	1,847	494		
Total capital commitments	1,847	494		
Other commitments				
Operating leases ³	30,836	33,823	6,918	7,861
Other ⁴		476		
Total other commitments	30,836	34,299	6,918	7,861
Net commitments by type	20,860	31,619	5,623	7,146
BY MATURITY				
Commitments receivable				
One year or less	(2,019)	(448)	(801)	(131)
From one to five years	(4,676)	(976)	(168)	(447)
Over five years	(5,128)	(1,750)	(326)	(137)
Net commitments receivable	(11,823)	(3,174)	(1,295)	(715)
Capital commitments				
One year or less	1,847	494		
Net capital commitments	1,847	494		
Other commitments				
One year or less	3,005	4,314	1,489	1,442
From one to five years	8,120	10,731	1,847	4,913
Over five years	19,711	19,254	3,582	1,506
Net other commitments	30,836	34,299	6,918	7,861

The amounts reported as at 30 June 2015 as commitments payable include the GST where relevant.

¹ Commitments receivable comprise:

- Net recoveries of GST in relation to commitments receivable and payable.
- Lease receivable as a result of agreements to lease Voyages and NCIE property to third parties.
- Forward sale of biological assets on hand at the end of the reporting period at a contracted price.

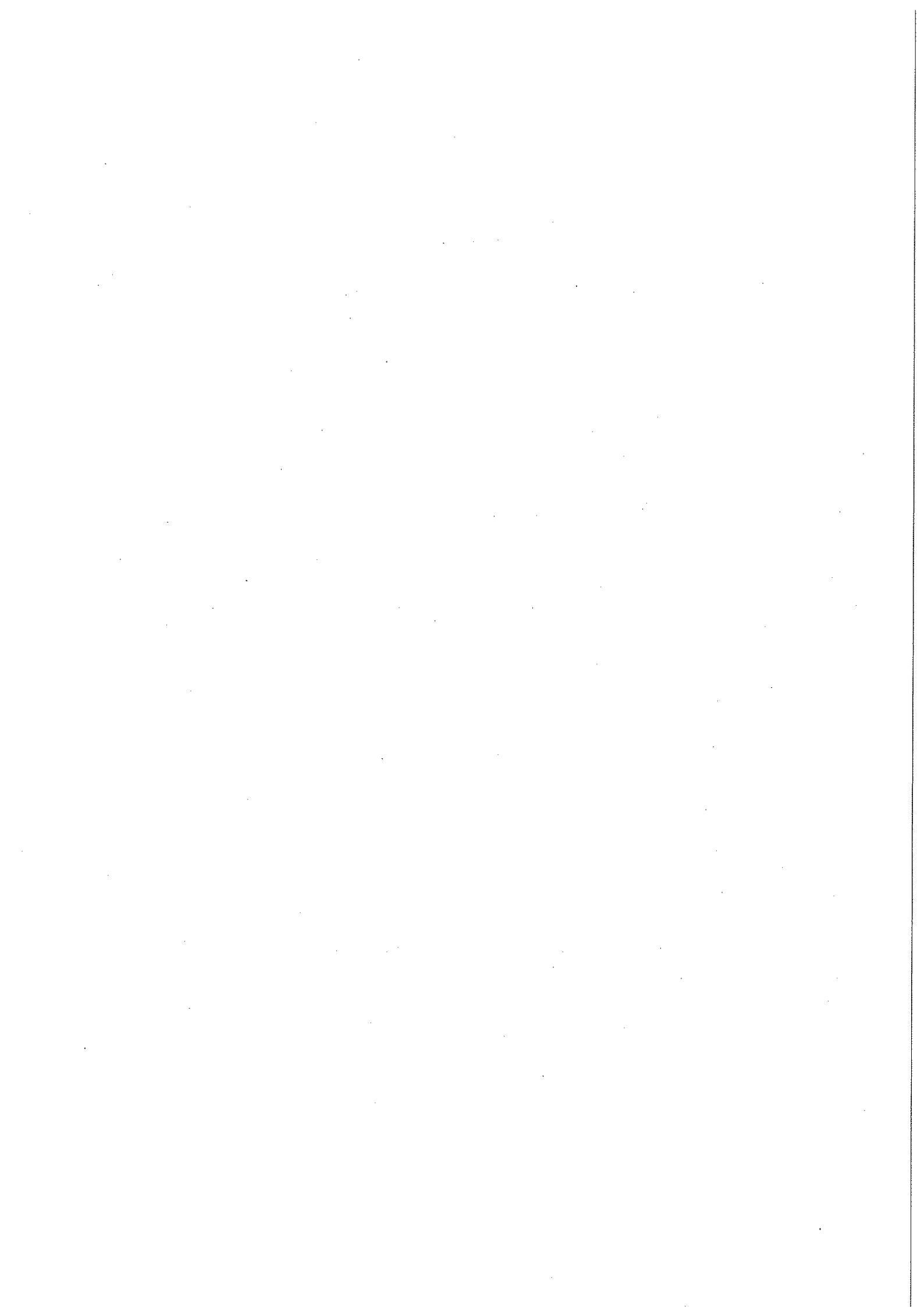
The above statement should be read in conjunction with the accompanying notes.



Schedule of Contingencies as at 30 June 2015

	Notes	Consol 2015 \$,000	Consol 2014 \$,000	ILC 2015 \$,000	ILC 2014 \$,000
Contingent liabilities					
Guarantees	15	-	-	79,600	60,566
Total contingent liabilities				79,600	60,566
Contingent assets					
Claims for damages/costs	15	1,523	2,568		
Total contingent assets		1,523	2,568		
Net contingent assets (liabilities)		1,523	2,568	(79,600)	(60,566)

Details of each class of contingent assets and liabilities, including those not disclosed above because they cannot be quantified or considered remote, are shown in Note 15.



Notes to and forming part of the financial statements for the year ended 30 June 2015

1.3 Principles of consolidation (cont.)

NIPE, NCIE and Voyages are 100% owned by the parent entity and are incorporated in Australia.

On 8 February 2012, the ILC registered a strata title scheme that separated a building owned by the ILC into three 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 ILC 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 the year the ILC transferred one lot to an Aboriginal Corporation. As the ILC still owns two of the three lots it effectively "controls" the The Owners—Strata Plan No 86156.

The Strata Corp is 67% owned by the parent entity and is incorporated in Australia.

Subsidiaries and controlled entities are all those entities (including special purpose entities) over which the ILC has the power to govern the financial and operating policies so as to obtain benefits from their activities.

These entities have applied accounting policies consistent with those of the ILC. The effects of all transactions and balances between the entities are eliminated in full.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent entity.

1.4 Proposed Shareholding in Voyages

In May 2011, the ILC entered into a Deed of Agreement with Wana Ungkunya Pty Ltd (WU) in recognition of the WU non-exercise of its first right of refusal for the purchase of Ayers Rock Resort. In accordance with the deed, WU shall be offered without further consideration, seven percent of the issued share capital in the corporate body established by the ILC to own the assets and operate the tourism business at Ayers Rock Resort, upon the earlier of the discharge of all securities or the 10th anniversary of the agreement. The current corporate body is Voyages. The fair value of the option currently approximates zero.

1.5 Significant accounting judgements and estimates

ILC

In the process of applying the accounting policies in this note, the Corporation has made a judgement regarding the valuation and impairment of property, plant and equipment and intangibles (refer Notes 5H, 10F, 10G and 10I).

All assets were assessed for impairment at 30 June in accordance with *AASB 136 Impairment of Assets*.

Consolidated

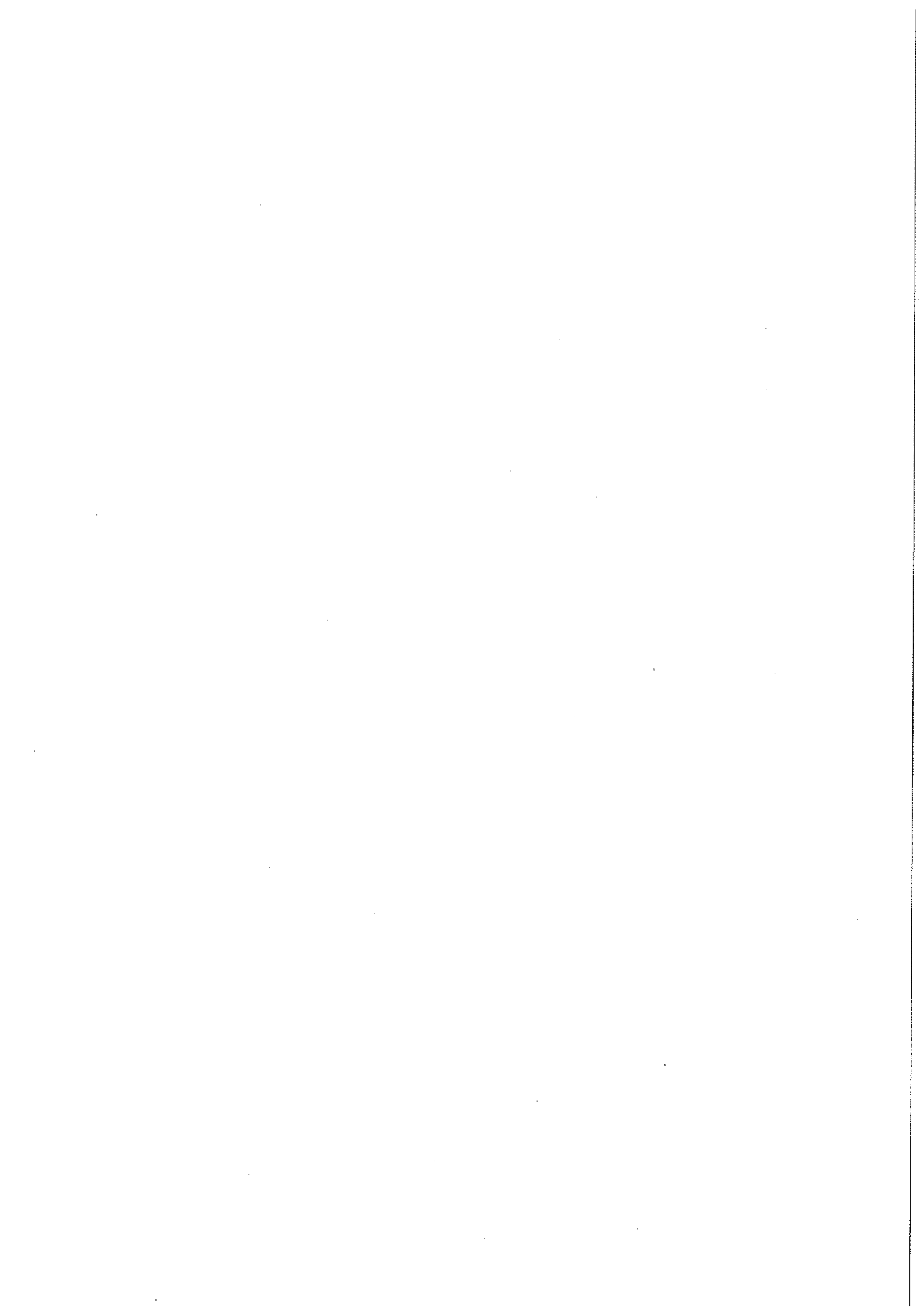
Voyages engaged CBRE Hotels, an accredited hotel valuation and advisory expert, to prepare a valuation of Ayers Rock Resort for the purpose of testing for impairment and assessment of the fair value of assets, less costs to sell of Ayers Rock Resort assets at the balance date. The valuation technique adopted has been a market based capitalisation of earnings. This primary methodology was cross-checked with an income approach, using the discounted cash flow (DCF) method. The capitalisation of earnings method was deemed by CBRE Hotels as a preferred method for the assessment of a hospitality investment based on their experience and following a detailed inspection of Ayers Rock Resort of 13 May 2015.

CBRE Hotels has estimated the fair value less costs to sell of Ayers Rock Resort to be \$248m. A market based capitalisation of the initial earnings before interest, tax depreciation and amortisation (EBITDA) was calculated using a capitalisation of earning rate of 8.5% applied to "Year 1 or 2015-16" cash flow (being approximately equal to Voyages budget for 2015-16) less a notional management fee of \$500,000. This primary valuation was cross checked with a five year discount cash flow analysis using a pre-tax discount rate of 10.5% and a terminal yield of 9.0% at the commencement of the sixth year of the projected cash flow.

A recovery in the market witnessed during the year is expected to continue, which, along with the improvements made to Ayers Rock Resort is expected to see trading levels return to normal historical levels within the five year period. The increase in fair value, in addition to the improved financial performance of Ayers Rock Resort is also driven by a strengthen in investment market conditions.

Voyages Directors considered the range of value estimated by CBRE Hotels and have assessed the risks associated with the cash flow forecast and other key assumptions used to determine the values. Based on these considerations, the Voyages Directors determined that the assets which comprise the cash generating unit (CGU) of Ayers Rock Resort have an aggregate fair value less costs to sell at 30 June of \$248m.

The ILC Board support this valuation for the consolidated financial statements.



Notes to and forming part of the financial statements for the year ended 30 June 2015

1.6 New accounting standards (cont.)

Future Australian Accounting Standards requirements

New standards, revised standards, interpretations and amending standards, issued prior to the signing of the statements by the ILC Chief Executive Officer and Chief Financial Officer, which are applicable to future reporting period are not expected to have a financial impact on the Corporation.

New Australian Accounting Standards not applicable to ILC and Consolidated Entity

Australian Accounting Standard AASB 1055 – *Budgetary Reporting* is a new standard that comes into effect for the financial year ended 30 June 2015. The budgetary reporting requirements in this Standard only apply to an entity within the General Government Sector (GGS) where budgeted information about controlled or administered items are separately identified as relating to that entity within the budgetary information presented to parliament. Accordingly, for example, where:

(a) 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

(b) 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 ILC 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 ILC and its controlled entities other than Voyages and therefore is not a separate individual budget presented to parliament for the ILC entity or any separate entity within the group.

1.7 Revenue

The revenues described in this note are revenues relating to the core operating activities of the Corporation.

Interest is recognised using the effective interest rate method as set out in *AASB 139 Financial Instruments: Recognition and Measurement*.

Revenue from the sale of goods is recognised when:

- the risks and rewards of ownership have been transferred to the buyer;
- the Corporation retains no managerial involvement nor effective control over the goods;
- the revenue and transaction costs can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to the Corporation.

Revenue from rendering of services is recognised by reference to the stage of completion of rendering of service at the reporting date. The revenue is recognised when:

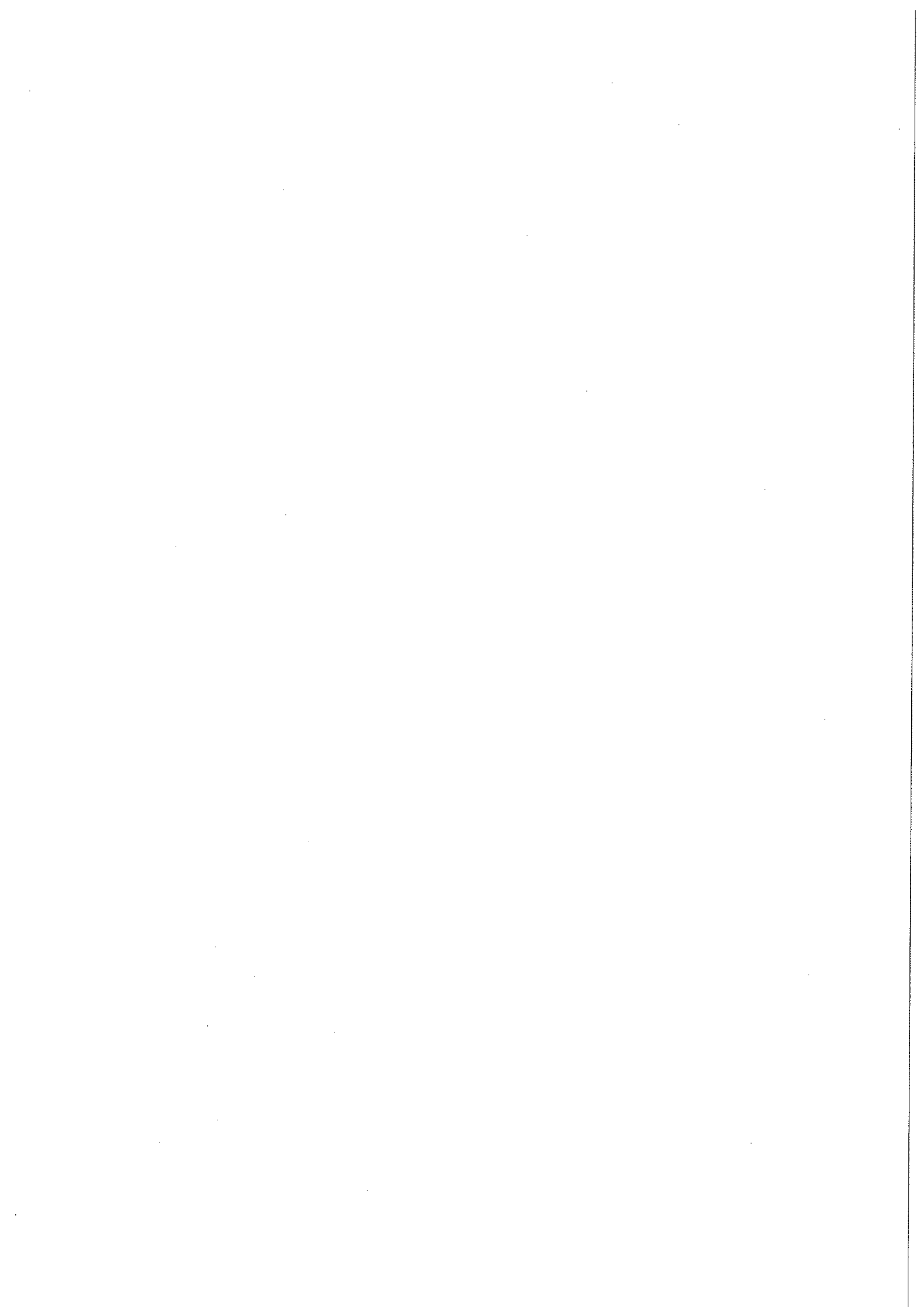
- the amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- the probable economic benefits from the transaction will flow to the Corporation.

See Note 1.22 in relation to recognition of income from biological assets.

1.8 Gains

Gains from disposal of non-current assets are recognised when control of the asset has passed to the buyer.

Contribution of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition.



Notes to and forming part of the financial statements for the year ended 30 June 2015

1.11 Leases

A distinction is made between finance leases and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased assets. An operating lease is a lease that is not a finance lease. In operating leases, the lessor effectively retains substantially all such risks and benefits.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the leased property or, if lower, the present value of minimum lease payments at the inception of the lease, and a liability recognised at the same amount. The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and interest expense.

Operating lease payments are expensed on a basis which is representative of the pattern of benefits derived from the leased assets.

Where the ILC has a lease or a grazing licence over a property, the lease is classified as an operating lease. The total consideration paid by the ILC over the term of the lease, being cash payments and/or capital development, is expensed on a straight line basis over the term of the lease.

Lease incentives taking the form of "free" leasehold improvements and rent holidays are recognised as liabilities. These liabilities are reduced by allocating lease payments between rental expenses and the reduction of the liability.

1.12 Borrowing costs

All borrowing costs are expensed as incurred.

1.13 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 to the Corporation.

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 Corporation 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.

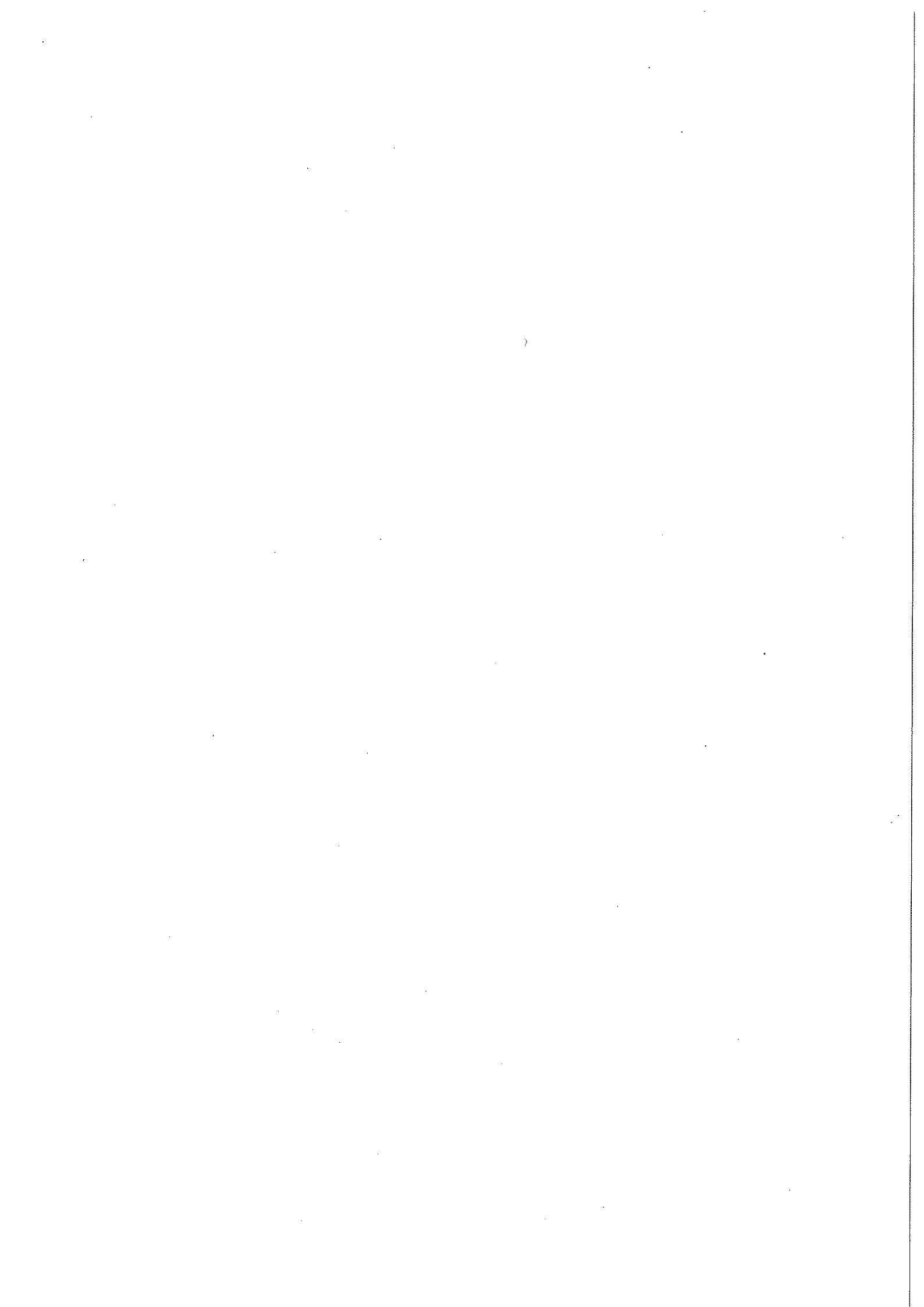
All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Corporation 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 decided upon annually. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

For the purpose of fair value disclosures, the Corporation has determined classes of assets and liabilities on the basis of the nature, characteristics and risk of the asset and liability and the level of the fair value hierarchy as explained above.



Notes to and forming part of the financial statements for the year ended 30 June 2015

1.17 Acquisition of assets

Assets are recorded at cost on acquisition, except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor authority's accounts immediately prior to the restructuring.

1.18 Interest in joint ventures

The ILC's interest in a joint venture is through the joint ownership of one property that is classified as Inventory – property held for grant (see Note 10D). This joint venture does not involve the establishment of a corporation, partnership or other entity to a financial structure that is separate from the parties. Each party has control over its share of future economic benefits through its share of the jointly controlled asset.

In respect of the controlled asset the ILC recognises its share in the jointly controlled asset, classified according to the nature of the assets in accordance with *AASB 131 Interests in Joint Ventures*. As at reporting date, there was no income, expenditure, liability, or any contingent asset or liability arising from the joint venture arrangement.

1.19 Property, plant and equipment

Asset recognition threshold

Purchases of property, plant and equipment (not held for transfer) 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 ILC where there exists an obligation to restore the property to its original condition. These costs are included in the value of the ILC's leasehold improvements with a corresponding provision for the "make good" recognised.

Property, plant and equipment acquired free, or for a nominal amount, is initially recognised at fair value.

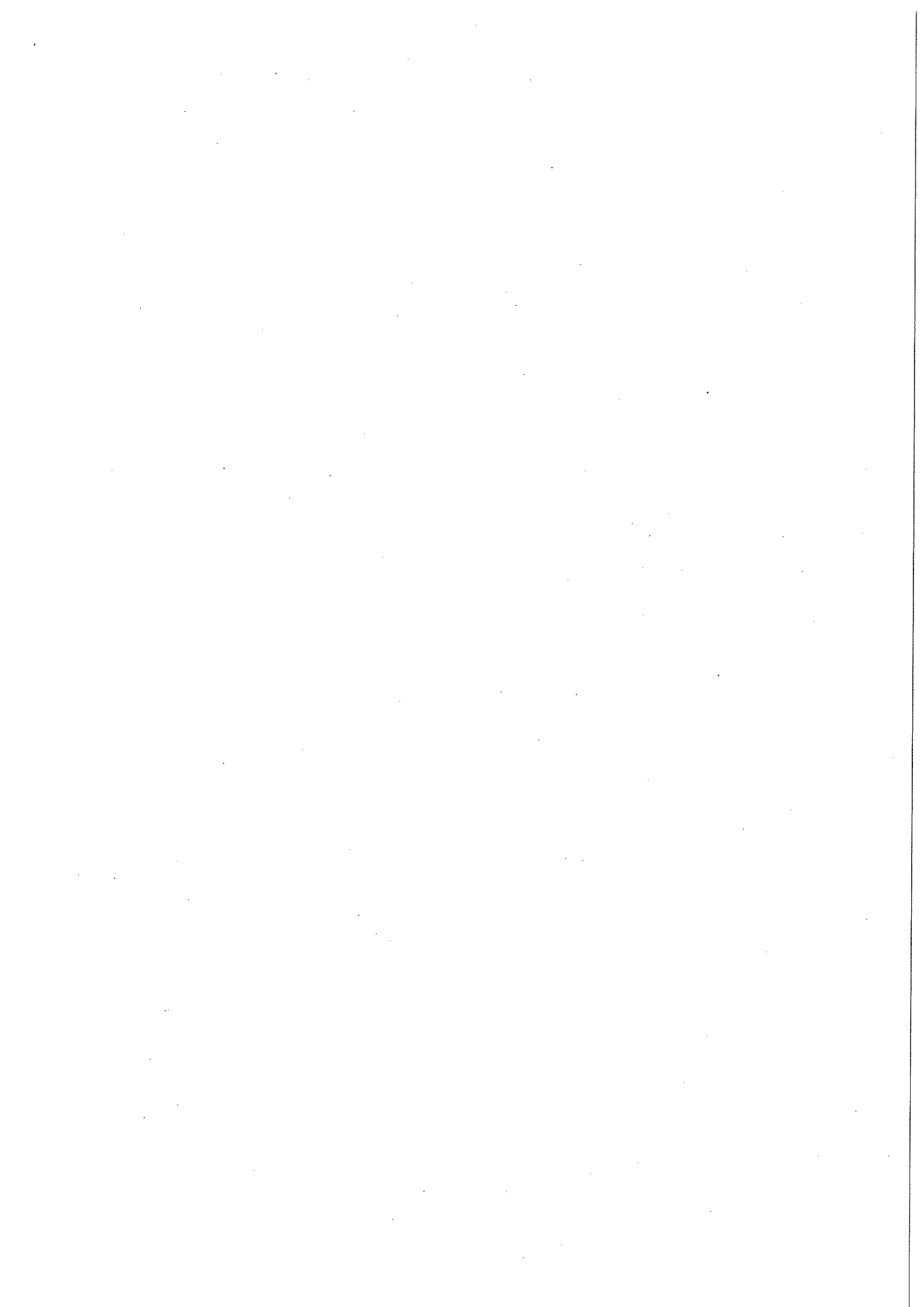
Revaluation

Following initial recognition at cost, property, plant and equipment are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. 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. Independent valuations will be undertaken at not more than three year intervals. If 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.

Buildings and infrastructure on properties that are under construction or significant redevelopment during or at the end of the reporting period have not been revalued as at 30 June as the cost of the construction or redevelopment would approximate fair value.

Fair values for each class of assets are determined as shown below:

Asset class	Fair value measured at:
Leasehold improvements	Depreciated replacement cost
Office equipment, furniture and fittings and computer systems	Market selling price
Property, plant and equipment on commercial properties, being buildings and infrastructure, plant and equipment, furniture and fittings and motor vehicles	Market selling price or depreciated replacement cost



Notes to and forming part of the financial statements for the year ended 30 June 2015

1.20 Intangible assets

The Corporation's intangibles 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 2015	Consol 2014	ILC 2015	ILC 2014
Internally developed software	3-5 years	3-5 years	3-5 years	3-5 years
Externally acquired software	1-5 years	1-5 years	3-5 years	3-5 years

Goodwill

After initial recognition, goodwill acquired in a business combination is measured at cost less any accumulated amortisation and impairment losses. Goodwill is amortised over a straight-line basis (over 15 years) and is subject to impairment testing on an annual basis or whenever there is an indication of impairment.

Impairment

All intangibles were assessed for impairment at 30 June. Where indications of impairment exist, the 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. Where the future economic benefits of an asset is not primarily dependent on an asset's ability to generate future cash flows, and the asset would be replaced if the Corporation was deprived of the asset, its value in use is taken to be the depreciated replacement cost. Details are disclosed in Note 10L.

1.21 Biological assets

Biological assets consists of wool and livestock.

Livestock consists of that held for grant (Inventory) and that held for trading purposes.

Livestock held for trading purposes includes cattle, buffalo and sheep. There are a small number of horses on ILC's properties that are used as working beasts. Livestock which are considered to be biological assets are accounted for in accordance with AASB 141 Agriculture and are measured at fair value less estimated point-of-sale costs (net market value). Gains or losses on changes in the net market value of livestock are recognised in the surplus/deficit.

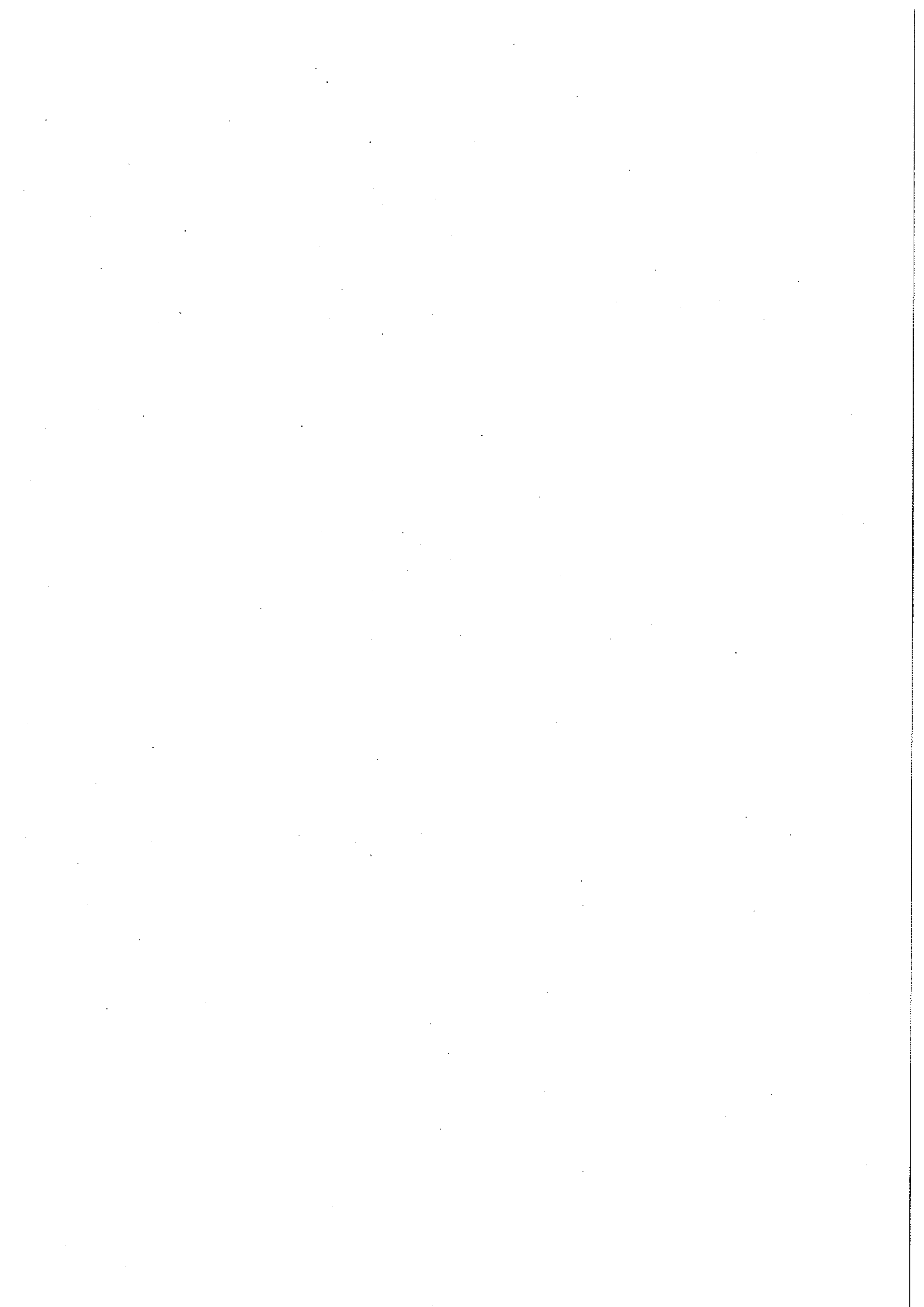
Musters or counts are performed on each of the properties at least annually which are used to estimate the size of the herd/flock and breeding and death rates in accordance with standard industry practice. Where the musters/counts do not coincide with the reporting period, the last muster/count numbers are used and natural increase and deaths are estimated to the end of the reporting period.

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 Corporation, (eg weather), natural increase is recorded based on muster results completed as at reporting date. Where estimates of natural increase cannot be reliably made, no natural increase since the last 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.

A provision for deaths is made at each reporting date equivalent to 5% of the value of livestock held at reporting date.

Non-living agricultural produce, wool, extracted from livestock is recognised as revenue in the reporting period that the produce is extracted. Gains or losses on changes in the net market value are recognised in the Statement of Comprehensive Income. The wool is then accounted for in accordance with AASB 102 Inventories.



Notes to and forming part of the financial statements for the year ended 30 June 2015

1.26 Forward sales contracts

The Corporation enters into forward sales contracts where it agrees to sell specified amounts of wool in the future for a minimum price or specified head of livestock in the future for a fixed price. The objective is to match the contract with future cash flows from the anticipated sales to protect the Corporation against the possibility of loss from future price falls.

Forward sales contracts are recognised at fair value at the date the contract is entered into and subsequently remeasured to fair value. Gains or losses on forward sales contracts are recognised in net profit except those relating to hedges of specific commitments that are deferred and included in the measurement of sale.

Forward sales contracts are carried as assets when the fair value is positive and liabilities when the fair value is negative.

1.27 Contingent liabilities and contingent assets

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant schedules and 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 but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote (Refer Note 15).

1.28 Taxation

In accordance with Section 193P of the *Aboriginal and Torres Strait Islander Act 2005*, the ILC 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).

NIPE and Voyages are subject to taxation.

NCIE has sought and has been granted exemption from taxation as a result of being recognised as a Public Benevolent Institution.

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 is 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.

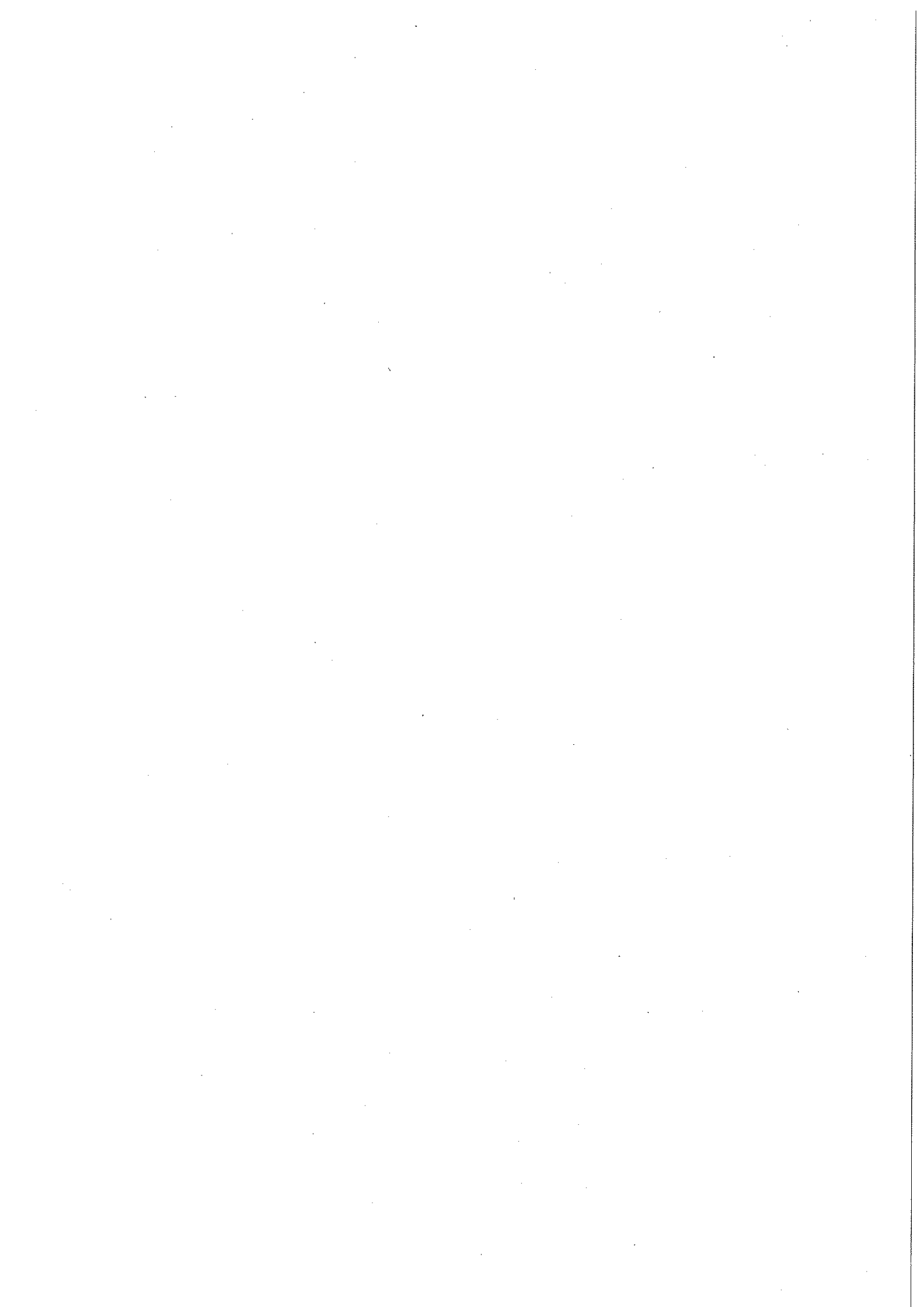
Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax 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 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.

The carrying amount of deferred income tax assets is 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.



Notes to and forming part of the financial statements for the year ended 30 June 2015

2. Insurance

The Corporation has insured for risks through the Government's insurable risk managed fund, 'Comcover'. Workers' compensation for the ILC is insured through Comcare Australia. Workers' compensation for the other entities making up the economic entity are insured through workers' compensation providers in the state that the operations are located.

3. Economic dependency

The Corporation was established by section 191A of the *Indigenous Land Corporation (ATSIIC Amendment) Act 1995* and is controlled by the Commonwealth of Australia. During the reporting period the ILC was dependent on an annual payment from the Aboriginal and Torres Strait Islander Land Account.

4. Events occurring after the Statement of Financial Position date

In August 2014, the ILC Board agreed to transfer the agribusiness operations currently operated by the ILC to its wholly owned subsidiary NIPE. Each agribusiness operation will transfer once NIPE has tenure over the land. Only one agribusiness transferred in the reporting period. The remainder of the agribusinesses are expected to transfer over the next financial year.

On 28 July, 2015, Voyages entered into a lease and related agreements to procure the detailed design, supply, installation and commissioning of three ground based and two roof based solar photovoltaic systems. With a total combined output capacity of 1.8MWp – to supply power to the Yulara township for the benefit of Ayers Rock Resort. The system, including the solar photovoltaic equipment and maintenance obligations, when constructed and commissioned, will be leased to Voyages for 20 years and is currently estimated to have an annual cost of \$767,000. The undiscounted cost over the term of the lease is estimated at \$19.6 million. The system is expected to be commissioned in the June quarter 2016. At that time the lease payments will commence and be treated in accordance with the Australian accounting standard - *AASB 117 Leases*. The ILC has entered into an agreement to guarantee Voyages financial performance under the lease.

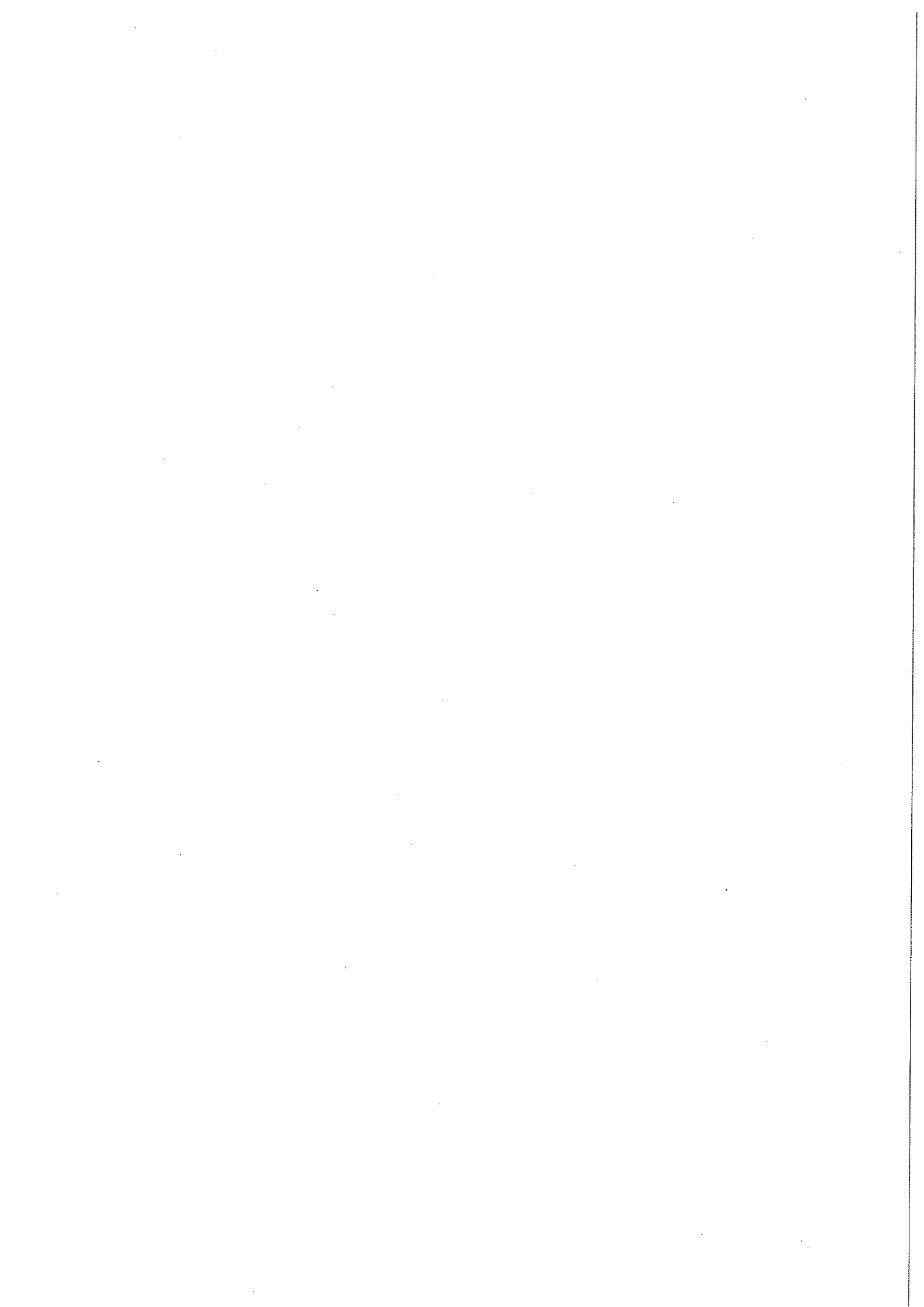
On 5 August 2015 the Minister for Indigenous Affairs announced that the current chair of the ILC, Dr Dawn Casey, will not be reappointed when her current term expires in October 2015. The Minister announced that the new chair of the ILC will be Mr Edward Fry.

5. Expenses

5A. Property granted

The expense relates to the value of land granted (at cost) to Indigenous organisations in line with the objectives of the ILC. Costs incurred in transferring land, unsuccessful acquisitions or projects considered unlikely to proceed at reporting date are also included in this expense.

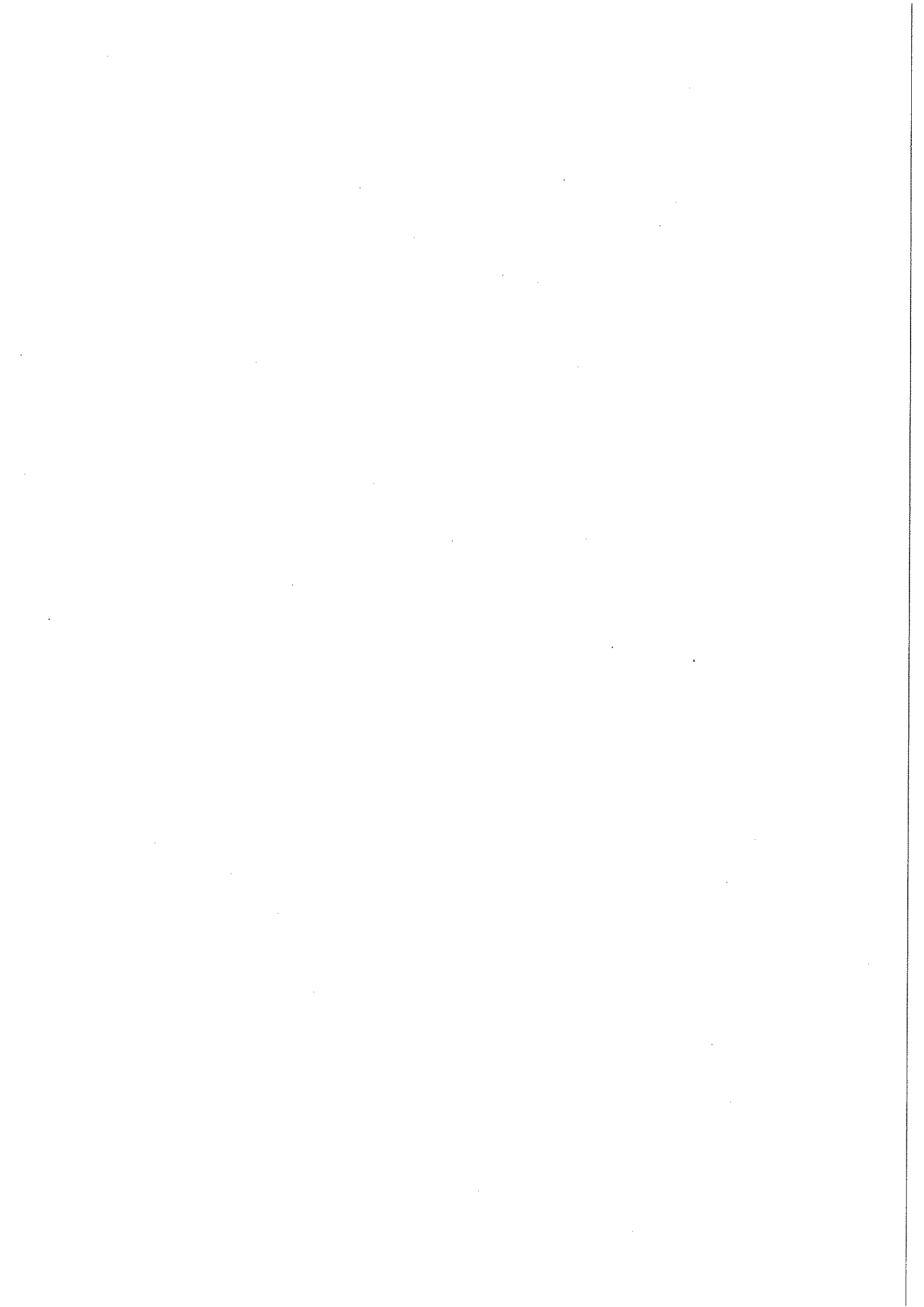
	Consol 2015 \$,000	Consol 2014 \$,000	ILC 2015 \$,000	ILC 2014 \$,000
Value of property granted	19,348	7,826	19,348	7,826
Associated costs	127	265	127	265
Total property granted expenses	19,475	8,091	19,475	8,091
Property granted expense				
Related entities				
External entities	19,475	8,091	19,475	8,091
Total property granted expenses	19,475	8,091	19,475	8,091



Notes to and forming part of the financial statements for the year ended 30 June 2015

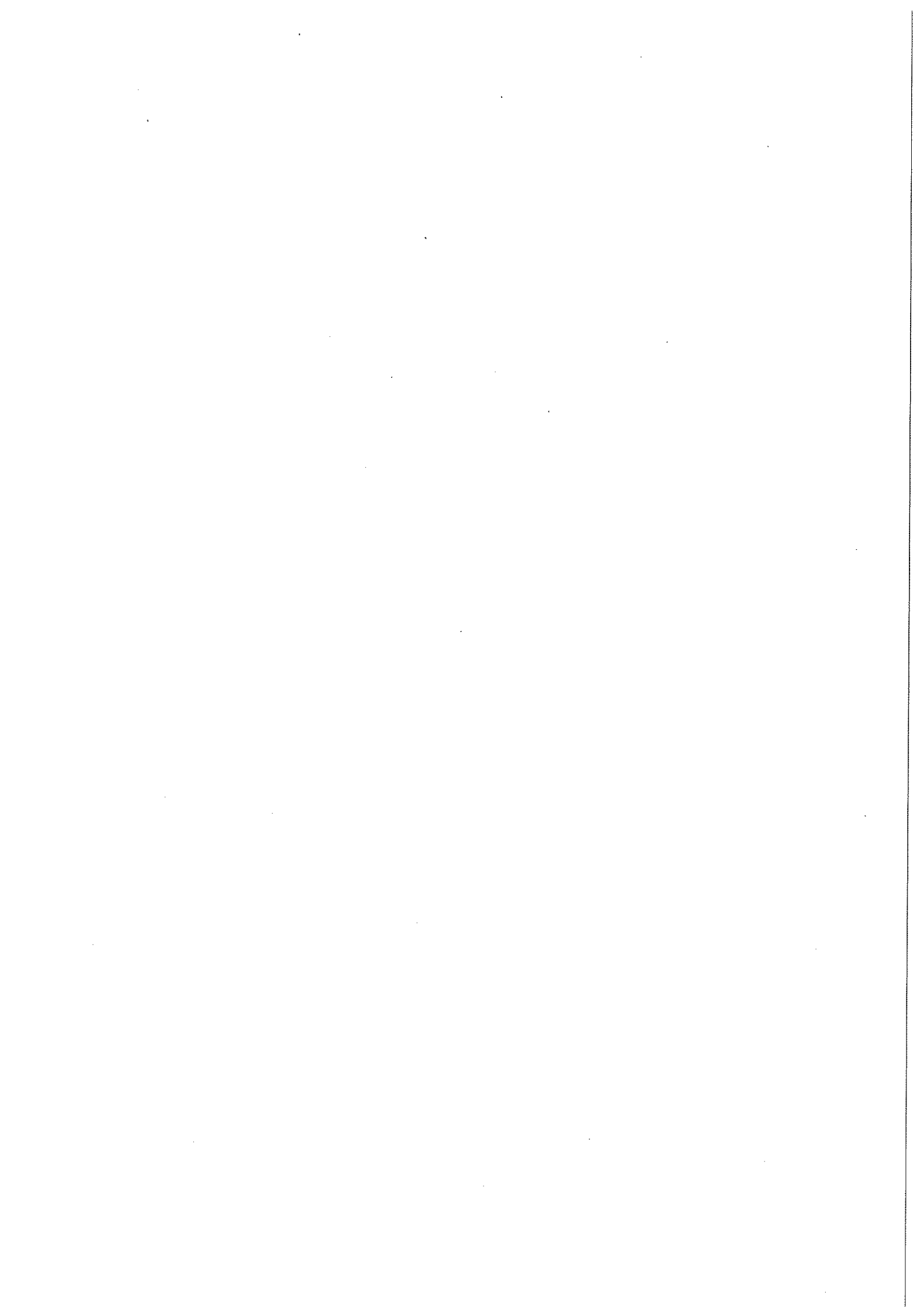
	Consol 2015 \$,000	Consol 2014 \$,000	ILC 2015 \$,000	ILC 2014 \$,000
5D. Employee benefits				
Wages and salaries	73,568	66,986	10,363	11,340
Superannuation:				
Defined contribution plan	6,072	5,352	893	900
Defined benefit plan	903	890	777	890
Separation and redundancy	161	15	161	15
Total employee benefits	80,704	73,243	12,194	13,145
5E. Suppliers				
Goods and services:				
Raw materials and consumables	30,557	27,600		
Travel	2,056	2,129	1,121	1,495
Consultants	4,335	2,866	1,198	1,152
Marketing	3,831	3,232		
Repairs and maintenance	5,873	5,703	33	43
Utilities, rates and services	7,752	7,395	58	84
Other	14,357	13,515	974	2,215
Total supplier expenses	68,761	62,440	3,384	4,989
Goods and services are made up of:				
Rendering of services - related entities	1,277	1,991	295	880
Rendering of services - external entities	67,484	60,449	3,088	4,109
Total supplier expenses	68,761	62,440	3,384	4,989
Other supplier expenses:				
Operating lease rental ¹	3,591	3,472	1,864	1,915
Workers' compensation premiums	1,508	1,487	85	84
Total other supplier expenses	5,099	4,959	1,949	1,999
Total supplier expenses	73,860	67,399	5,333	6,988

¹ These comprise minimum lease payments only



**Notes to and forming part of the financial statements
for the year ended 30 June 2015**

	Consol 2015 \$,000	Consol 2014 \$,000	ILC 2015 \$,000	ILC 2014 \$,000
5G. Net gain (loss) from sale of assets				
Property, plant and equipment				
Proceeds from sale	154	104	885	108
Carrying value of assets sold	(1,137)	(391)	(1,099)	(180)
Net loss from sale of property, plant and equipment	(983)	(287)	(214)	(72)
Plant and equipment held for grant				
Proceeds from sale	29	25	29	25
Carrying value of assets sold	(76)	(66)	(76)	(66)
Net loss from sale of plant and equipment held for grant	(47)	(41)	(47)	(41)
Land held for grant				
Proceeds from sale	-	1,135	-	1,135
Carrying value of assets sold	-	(682)	-	(682)
Net gain from sale of land held for grant	-	453	-	453
Land held for sale				
Proceeds from sale	345	-	345	-
Carrying value of assets sold	(345)	-	(345)	-
Net loss from sale of land held for sale	-	-	-	-
Total proceeds from sale	528	1,264	1,259	1,268
Total value of assets sold	(1,558)	(1,139)	(1,520)	(928)
Total net gain (loss) from sale of assets	(1,030)	125	(261)	340
5H. Other net loss (gain)				
Net write up of assets held for sale	-	(25)	-	(25)
Forgiveness of loan to subsidiary	-	-	-	5,647
Change in net present value of sundry creditors	974	915	974	915
Net movement in impairment on repayable grants	143	(4)	143	(4)
Net movement in impairment of receivables	(84)	2	44	9
Net movement in impairment of land	(4,407)	1,451	-	-
Net movement in impairment of property, plant and equipment	(17,761)	6,173	-	323
Net movement in impairment of intangibles	(406)	11,592	-	-
Write off of intangibles	-	25	-	25
Write down of property, plant and equipment	-	35	-	14
Total net loss (gain) of assets	(21,541)	20,164	1,161	6,904



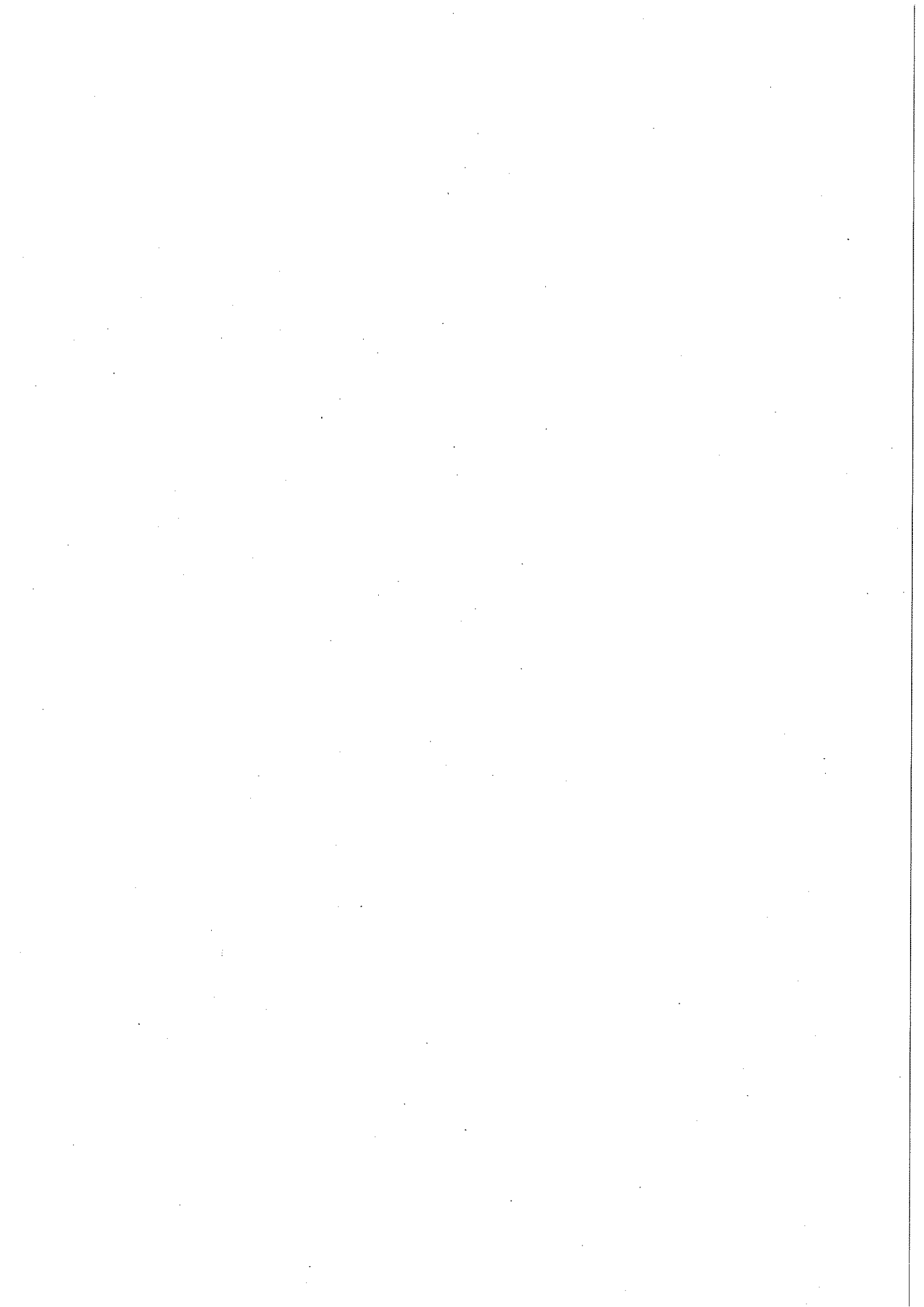
Notes to and forming part of the financial statements for the year ended 30 June 2015

5J. Income tax expense (benefit) (cont.)	Statement of Financial Position		Statement of Comprehensive Income	
	Consol 2015 \$'000	Consol 2014 \$'000	Consol 2015 \$'000	Consol 2014 \$'000
Deferred tax relates to the following:				
Provision for doubtful debts	36	65	29	(7)
Provision for employee entitlements	1,233	1,313	80	(228)
Amortisation of intangibles		(4,388)	(4,388)	(93)
Depreciation of fixed assets	20		(20)	
Other	104	36	(68)	(3)
Losses available for offsetting future taxable income	22,685	18,148	(14)	
Deferred tax expense (income)			(4,381)	(331)
Value of net deferred tax assets not recognised – current year	(4,756)	(5,488)		
Value of net deferred tax assets not recognised – prior year	(19,155)	(9,686)		
Net deferred tax assets / (liabilities)	167			
Reconciliation of deferred tax assets / (liabilities) net:				
Opening balance as of 1 July				
Tax income / (expense) during the period recognised in statement of comprehensive income	4,367	331		
Losses available for offsetting future taxable income	4,631	5,322		
Value of net deferred tax assets not recognised	(8,831)	(5,488)		
Adjustments recognised in the current year to the current tax of prior years		(165)		
Closing balance as at 30 June	167			

The corporation offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax liabilities relate to income taxes levied by the same tax authority.

Deferred income tax assets have not been recognised for Voyages for any deductible temporary differences, carry-forward of unused tax credits and unused tax losses, as it is not considered probable that a taxable profit will be available against which they can be utilised. The deferred tax liabilities attributable to Voyages has been reversed as there is no deductible temporary difference.

Voyages has tax losses for which no deferred tax asset is recognised in the statement of financial position of \$75,571,000 (2014: Final losses per tax return \$60,181,000) which are available indefinitely for offset against future taxable profits subject to continuing to meet relevant statutory tests.



**Notes to and forming part of the financial statements
for the year ended 30 June 2015**

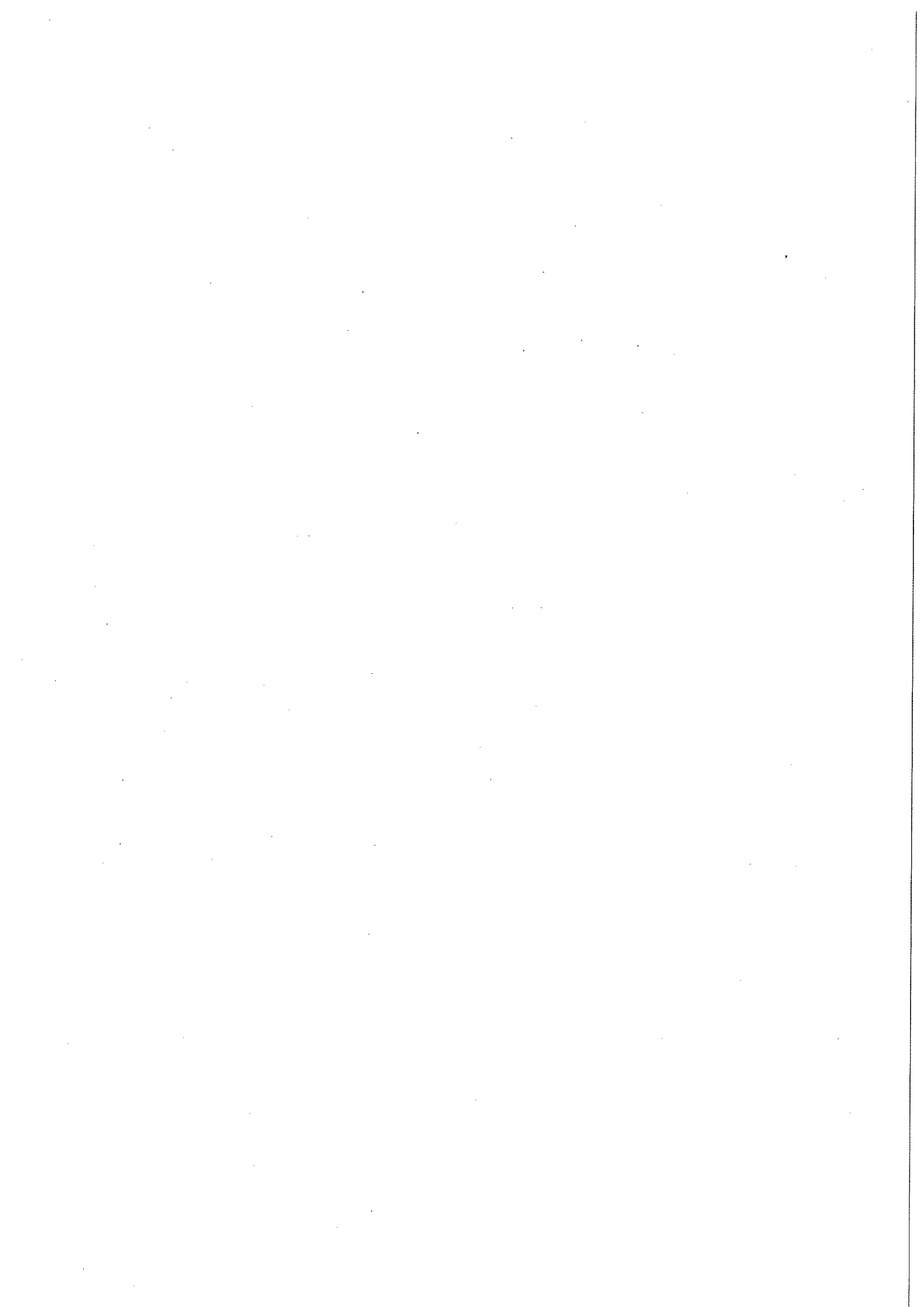
	Consol 2015 \$,000	Consol 2014 \$,000	IJC 2015 \$,000	IJC 2014 \$,000
6D. Other revenue				
Diesel fuel rebate	363	356	343	356
Grant recovery	2	119	2	119
Insurance proceeds	677	319	643	311
Rent received	8,088	7,730		
Other	4,156	4,849	705	2,401
Total other revenue	13,286	13,373	1,693	3,187
Other revenue from				
Related entities	363	357	343	357
External entities	12,923	13,016	1,350	2,830
Total other revenue	13,286	13,373	1,693	3,187

7. Gains

7A. Net gain in the net market value¹ of livestock

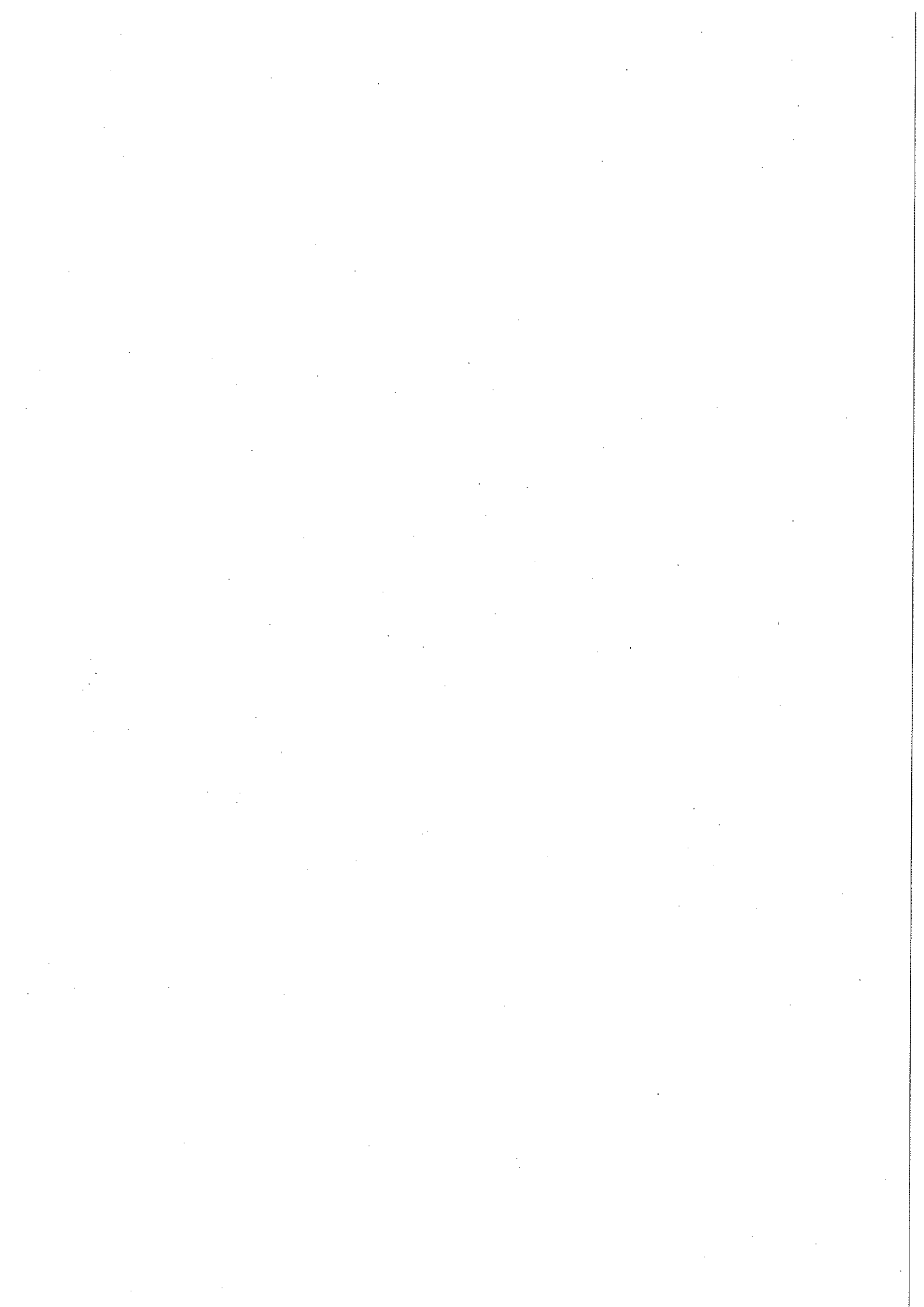
Net gain in net market value during the reporting period

Cattle	21,727	10,090	18,671	10,090
Sheep	526	423	526	423
Horses	(88)	48	(88)	48
Buffalo	(66)	(29)	(66)	(29)
	22,099	10,532	19,043	10,532
Movement in provision for deaths	(452)	(155)	197	(155)
Net gain in the net market value of livestock	21,647	10,377	19,240	10,377



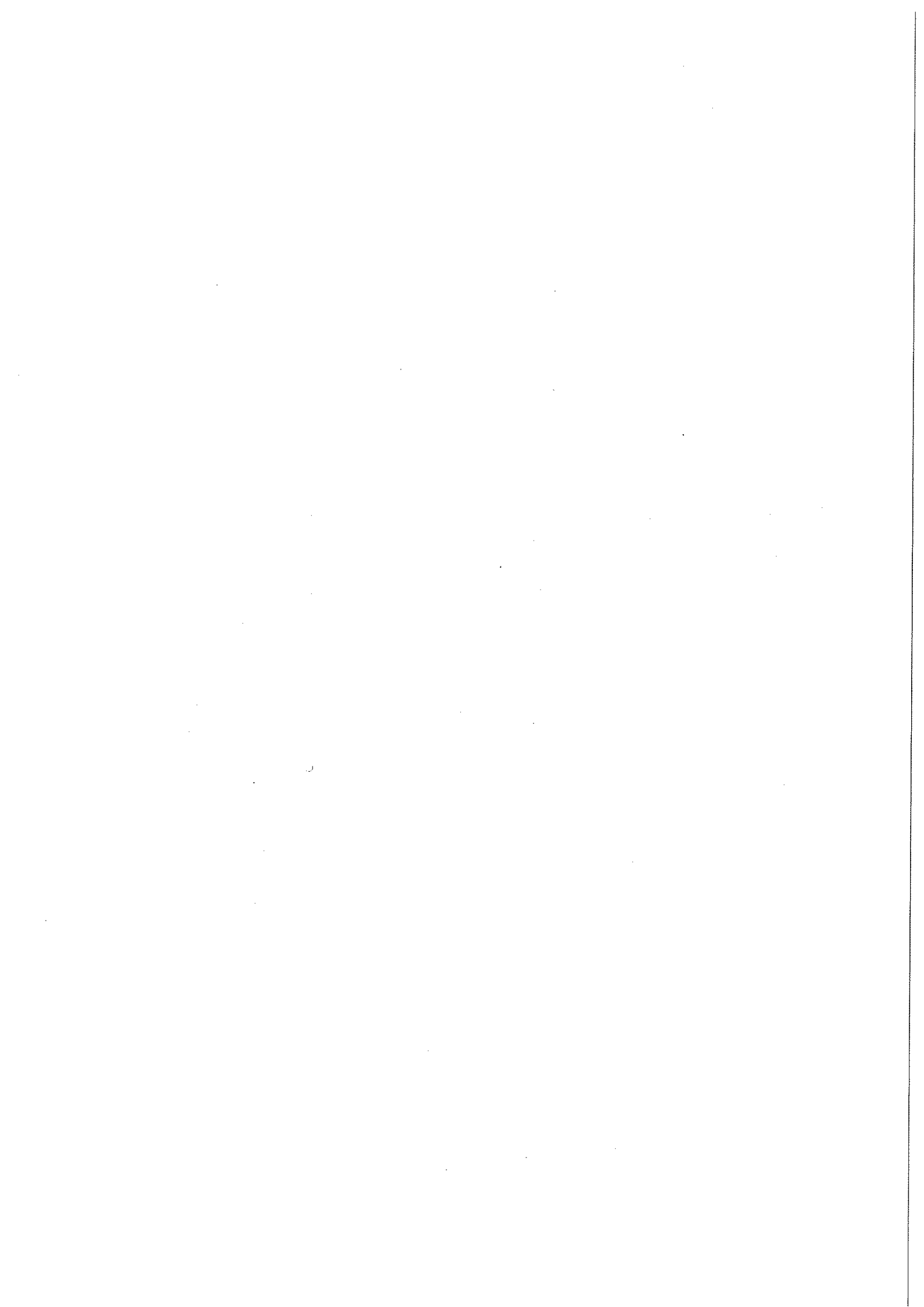
**Notes to and forming part of the financial statements
for the year ended 30 June 2015**

	Consol 2015 \$,000	Consol 2014 \$,000	ILC 2015 \$,000	ILC 2014 \$,000
9. Financial assets				
9A. Cash and cash equivalents				
Cash at bank and on hand	17,097	15,149	373	2,467
Deposits at call	4,372	2,246	4,372	2,246
Deposit with maturity less than 3 months	27,000	34,000	27,000	34,000
Cash advances	8	8	8	8
Total cash and cash equivalents	48,477	51,403	31,753	38,721
9B. Trade and other receivables				
Goods and services:				
Goods and services - related entities	493	763	186	621
Goods and services - external parties	7,264	7,857	2,888	3,452
Total receivable for goods and services	7,757	8,620	3,074	4,073
Other receivables:				
Interest receivable	790	638	790	638
Insurance proceeds	30	203	30	203
Other debtors	1,556	2,782	225	1,264
GST receivable from ATO	(19)	99	790	649
Total other receivables	2,357	3,722	1,835	2,754
Total trade and other receivables (gross)	10,114	12,342	4,909	6,827
Less: Allowance for impairment loss	(184)	(305)	(41)	(16)
Total trade and other receivables (net)	9,930	12,037	4,868	6,811
Receivables are expected to be recovered in:				
No more than 12 months	9,894	12,001	4,868	6,811
More than 12 months	36	36	-	-
Total trade and other receivables (net)	9,930	12,037	4,868	6,811
Receivables are aged as follows:				
Not overdue	7,079	10,645	2,323	6,233
Overdue by				
less than 30 days	1,766	819	1,408	38
30 to 60 days	1,165	500	1,114	276
60 to 90 days	9	237	2	235
more than 90 days	95	141	62	45
	3,035	1,697	2,586	594
Total trade and other receivables (gross)	10,114	12,342	4,909	6,827



Notes to and forming part of the financial statements for the year ended 30 June 2015

	Consol 2015 \$,000	Consol 2014 \$,000	ILC 2015 \$,000	ILC 2014 \$,000
9D. Other financial assets				
Advances to subsidiary:				
Voyages Indigenous Tourism Australia			337,249	321,417
Repayable grants to Aboriginal corporations	419	509	419	509
Total	419	509	337,668	321,926
Less: provision for impairment	(326)	(182)	(326)	(182)
Total other financial assets	93	327	337,342	321,744
Total other financial assets are expected to be recovered in:				
No more than 12 months	23	66	23	66
More than 12 months	70	443	337,319	321,860
Total other financial assets	93	509	337,342	321,926
Other financial assets (gross) are aged as follows:				
Not overdue	261	331	337,510	321,748
Overdue by:				
one year or less	30		30	
from one to five years	128	178	128	178
	158	178	158	178
Total other financial assets (gross)	419	509	337,668	321,926
Allowance for impairment loss is aged as follows:				
Not overdue	138	4	138	4
Overdue by:				
one year or less	30		30	
from one to five years	158	178	158	178
	188	178	188	178
Total allowance for impairment	326	182	326	182
Reconciliation of provision for impairment				
Opening balance	182	186	182	186
Amounts written off	198		198	
Amounts recovered or reversed	(54)	(4)	(54)	(4)
Increase recognised in net surplus				
Closing balance	326	182	326	182



Notes to and forming part of the financial statements for the year ended 30 June 2015

	Consol 2015 \$,000	Consol 2014 \$,000	ILC 2015 \$,000	ILC 2014 \$,000
10B. Inventory – other				
Inventory held for resale	4,428	4,135	355	277
Total inventory – other are expected to be recovered in:				
No more than 12 months	4,428	4,135	355	277
More than 12 months	-	-	-	-
Total inventory – other	4,428	4,135	355	277

Total amount of inventory - other expensed during the period is \$30,632 (2014: \$27,657)

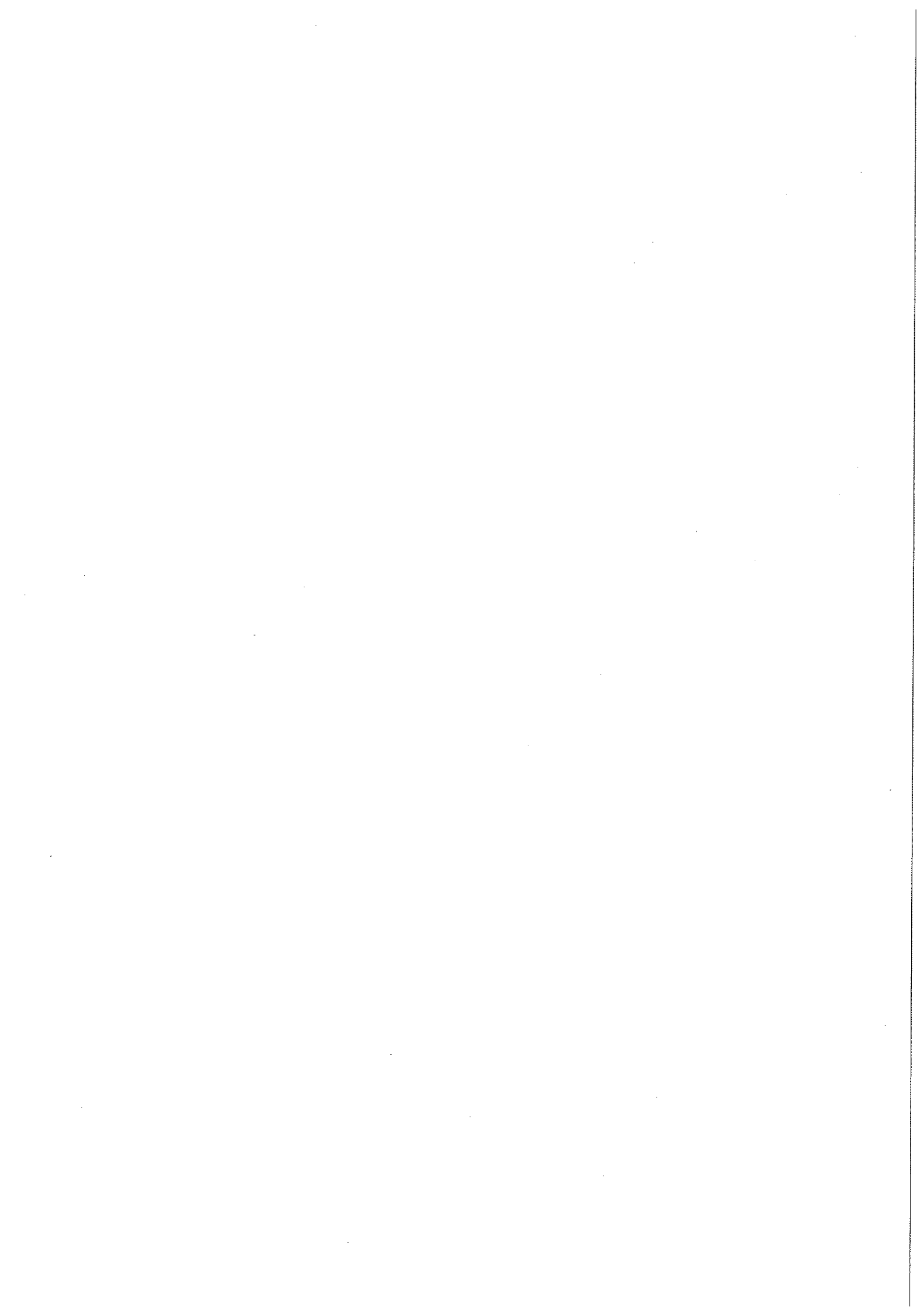
10C. Held for sale assets

In accordance with its governing legislation, the Corporation may dispose of surplus land it considers it no longer needs for the purpose of making a grant to an Aboriginal or Torres Strait Islander corporation. During the prior year, one property met this criteria and a local property agent was appointed to market the property for sale.

Held for sale assets		345		345
Total held for sale assets are expected to be recovered in:				
No more than 12 months		345		345
More than 12 months		-		-
Total held for sale assets		345		345

Reconciliation of fair values

Opening balance 1 July	345	495	345	495
Property sold during year	(345)	(495)	(345)	(495)
Property reclassified as held for sale asset		321		321
Net gain from fair value adjustment		24		24
Closing balance 30 June		345		345



Notes to and forming part of the financial statements for the year ended 30 June 2015

	Consol 2015 \$,000	Consol 2014 \$,000	ILC 2015 \$,000	ILC 2014 \$,000
10E. Assets held in trust and provision for property held in trust				
Assets held in trust	25,773	25,773	25,773	25,773
Less: provision for assets held in trust	(25,773)	(25,773)	(25,773)	(25,773)
Total amount held at the beginning of the reporting period	25,773	25,773	25,773	25,773
Receipts				
Total amount held at the end of the reporting period	25,773	25,773	25,773	25,773
Total assets held in trust are expected to be recovered in:				
No more than 12 months				
More than 12 months	25,773	25,773	25,773	25,773
Total assets held in trust	25,773	25,773	25,773	25,773

10F. Land

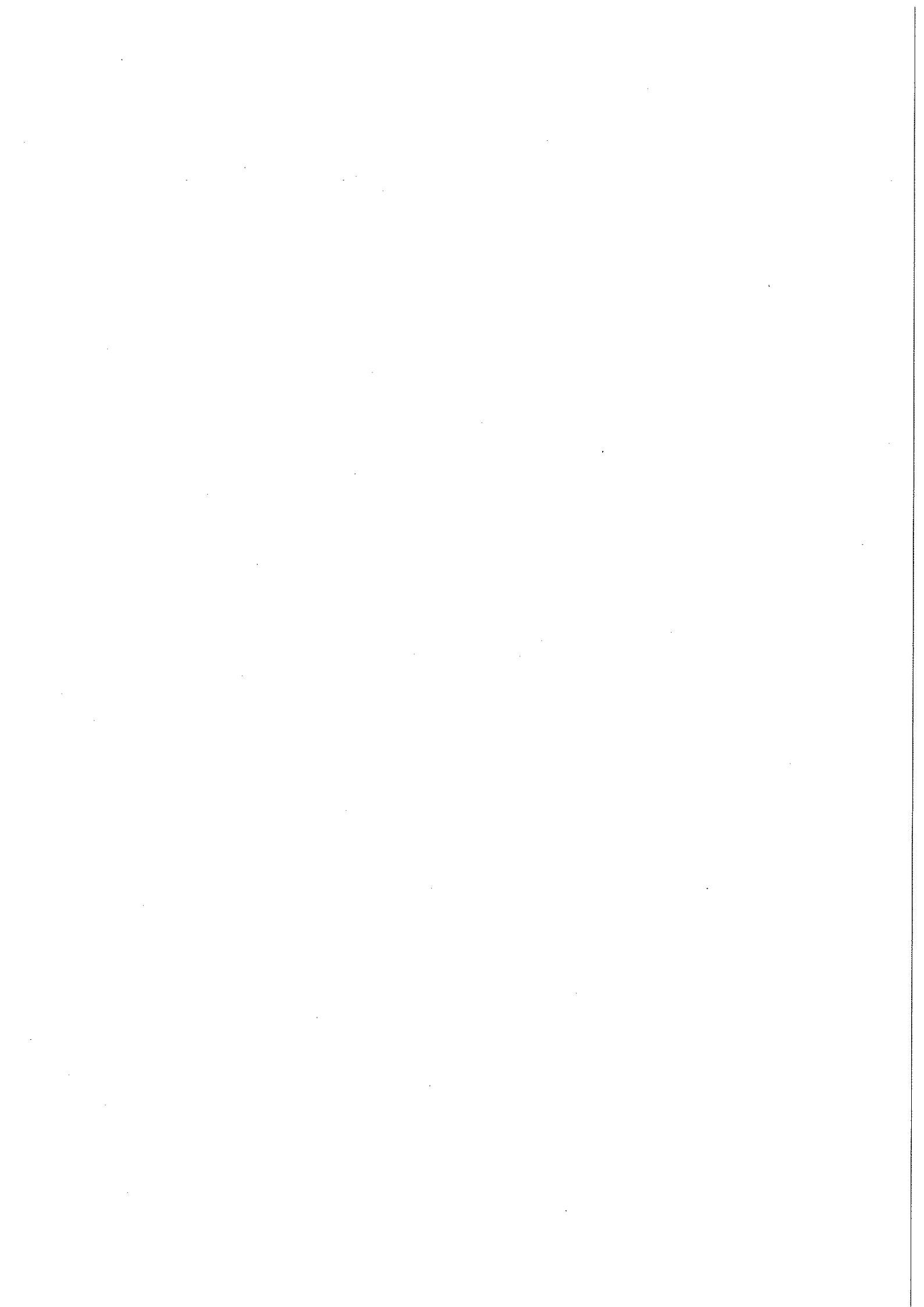
Land held at fair value	56,655	56,736		
Less: provision for impairment	(8,313)	(12,720)		
	48,342	44,016		
Total land is expected to be recovered in:				
No more than 12 months				
More than 12 months	48,342	44,016		
Total land	48,342	44,016		

All assets were assessed for impairment at 30 June in accordance with AASB 136 *Impairment of Assets*.

Voyages Directors have determined that the assets which comprise Ayers Rock Resort have an aggregate fair value at 30 June of \$24.8m. An impairment reversal for land of \$4.407m has been recognised in the consolidated statement of comprehensive income to restate the carrying amount of these assets to fair value (refer notes 1, 5 and 5H).

Amounts charged to the statement of comprehensive income for impairment of land during the reporting period relate to:

Land		1,451		
Reversal of impairment				
Land	(4,407)			
Total impairment movement	(4,407)	1,451		



Notes to and forming part of the financial statements for the year ended 30 June 2015

	Consol 2015 \$,000	Consol 2014 \$,000	ILC 2015 \$,000	ILC 2014 \$,000
10G. Property, plant and equipment (cont.)				
Computer systems, at fair value	1,390	921	597	453
Less: Accumulated depreciation	(335)	(10)	(199)	
Less: Allowance for impairment		(1)		
	<u>1,055</u>	<u>910</u>	<u>398</u>	<u>453</u>
Leasehold improvement, at fair value	967	1,139	758	935
Less: Accumulated depreciation	(18)	(13)		
Less: Allowance for impairment		(31)		
	<u>949</u>	<u>1,095</u>	<u>758</u>	<u>935</u>
Subtotal property, plant and equipment	282,742	272,480	83,876	91,951
Make good, at fair value	403	403	403	403
Less: Accumulated depreciation	(253)	(213)	(253)	(213)
	<u>150</u>	<u>190</u>	<u>150</u>	<u>190</u>
Total property, plant and equipment	282,892	272,670	84,026	92,141

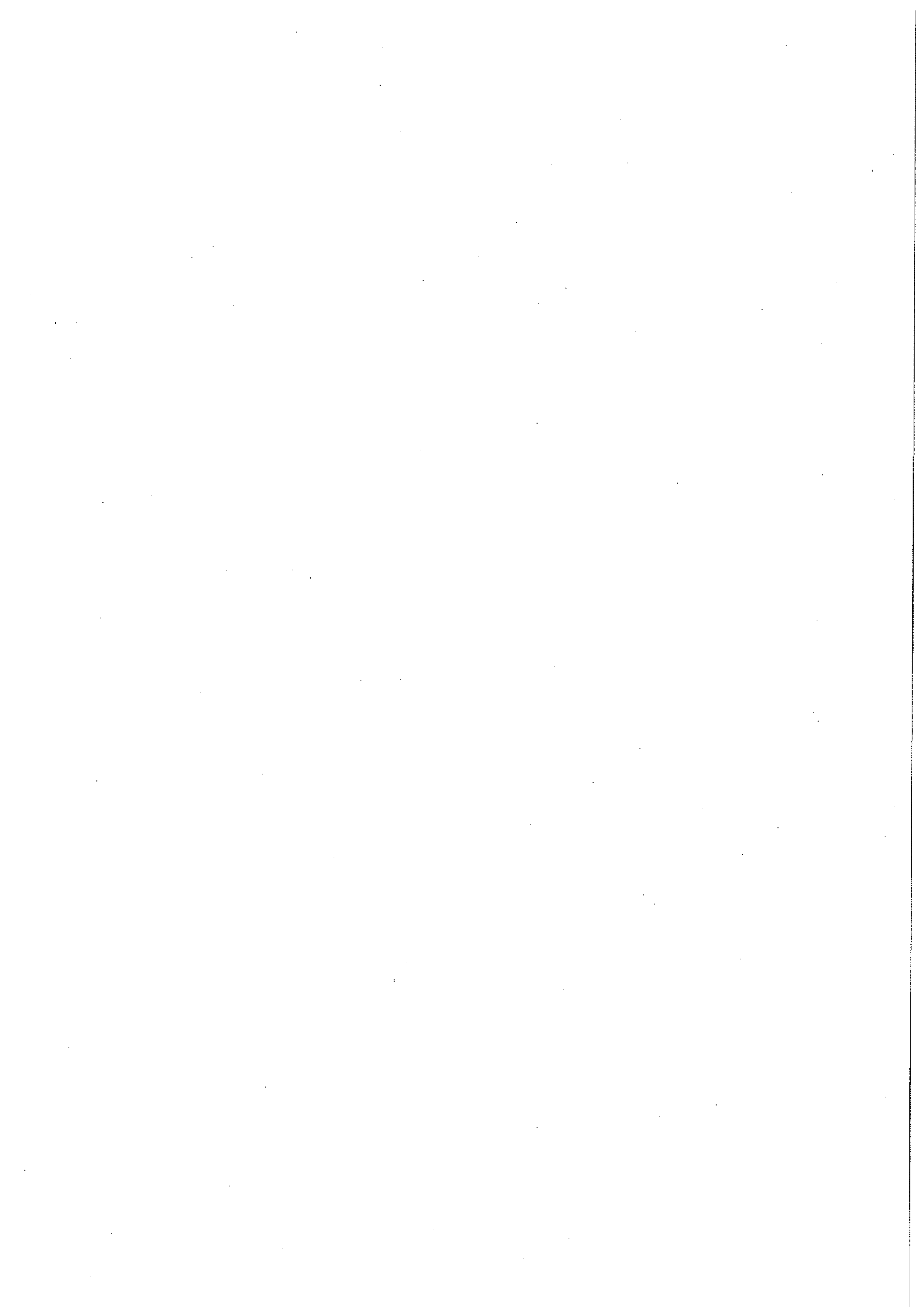
¹ The Corporation accounts for land and infrastructure on ILC held land as property held for grant (refer Note 1.22). Plant and equipment and improvements made to the infrastructure on properties utilised for commercial operations are accounted for as property, plant and equipment (refer Note 1.19).

² Buildings and infrastructure on properties that the corporation conducts commercial businesses include the following:

Improvements to building and infrastructure	279,228	290,981	64,175	82,190
Improvement to civil works	1,104	1,539	1,104	1,539
Improvements to water points and water supply	4,244	8,583	4,244	8,583
Improvements to fences and yards	7,507	13,027	7,507	13,027
	<u>292,083</u>	<u>314,130</u>	<u>77,030</u>	<u>105,339</u>
Reconciliation of make good fair value				
Opening balance, fair value	403	375	403	375
Opening balance, accumulated amortisation	(213)	(170)	(213)	(170)
Increase in make good provision to fair value		28		28
Amortisation for the year	(40)	(43)	(40)	(43)
Closing balance	<u>150</u>	<u>190</u>	<u>150</u>	<u>190</u>

The Corporation maintains asset registers for property, plant and equipment. A stock take to verify property, plant and equipment is undertaken at least annually. The Corporation does not hold infrastructure plant and equipment under a finance lease. All revaluations are conducted in accordance with the valuation policy stated at Note 1.19. All assets were assessed for impairment at 30 June in accordance with AASB 136 *Impairment of Assets*.

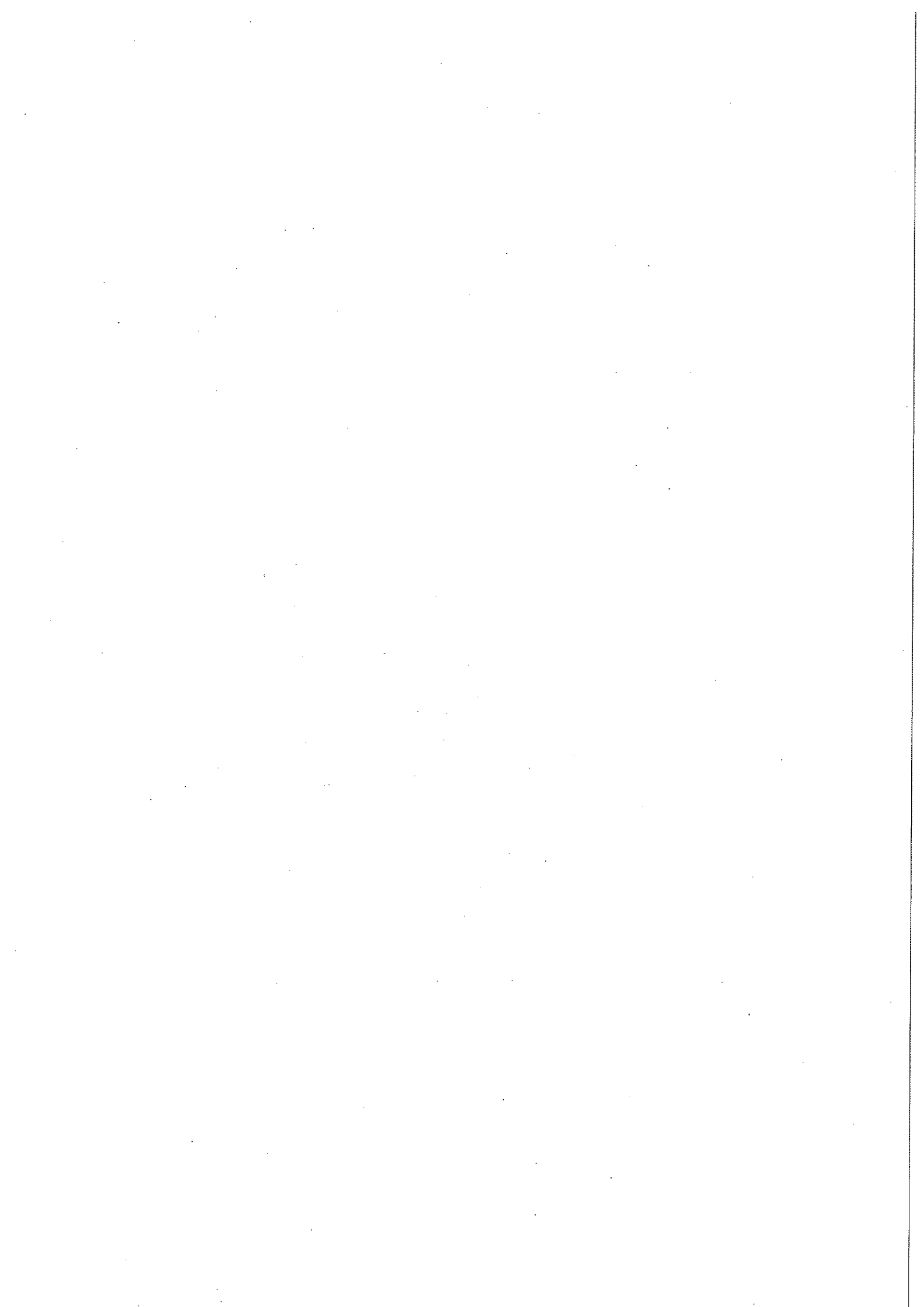
Voyages Directors have determined that the assets which comprise Ayers Rock Resort have an aggregate fair value at 30 June of \$248m. An impairment reversal for property, plant and equipment of \$17.743m has been recognised in the consolidated statement of comprehensive income to restate the carrying amount of these assets to fair value (refer notes 1.5 and 5H).



Notes to and forming part of the financial statements for the year ended 30 June 2015

10H. Reconciliation of the opening and closing balances of Property, plant and equipment (consolidated)

Item	Commercial Business Assets			Administration Assets				Total
	Building & Infrastructure Improvements	Plant and Equipment	Furniture & Fittings	Motor Vehicles	Office Equipment	Furniture & Fittings	Computer Systems	
As at 1 July 2014	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000
Gross book value	314,730	23,326	29,668	5,941	126	2,656	921	1,139
Accumulated depreciation	(35,718)	(3,565)	(7,839)	(584)	(16)	(517)	(10)	(13)
Accumulated impairment	(47,781)	(3,381)	(5,204)	(346)	(7)	(414)	(1)	(31)
Opening net book value	230,631	16,380	16,625	5,011	103	1,725	910	1,095
Additions:								
By purchase	3,259	4,038	5,248	1,704	51	9	512	122
Net revaluation increment (decrement)	(99)	192	108	209	2	8	42	(114)
Depreciation/amortisation	(9,385)	(2,561)	(3,460)	(1,205)	(31)	(329)	(407)	(178)
Reversal of impairment	14,349	1,272	1,492	177	7	414		31
Reclassification	(41,865)	15	(2)		(27)		9	
Disposals:								
Other	(173)	(269)	(460)	(196)	(10)	(1)	(12)	(7)
Closing net book value	234,496	19,068	19,551	5,702	95	1,826	1,055	949
Net book value as at 30 June 2015 represented by:								
Gross book value	292,083	26,331	34,087	6,802	121	2,661	1,390	967
Accumulated depreciation	(24,155)	(5,154)	(10,824)	(931)	(26)	(835)	(335)	(18)
Accumulated impairment	(33,432)	(2,109)	(3,712)	(169)				
Closing net book value	234,496	19,068	19,551	5,702	95	1,826	1,055	949



Notes to and forming part of the financial statements for the year ended 30 June 2015

10J. Reconciliation of the opening and closing balances of Property, plant and equipment (ILQ)

Item	Commercial Business Assets			Motor Vehicles	Administration Assets				Total
	Building & Infrastructure Improvements	Plant and Equipment	Furniture & Fittings		Office Equipment	Furniture & Fittings	Computer Systems	Leasehold Improvements	
As at 1 July 2014	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	
Gross book value	105,339	4,023	182	2,660	38	31	453	935	113,661
Accumulated depreciation	(17,220)	-	-	-	-	-	-	-	(17,220)
Accumulated impairment	(4,490)	-	-	-	-	-	-	-	(4,490)
Opening net book value	83,629	4,023	182	2,660	38	31	453	935	91,951
Additions:									
By purchase	1,017	450	19	649	53	-	156	109	2,455
Net revaluation increment (decrement)	(97)	59	108	208	-	-	-	(116)	269
Depreciation/amortisation	(3,570)	(838)	(64)	(880)	(24)	(5)	(208)	(164)	(5,753)
Impairment	-	-	-	-	-	-	-	-	-
Reclassification	(3,935)	(4)	(2)	-	-	-	-	-	(3,941)
Disposals:									
Other	(13)	(536)	(13)	(514)	(10)	(1)	(6)	(6)	(1,099)
Closing net book value	77,031	3,254	230	2,123	57	25	398	758	83,876
Net book value as at 30 June 2015 represented by:									
Gross book value	81,521	3,254	230	2,176	77	31	597	758	88,644
Accumulated depreciation	-	-	-	(53)	(20)	(6)	(199)	-	(278)
Accumulated impairment	(4,490)	-	-	-	-	-	-	-	(4,490)
Closing net book value	77,031	3,254	230	2,123	57	25	398	758	83,876



Notes to and forming part of the financial statements for the year ended 30 June 2015

10L. Intangible assets and goodwill

Trade marks

Brands includes trademarks, business name and other collateral, acquired through business combination. Brands have an indefinite useful life, so are not subject to an amortisation. Impairment is tested annually by comparing carrying value with the asset's recoverable amount if there are any possible indications exist which require adjustments. Recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

Other contractual relationships

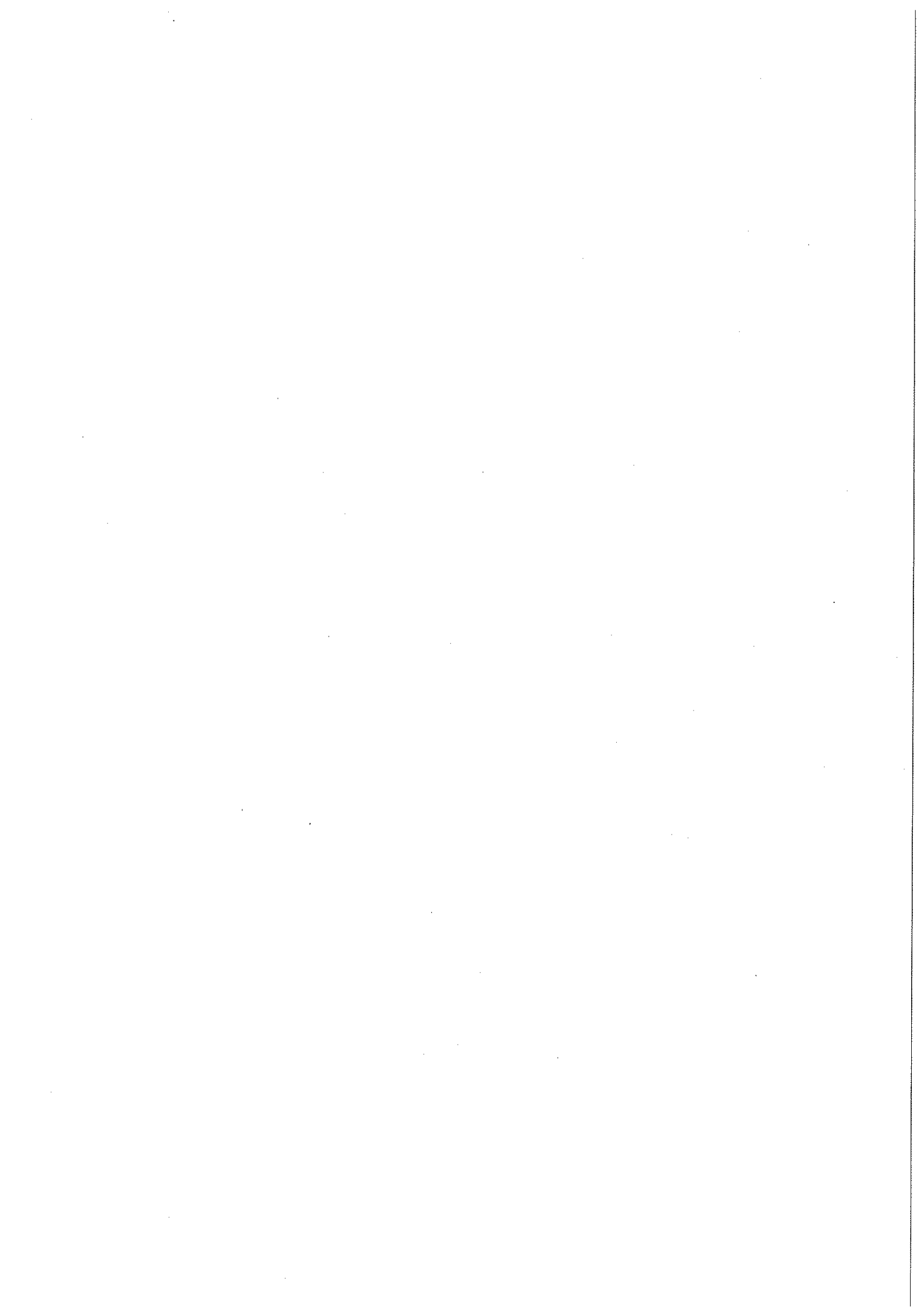
Fair value of the contracts with travel agents were determined using the multi period excess earnings method. Expected useful life was 6 months and its amortisation was expensed in previous year.

Residual goodwill

Residual goodwill, acquired through business combination, is considered to be fair value for the replacement cost of the assembled workforce acquired on acquisition.

Impairment

All assets were assessed for impairment at 30 June in accordance with AASB 136 *Impairment of Assets*. Voyages Directors have determined that the assets which comprise Ayers Rock Resort have an aggregate fair value at 30 June of \$248m. An impairment reversal of \$0.406m has been recognised in the consolidated statement of comprehensive income to restate the carrying amount of intangible assets and goodwill to fair value. (Refer to Notes 1.5 and 5H)

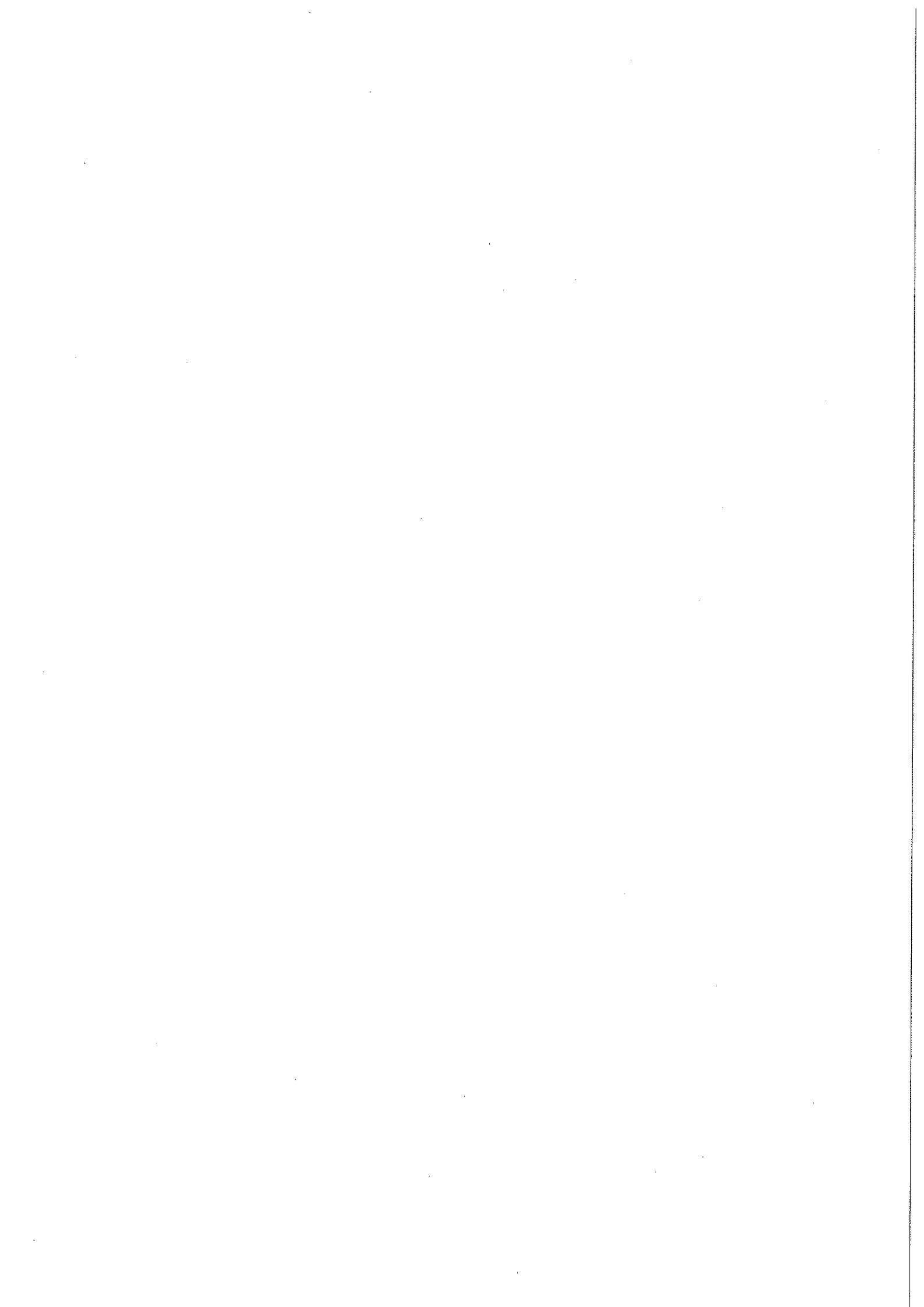


Notes to and forming part of the financial statements
for the year ended 30 June 2015

10L. Intangible assets and goodwill (cont.)

ILC

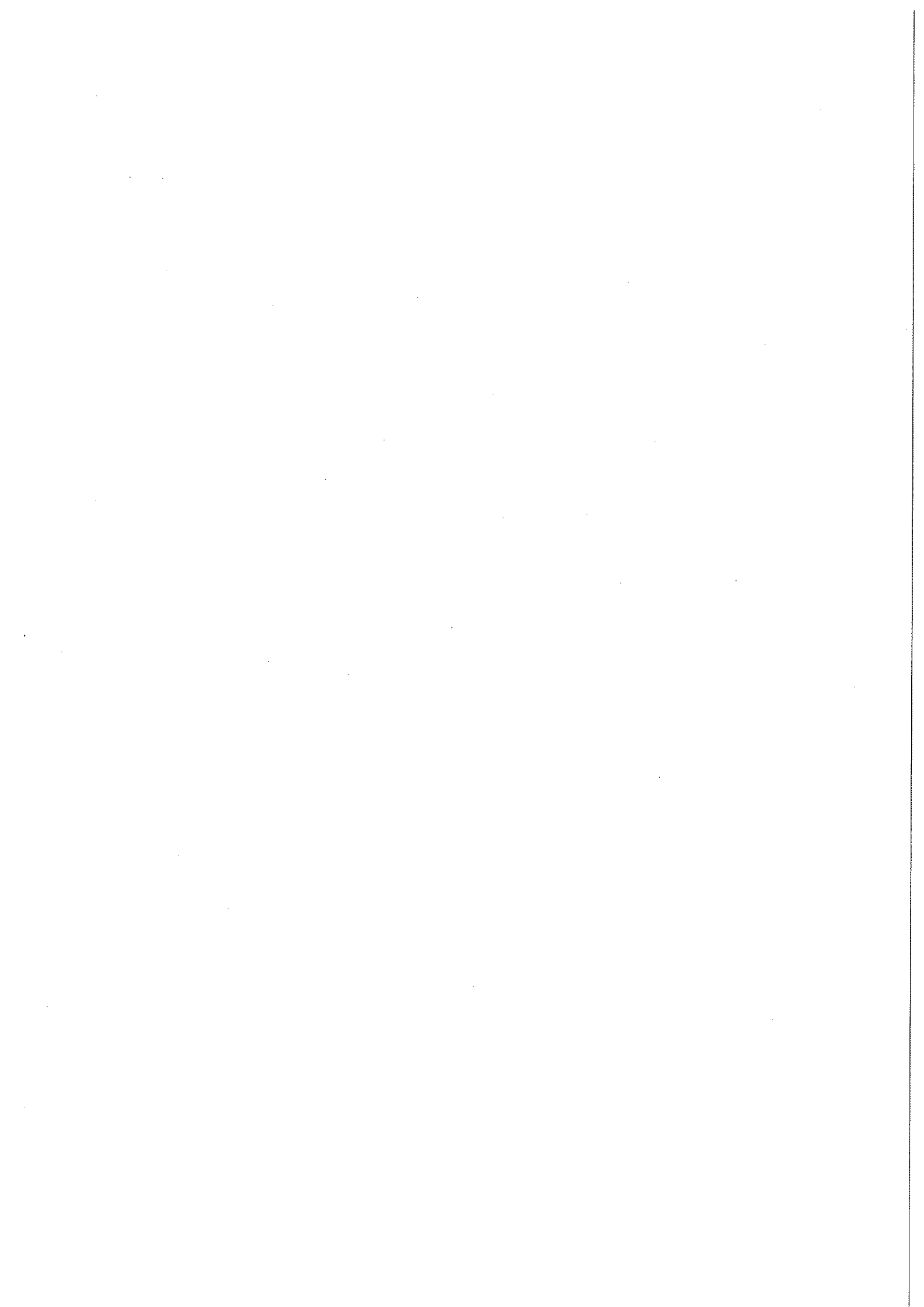
Item	Software (internally developed)	Software (externally purchased)	Trade marks and licences	Other contracts and relationships	Goodwill	Total
	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000
As at 1 July 2014	262	614	-	-	107	983
Gross book value	(262)	(459)	-	-	(14)	(735)
Accumulated amortisation	-	-	-	-	-	-
Accumulated impairment	-	-	-	-	-	-
Opening net book value	-	155	-	-	93	248
Additions:						
By purchase	-	48	-	-	-	48
Amortisation	-	(96)	-	-	(7)	(103)
Impairment	-	-	-	-	-	-
Disposals:						
Other	-	-	-	-	-	-
Closing net book value	-	102	-	-	86	188
Net book value as at 30 June 2015 represented by:						
Gross book value	262	657	-	-	107	1,026
Accumulated amortisation	(262)	(555)	-	-	(21)	(838)
Accumulated impairment	-	-	-	-	-	-
Closing net book value	-	102	-	-	86	188



**Notes to and forming part of the financial statements
for the year ended 30 June 2015**

	Consol 2015 \$,000	Consol 2014 \$,000	ILC 2015 \$,000	ILC 2014 \$,000
11. Payables				
11A. Suppliers payables				
Amounts owing to suppliers	13,725	14,102	6,272	5,498
Total supplier payables	13,725	14,102	6,272	5,498
Total supplier payables are expected to be settled within 12 months:				
Related entities	2,976	1,586	3,025	2,343
External parties	10,749	12,516	3,247	3,155
Total supplier payables	13,725	14,102	6,272	5,498
Settlement is usually made net 30 days.				
11B. Other payables				
Salaries and wages	1,573	648	648	483
Superannuation	623			
Other payables	811	251	288	251
Deferred benefit from lease incentive	20		20	
Payment to vendor (refer note 15B)	15,962	14,988	15,962	14,988
Sinking fund	3,498	3,436	3,464	3,399
Total other payables	22,487	19,323	20,382	19,121
Other payables are expected to be settled in:				
No more than 12 months	19,176	1,088	17,084	923
More than 12 months	3,311	18,235	3,298	18,198
Total other payables	22,487	19,323	20,382	19,121
11C. Interest bearing loans				
Loan	198,000	198,000	138,000	138,000
Accrued interest on loans				
Total interest bearing loans	198,000	198,000	138,000	138,000
Interest bearing loans are expected to be settled in:				
No more than 12 months	138,000		138,000	
More than 12 months	60,000	198,000		138,000
Total interest bearing loans	198,000	198,000	138,000	138,000

The interest bearing loan is a result of a deferred payment arrangement agreed with the vendor of Ayers Rock Resort and a debt facility with ANZ. The consideration is payable over 5 years. The outstanding payments on the vendor loan attract interest at 6.5% per annum fixed. The ANZ loan is at a variable interest rate.



Notes to and forming part of the financial statements for the year ended 30 June 2015

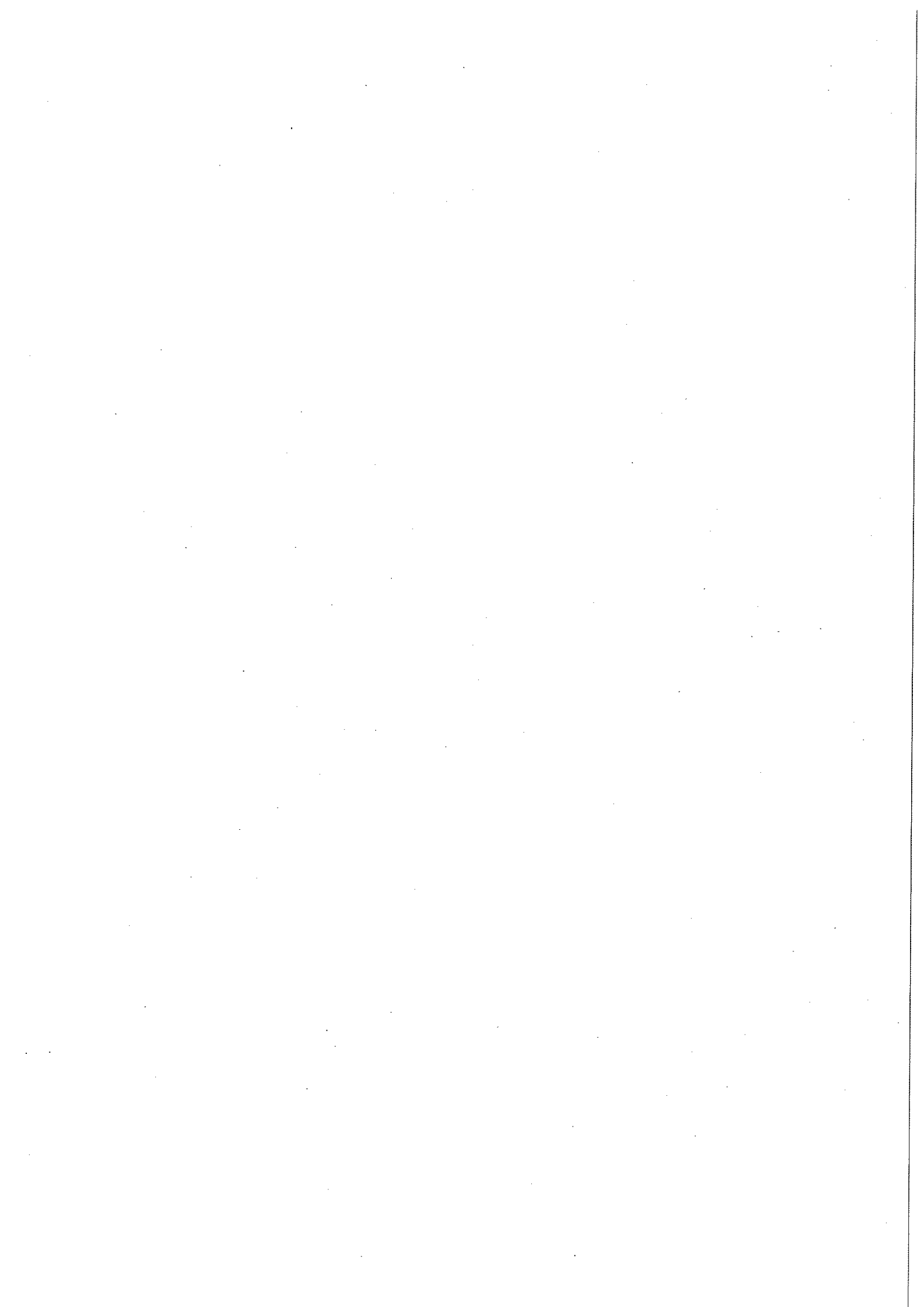
13A. Fair value measurements at the end of the reporting period by hierarchy for assets and liabilities

Consolidated As at 30 June 2015	Fair value \$,000	Fair value measurements at the end of the reporting period using		
		Level 1 inputs \$,000	Level 2 inputs \$,000	Level 3 inputs \$,000
Non-financial assets				
Commercial business assets				
Buildings and infrastructure improvements	234,496		31,508	202,988
Plant and equipment	19,068		3,720	15,348
Furniture and fittings	19,551		247	19,304
Motor vehicles	5,702		2,508	3,194
Administration assets				
Office equipment	95		66	29
Furniture and fittings	1,826		61	1,765
Computer systems	1,055		537	518
Leasehold improvements	949			949
Land	48,342		127	48,215
Make good	150			150
Biological assets	44,277		44,277	
Total non-financial assets	375,511		83,051	292,460
Total fair value measurements of assets in the Statement of Financial Position	375,511		83,051	292,460

There were no transfers during the period between levels.

Consolidated As at 30 June 2014	Fair value \$,000	Fair value measurements at the end of the reporting period using		
		Level 1 inputs \$,000	Level 2 inputs \$,000	Level 3 inputs \$,000
Non-financial assets				
Commercial business assets				
Buildings and infrastructure improvements	230,631		36,084	194,547
Plant and equipment	16,380		4,015	12,365
Furniture and fittings	16,625		182	16,443
Motor vehicles	5,011		2,661	2,350
Administration assets				
Office equipment	103		49	54
Furniture and fittings	1,725		61	1,664
Computer systems	910		588	322
Leasehold improvements	1,095			1,095
Land	44,016		208	43,808
Make good	190			190
Biological assets	35,687		35,687	
Assets held for sale	345		345	
Total non-financial assets	352,718		79,880	272,838
Total fair value measurements of assets in the Statement of Financial Position	352,718		79,880	272,838

There were no transfers during the period between levels.



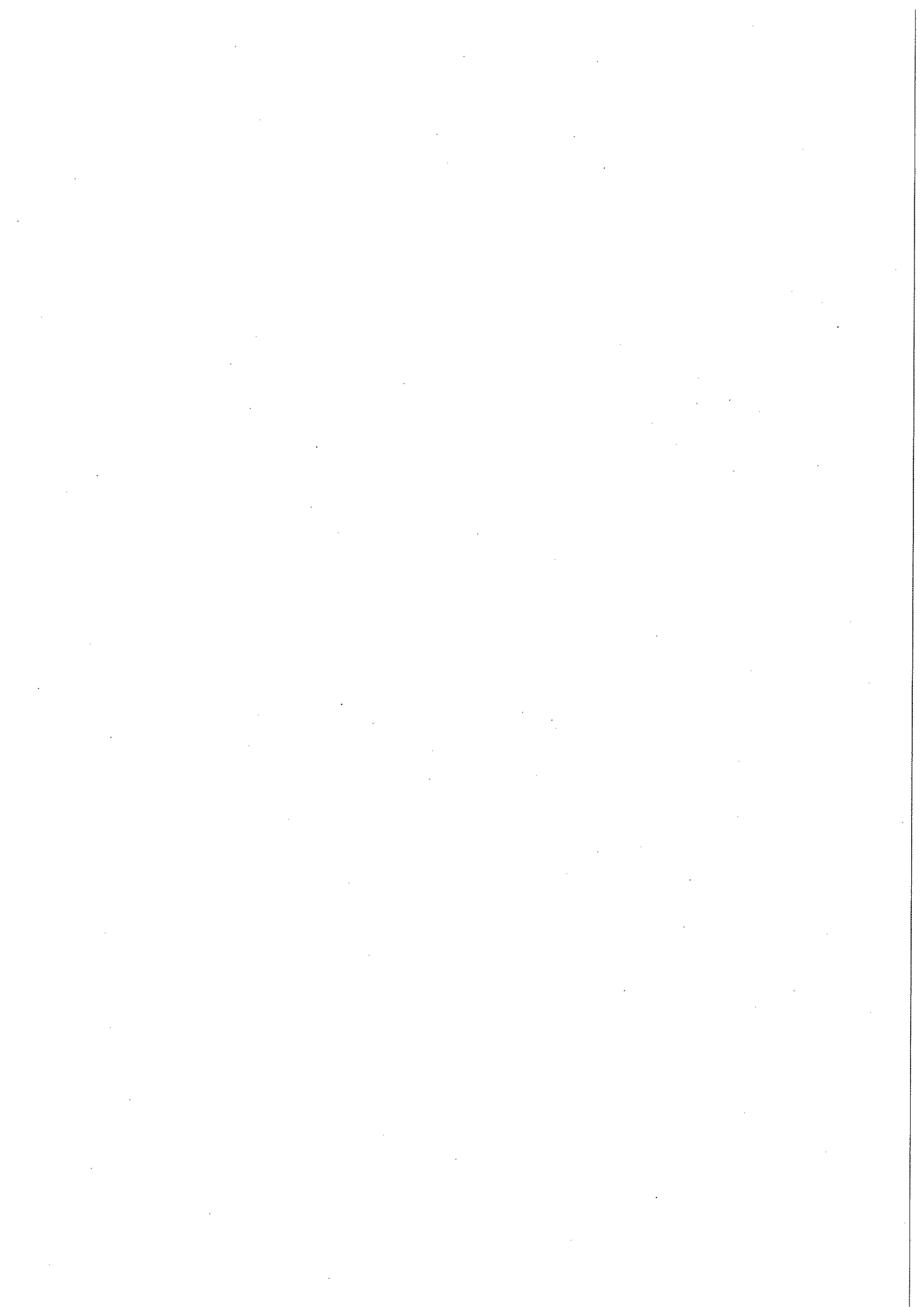
Notes to and forming part of the financial statements for the year ended 30 June 2015

13B. Valuation technique and input for Level 2 and Level 3 fair value measurement

Consolidated As at 30 June 2015	Category (Level 2 or Level 3)	Fair value \$,000	Valuation technique	Inputs used range (weighted average)
Non-financial assets				
<i>Commercial business assets</i>				
Buildings and infrastructure improvements	2	31,508	Market	Adjusted market transactions
	3	45,800	DRC	
	3	157,188	Capitalisation of earnings	Forecasted net operating income Pre tax discount rate 10.50%
Plant and equipment	2	3,720	Market	Adjusted market transactions
	3	38	Market and Cost	
	3	15,310	Capitalisation of earnings	Forecasted net operating income Pre tax discount rate 10.50%
Furniture and fittings	2	248	Market	Adjusted market transactions
	3	19,303	Capitalisation of earnings	Forecasted net operating income Pre tax discount rate 10.50%
Motor vehicles	2	2,508	Market	Adjusted market transactions
	3	3,194	Capitalisation of earnings	Forecasted net operating income Pre tax discount rate 10.50%
<i>Administration assets</i>				
Office equipment	2	66	Market	Adjusted market transactions
	3	29	Capitalisation of earnings	Forecasted net operating income Pre tax discount rate 10.50%
Furniture and fittings	2	61	Market	Adjusted market transactions
	3	1,765	Capitalisation of earnings	Forecasted net operating income Pre tax discount rate 10.50%
Computer systems	2	538	Market	Adjusted market transactions
	3	517	Capitalisation of earnings	Forecasted net operating income Pre tax discount rate 10.50%
Leasehold improvements	3	758	DRC	Replacement cost new
	3	191	Capitalisation of earnings	Forecasted net operating income Pre tax discount rate 10.50%
Land	2	127	Market	Adjusted market transactions
	3	48,215	Capitalisation of earnings	Forecasted net operating income Pre tax discount rate 10.50%
Make good	3	150	DRC	
Biological assets	2	44,277	Market	Adjusted market transactions
Assets held for sale				

DCF = Discounted Cash Flow

DRC = Depreciated Replacement Cost



Notes to and forming part of the financial statements for the year ended 30 June 2015

	Consol 2015 \$,000	Consol 2014 \$,000	IJC 2015 \$,000	IJC 2014 \$,000
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14. Cash flow reconciliation

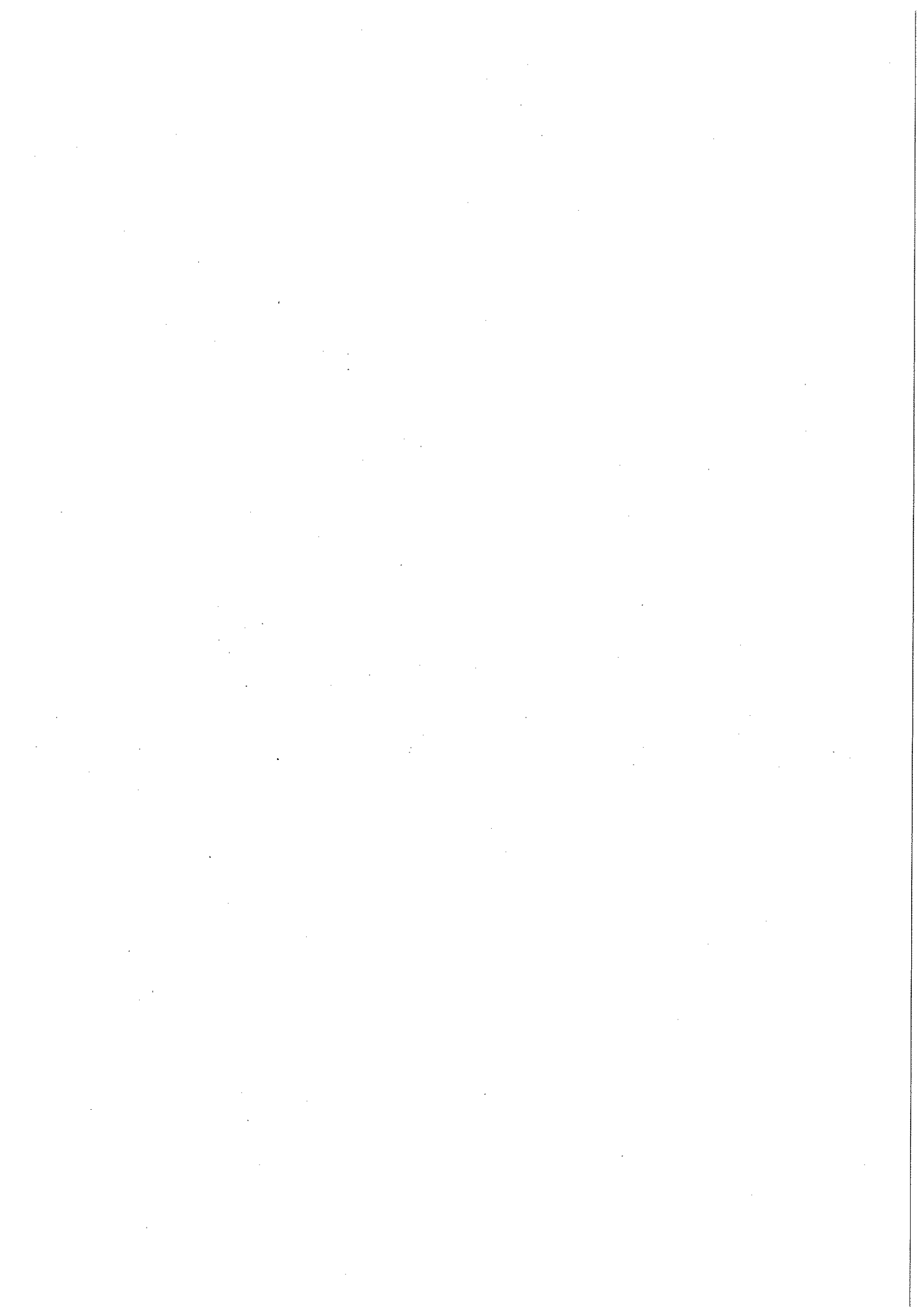
Reconciliation of cash and cash equivalents as per Statement of Financial Position to Cash Flow Statement:

For the purposes of the Cash Flow Statement, cash includes cash on hand and cash at bank. Cash at the end of the reporting period as shown in the Cash Flow Statement is reconciled to the related items in the Statement of Financial Position as follows:

Cash balances comprises:				
Cash at bank and on hand	17,097	15,149	373	2,467
Deposits at call	4,372	2,246	4,372	2,246
Deposits with maturity less than 3 months	27,000	34,000	27,000	34,000
Cash advances	8	8	8	8
Total cash and cash equivalents	48,477	51,403	31,753	38,721
Balance of cash as at 30 June shown in the Cash Flow Statement	48,477	51,403	31,753	38,721

Reconciliation of cost of services to net cash flows from operating activities:

Net cost of services after tax	(35,601)	(90,962)	(43,752)	(57,754)
Revenue from Government	59,391	62,127	59,391	62,127
Non cash items				
Depreciation and amortisation	17,925	18,331	5,897	6,417
Net loss on sale of property, plant and equipment	983	287	214	72
Impairment of assets	(22,556)	19,241		348
Write down of property, plant and equipment		35		14
Income tax benefit	167			
Other non cash	3,265	(370)	4,680	439
GST recovered on non-operating cash flows	1,342	931	233	281
Change in assets and liabilities				
(Increase)/decrease in receivables	2,107	(3,528)	1,943	(2,756)
(Increase)/decrease in other financial assets	234	78	(29,642)	(12,431)
(Increase)/decrease in assets held for transfer	13,457	2,567	13,457	2,567
(Increase)/decrease in inventories	(8,883)	(2,953)	3,671	(3,012)
(Increase)/decrease in other non-financial assets	452	230	465	483
(Increase)/decrease in deferred tax asset	(167)			
Increase/(decrease) in suppliers	(377)	49	774	(1,420)
Increase/(decrease) in other payables	3,164	1,238	1,261	1,135
Increase/(decrease) in employee provisions	1,033	1,391	138	525
Increase/(decrease) in other provisions	(13,112)	(2,417)	(13,112)	(2,417)
Net cash from (used by) operating activities	22,824	6,275	5,618	(5,382)



Notes to and forming part of the financial statements for the year ended 30 June 2015

15A. Contingent liabilities and assets (cont.)

ILC	Guarantees		Total	
	2015 \$,000	2014 \$,000	2015 \$,000	2014 \$,000
CONTINGENT LIABILITIES				
Balance from previous period	60,566	60,680	60,566	60,680
New	19,600		19,600	
Re-measurement	(566)	(114)	(566)	(114)
Total contingent liabilities	79,600	60,566	79,600	60,566
Net contingent assets (liabilities)	(79,600)	(60,566)	(79,600)	(60,566)

15B. Unquantifiable Contingencies

The ILC has guaranteed payment of an uplift payment to the vendors of Ayers Rock Resort which will be calculated in accordance with the sale agreement and will take into account the increase in value of Ayers Rock Resort less any capital development undertaken. The minimum amount payable to the vendor is \$17 million. The present value of the payment, being \$15.962 million, has been included in other payables. Any amount in excess of the minimum \$17 million payment is considered to be an unquantifiable contingent liability.

15C. Significant Remote Contingencies

The Corporation had no significant remote contingencies as at reporting date.

16. Transactions with wholly owned entity

The ILC is the ultimate parent entity in the wholly owned group comprising itself and its wholly owned subsidiaries NIPE, NCIE, Voyages and the Strata Corp.

The ILC provided grant funding to its subsidiaries as follows:

NIPE - \$8,449,327 (2014: \$7,190,745)

NCIE - \$2,495,166 (2014: \$1,156,668)

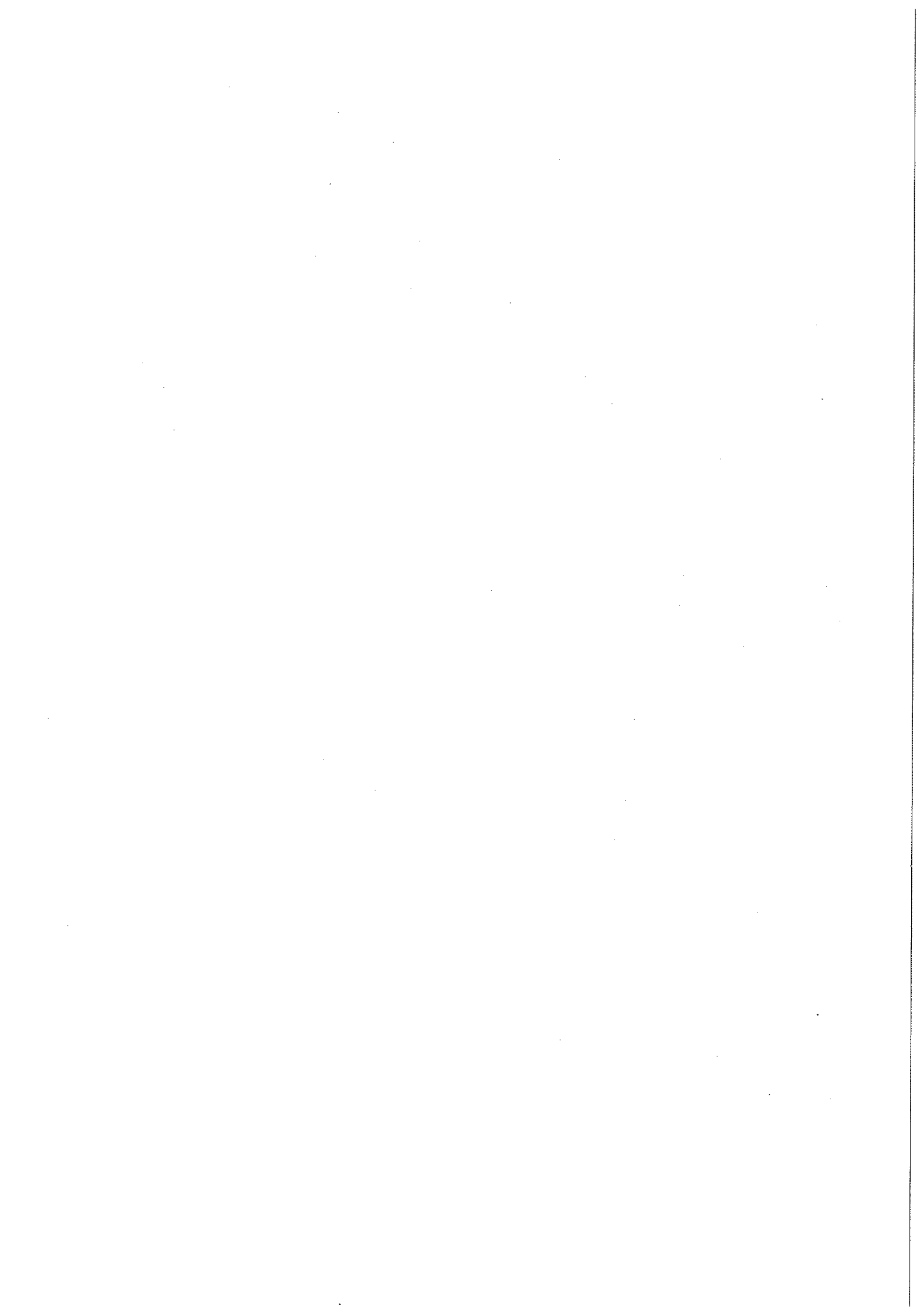
The ILC provided loan funding to its subsidiaries as follows:

Voyages - \$ nil (2014: \$ nil)

Voyages paid interest on the intercompany loan from the ILC as follows:

Voyages \$18,090,420 (2014: \$18,164,181)

Section 191G of the *Aboriginal and Torres Strait Islander Act 2005 (the Act)* allows the ILC to create subsidiaries and to fund them by way of loan or transfer. The deed of agreements between the ILC and NCIE and the ILC and NIPE reflects the Act and expresses that the ILC will make an annual advance of funds to cover NCIE's and NIPE's expenses and underwrite any losses from NCIE or NIPE either by way of loan or grant. The discretion is with the ILC as to whether funding is by way of loan or grant. During the year the ILC Board confirmed that funding to NCIE and NIPE in future will be by way of a grant.



Notes to and forming part of the financial statements for the year ended 30 June 2015

18. Remuneration of Directors

	Consol 2015 \$	Consol 2014 \$	ILC 2015 \$	ILC 2014 \$
Short term employee benefits				
Salary (including leave taken)	955,021	687,959	323,028	301,133
Total short-term employee benefits	955,021	687,959	323,028	301,133
Post-employment benefits				
Superannuation	106,048	84,270	53,754	55,192
Total post-employment benefits	106,048	84,270	53,754	55,192
Total	1,061,069	772,229	376,782	356,325

In 2014-15 the ILC's Remuneration and Nomination Committee undertook a review of remuneration paid to directors on subsidiary Boards and made a number of recommendations to the ILC Board to adjust payments on independent advice.

The number of Directors of the Corporation included in these figures is shown below.

	Consol 2015	Consol 2014	ILC 2015	ILC 2014
The number of Directors	22	25	7	9

19. Other transactions with director or director related entities

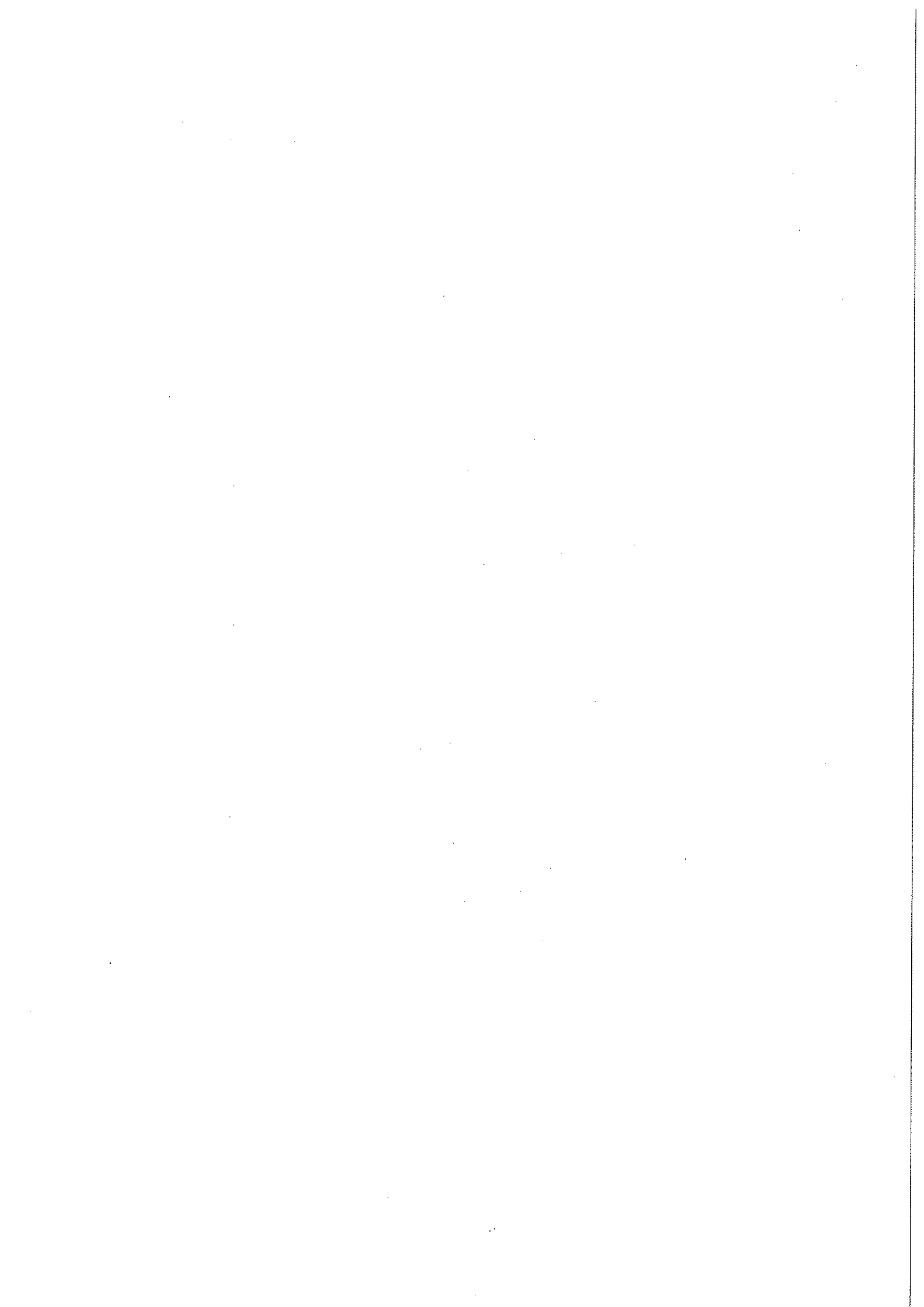
Mr Ian Trust is a Director of Wunan Foundation. The Corporation provided land management funding of \$65,000 to Wunan Foundation (2014: \$90,750). Mr Trust took no part in the relevant decision.

Mr Ian Trust is a Committee member of Kimberley Group Training Incorporated (KGT). The Corporation is the host employer for Indigenous trainees sourced through KGT. The Corporation reimbursed KGT for the cost of the trainees of \$511,953 (2014: \$179,056). Mr Trust took no part in the relevant decision.

Mr Graham Atkinson is a Director of The Dja Dja Wurrung Clans Aboriginal Corporation. The Corporation provided land management funding of \$50,000 (2014: \$165,000) to The Dja Dja Wurrung Clans Aboriginal Corporation. Mr Atkinson took no part in the relevant decision.

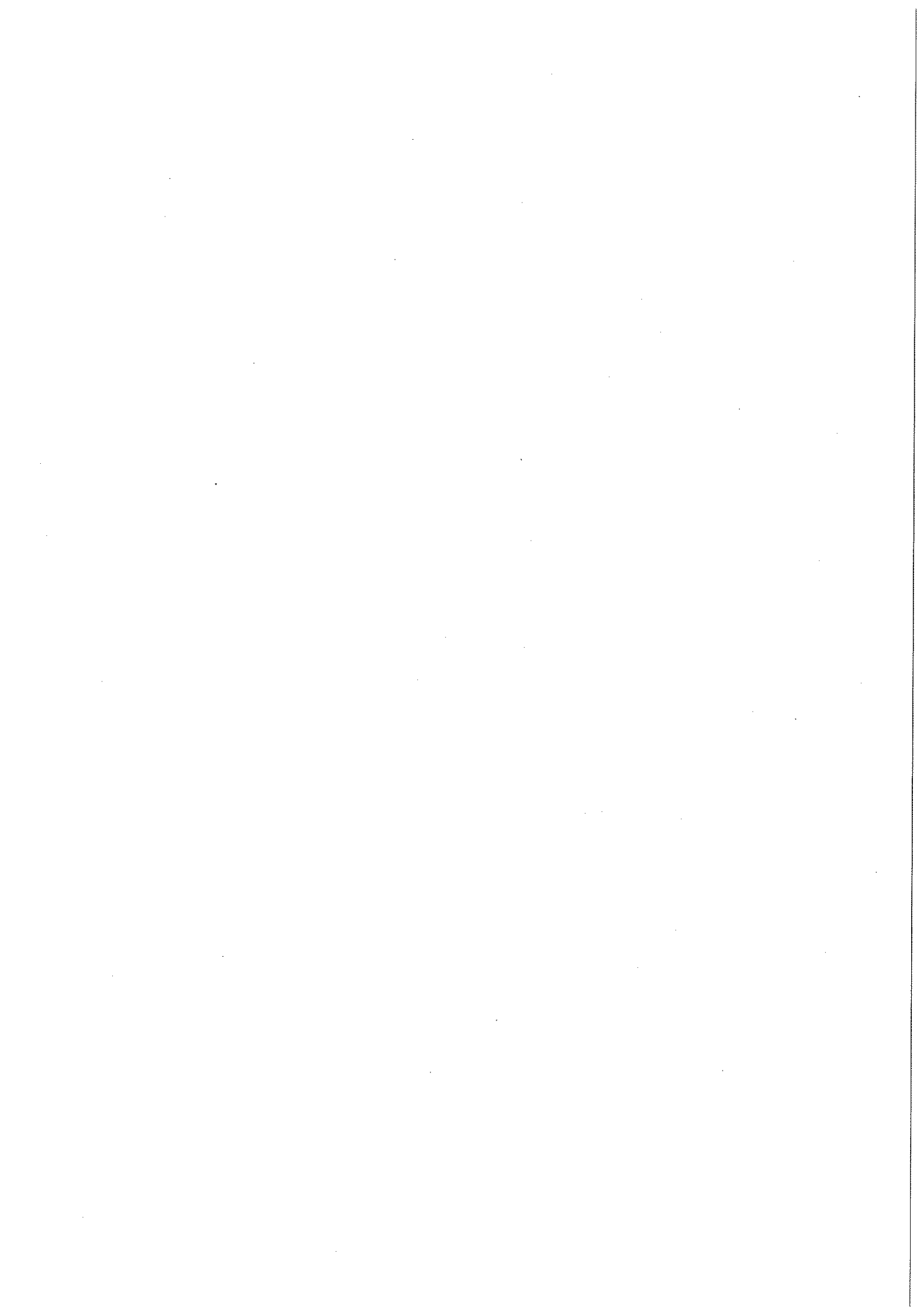
Mr Graham Atkinson is a Director of Dja Dja Wurrung Enterprises Pty Ltd. The Corporation paid Dja Dja Wurrung Enterprises Pty Ltd for services rendered in the amount of \$Nil (2014: \$1,844). Mr Atkinson took no part in the relevant decision.

NCIE leases office space. A Director of NCIE (Mr Langus Shane Phillips) is also the Chairman and CEO of a tenant of the Company. \$5,945 (2014: \$7,040) has been charged to the tenant during the reporting period. The Director receives no personal benefit as a result of the tenancy arrangements.



Notes to and forming part of the financial statements for the year ended 30 June 2015

	Consol 2015 \$,000	Consol 2014 \$,000	ILC 2015 \$,000	ILC 2014 \$,000
21. Remuneration of auditors				
Remuneration to the Auditor General				
Financial statement audits	241	233	118	91
Other assurance services	20	21	4	6
Total remuneration of auditors	261	254	122	97
22. Financial instruments				
22A. Categories of financial instruments				
Held-to-maturity investments				
Term deposits	27,000	34,000	27,000	34,000
Other investments	10,000		24,045	1
Loans and receivables				
Cash	17,105	15,157	381	2,475
Receivables	9,949	11,938	4,078	6,162
Other deposits	4,372	2,246	4,372	2,246
Repayable grants / advances	93	327	337,342	321,744
Carrying amount of financial assets	68,519	63,668	397,218	366,628
Financial Liabilities				
Financial liabilities measured at amortised cost				
Supplier payables	13,725	14,102	6,272	5,498
Other payables	22,487	19,323	20,382	19,121
Interest bearing loans	198,000	198,000	138,000	138,000
Carrying amount of financial liabilities	234,212	231,425	164,654	162,619
22B. Net income and expenses from financial assets				
Held-to-maturity investments – interest received				
Term deposits	1,673	2,023	1,673	2,023
	1,673	2,023	1,673	2,023
Loans and receivables – interest received				
Cash	477	225	24	27
Other deposits			18,090	18,164
	477	225	18,114	18,191
Loans and receivables – impairment movement				
Repayable grants/advances	(144)	4	(144)	4
Net income from financial assets	2,006	2,252	19,643	20,218



Notes to and forming part of the financial statements for the year ended 30 June 2015

22E. Financial risk management objectives and policies (cont.)

Risk exposures and responses

Market risk

The Corporation's exposure to market risk is through its investment portfolio. Investments are disclosed in note 9C. The Corporation minimises its exposure to market risk by placing the majority of its investment funds in fixed rate term deposits with major banks, with the remainder being held on short term deposits with major banks. This also considerably diminished its interest rate risk.

Price risk

The Corporation also has exposure to commodity price risk through the holding of biological asset produce. The Corporation does not hedge this risk.

Interest rate risk

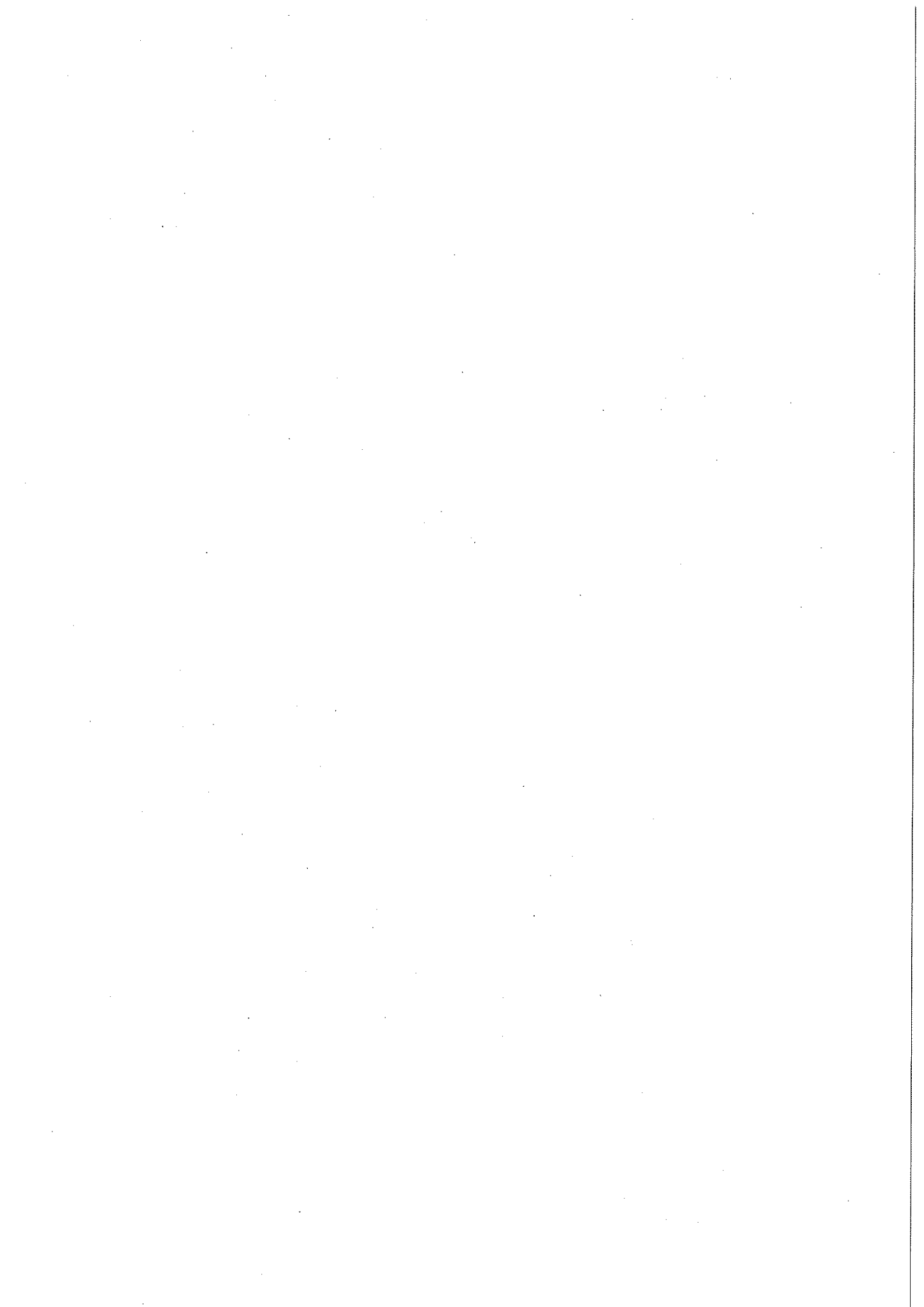
Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation is exposed to interest rate risk primarily from cash and short term deposits. The Corporation's policy is to manage its financial assets and liabilities with a mix of fixed rate and variable rate products. Cash, short term deposits utilise variable rates. As at balance date, the Corporation had the following mix of financial assets and liabilities exposed to Australian variable interest rate risk.

	Consol 2015 \$,000	Consol 2014 \$,000	ILC 2015 \$,000	ILC 2014 \$,000
Financial Assets				
Cash	17,105	15,157	381	2,475
Other deposits	4,372	2,246	4,372	2,246
Term deposits	37,000	34,000	37,000	34,000
	<u>58,477</u>	<u>51,403</u>	<u>41,753</u>	<u>38,721</u>
Financial Liabilities				
Interest bearing loan	60,000	60,000		
	<u>(1,523)</u>	<u>(8,597)</u>	<u>41,753</u>	<u>38,721</u>
Net Assets				

The table below details the interest rate sensitivity analysis of the entity at the reporting date, holding all other variables constant. A 40 basis point change is deemed to be reasonably possible and is used when reporting interest rate risk.

	Risk variable	Change in variable	Effect on		Effect on	
			Profit or loss	Equity	Profit or loss	Equity
			2015 \$,000	2015 \$,000	2014 \$,000	2014 \$,000
Consolidated						
Interest rate risk	Interest	+0.4%	(6)	(6)	(34)	(34)
		-0.4%	6	6	34	34
ILC						
Interest rate risk	Interest	+0.4%	167	167	155	155
		-0.4%	(167)	(167)	(155)	(155)

The method used to arrive at the possible risk of 40 basis points was based on both statistical and non-statistical analysis. The statistical analysis has been based on the cash rate for the past five years issued by the Reserve Bank of Australia (RBA) as the underlying dataset. This information is then revised and adjusted for reasonableness under the current economic circumstances.



Notes to and forming part of the financial statements for the year ended 30 June 2015

22E. Financial risk management objectives and policies (cont.)

Liquidity risk

The Corporation also reduces its exposure to liquidity risk by monitoring its cash flows closely through rolling future cash flows and monitoring the ageing of receivables and payables.

Maturity of financial liabilities as at 30 June 2015

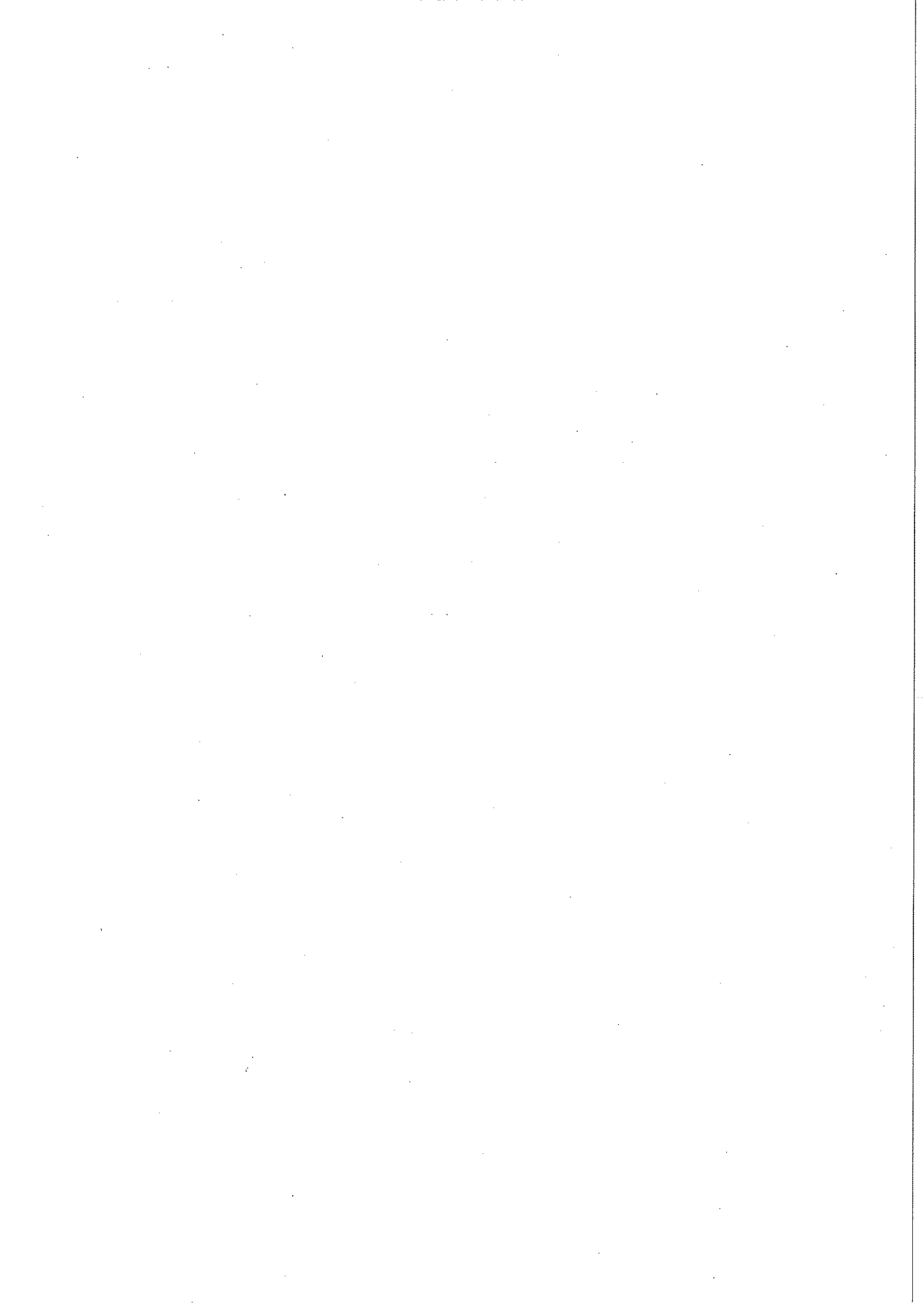
	On Demand \$,000	Within 1 year \$,000	1-5 Years \$,000	>5 Years \$,000	Total \$,000
Supplier payables	-	13,725	-	-	13,725
Other payables	-	19,175	1,174	2,138	22,487
Interest bearing loans	-	198,000	-	-	198,000
Total		230,900	1,174	2,138	234,212

Maturity of financial liabilities as at 30 June 2014

	On Demand \$,000	Within 1 year \$,000	1-5 Years \$,000	>5 Years \$,000	Total \$,000
Supplier payables	-	14,102	-	-	14,102
Other payables	-	1,088	15,692	2,543	19,323
Interest bearing loans	-	-	198,000	-	198,000
Total		15,190	213,692	2,543	231,425

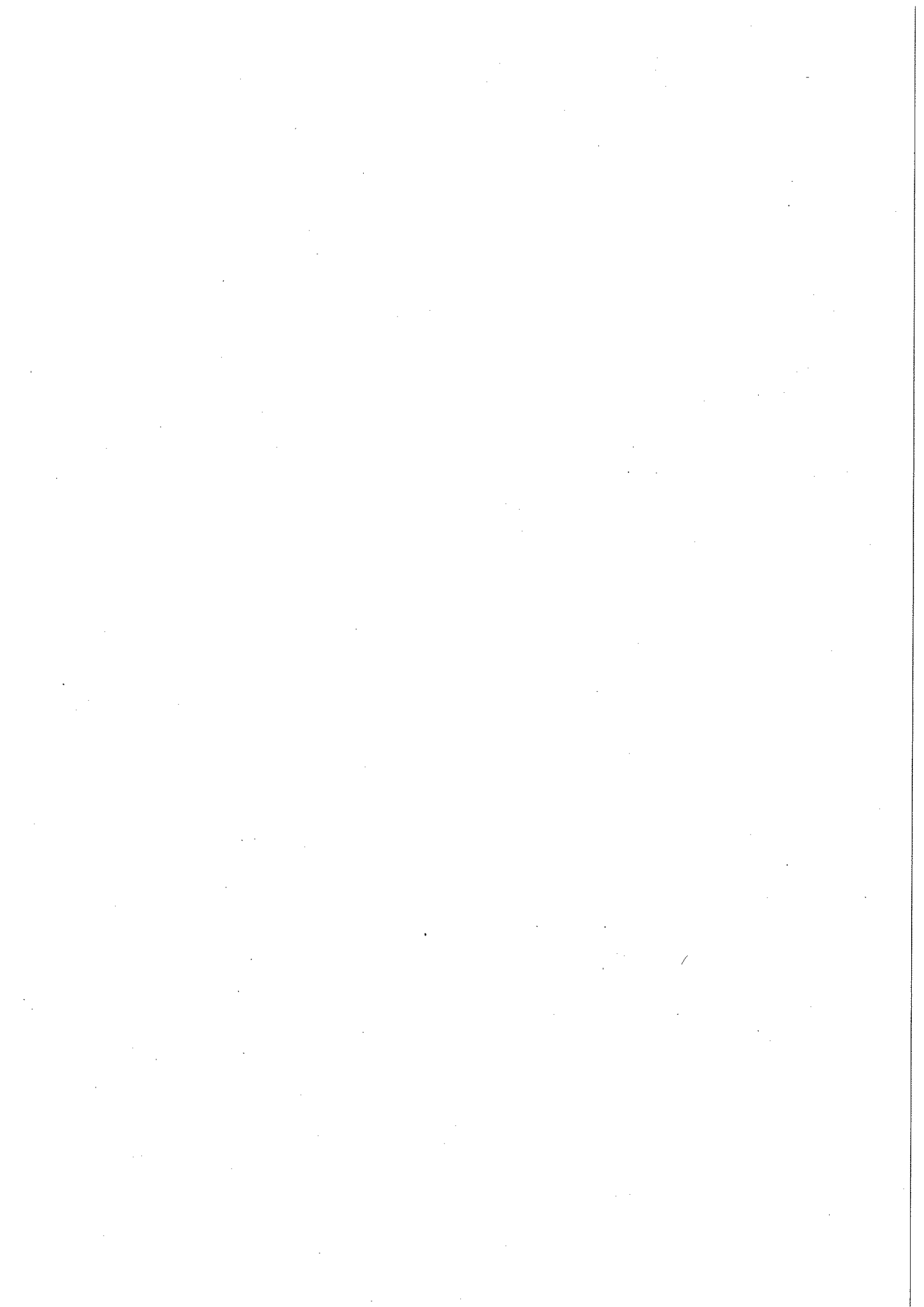
22F. Financial assets reconciliation

	Consol 2015 \$,000	Consol 2014 \$,000	ILC 2015 \$,000	ILC 2014 \$,000
Total financial assets as per Statement of Financial Position	68,500	63,767	398,008	367,277
Less: non financial instrument components				
GST Receivable from ATO	(19)	99	790	649
Total financial assets as per Instruments note	68,519	63,668	397,218	366,628





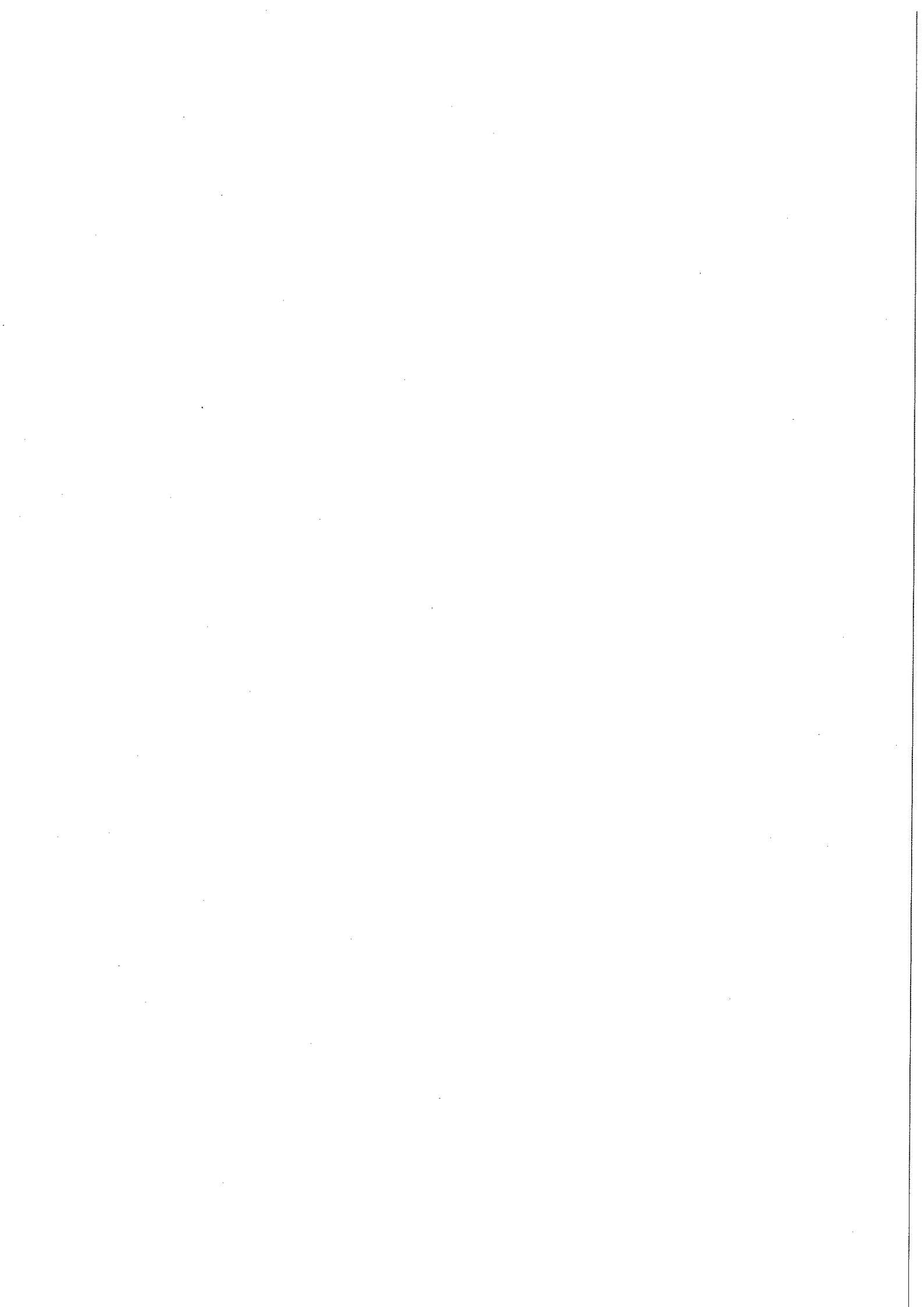
Appendices



Appendix 2

ILC Board meetings 2014-15

Meeting No	Date	Location	Attendees	Absent
178	12.08.14	Teleconference	Dr Dawn Casey PSM FAHA (Chair) Mr Graham Atkinson Ms Lisa Gay Ms Olga Havnen Ms Alison Page Mr Neil Westbury PSM	Mr Ian Trust
179	03.09.14	Roebuck Plains Station, Broome WA	Dr Dawn Casey PSM FAHA (Chair) Mr Ian Trust Mr Graham Atkinson Ms Lisa Gay Ms Olga Havnen Mr Neil Westbury PSM	Ms Alison Page
180	15.09.15	Teleconference	Dr Dawn Casey PSM FAHA (Chair) Mr Ian Trust Mr Graham Atkinson Ms Lisa Gay Ms Olga Havnen Ms Alison Page Mr Neil Westbury PSM	
181	29.10.14	Adelaide	Dr Dawn Casey PSM FAHA (Chair) Mr Ian Trust Mr Graham Atkinson Ms Lisa Gay Ms Olga Havnen Ms Alison Page Mr Neil Westbury PSM	
182	17.11.14	Teleconference	Dr Dawn Casey PSM FAHA (Chair) Mr Ian Trust Mr Graham Atkinson Ms Lisa Gay Ms Olga Havnen Ms Alison Page Mr Neil Westbury PSM	
183	17.12.14	Canberra	Dr Dawn Casey PSM FAHA (Chair) Mr Ian Trust Mr Graham Atkinson Ms Lisa Gay Ms Olga Havnen Ms Alison Page Mr Neil Westbury PSM	



Appendix 3

ILC Board committee meetings 2014-15

Land Acquisition, Management, Business, Employment and Training Committee
(Transitioned to the ILC subsidiary, National Indigenous Pastoral Enterprises Pty Limited, from 1 October 2014)

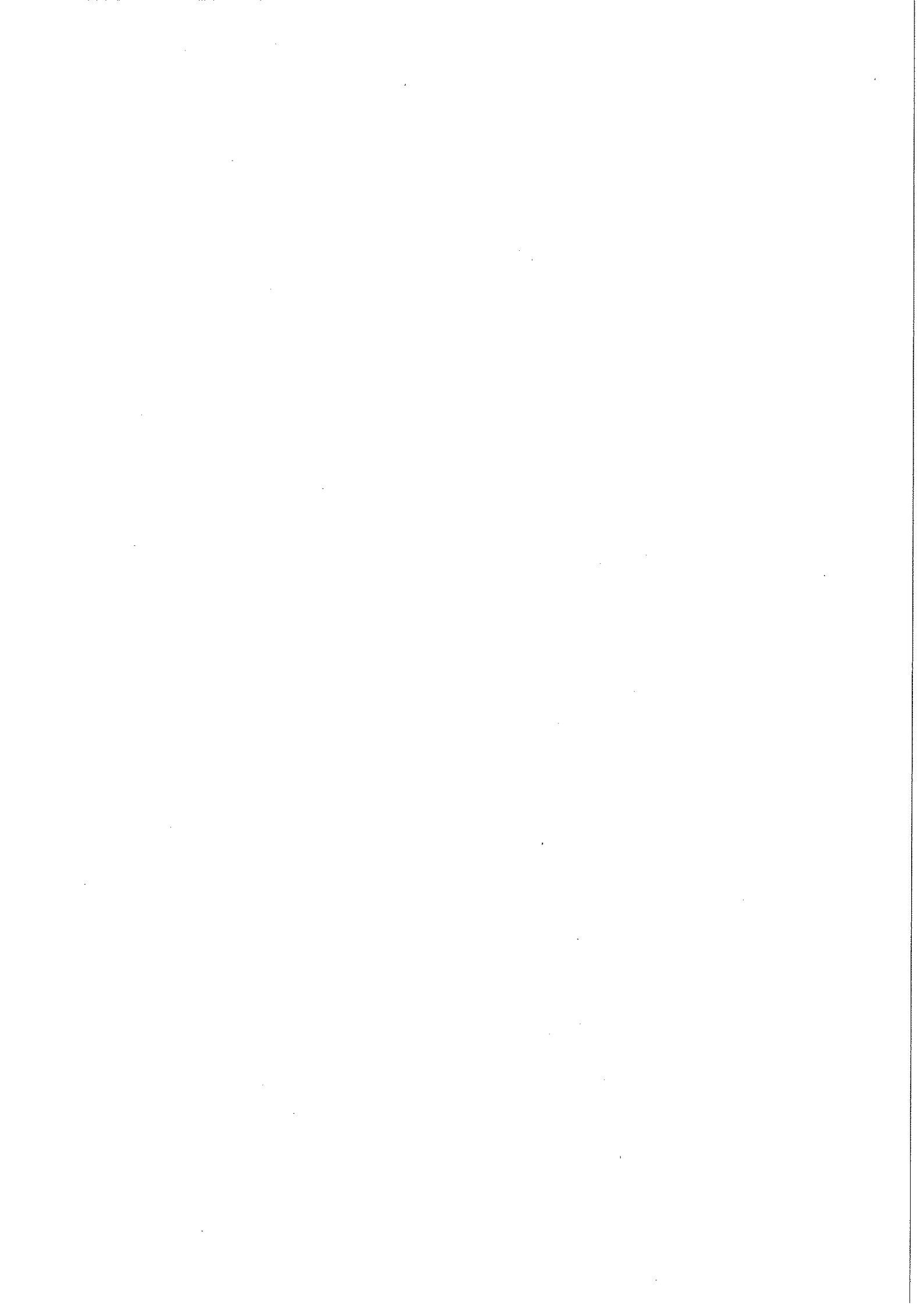
Date	Location	Attendees	Absent
14.08.14	Melbourne	Mr Neil Westbury PSM (Chair) Mr Graham Atkinson Mr Michael Stephens (Independent)	

Audit and Assurance Committee

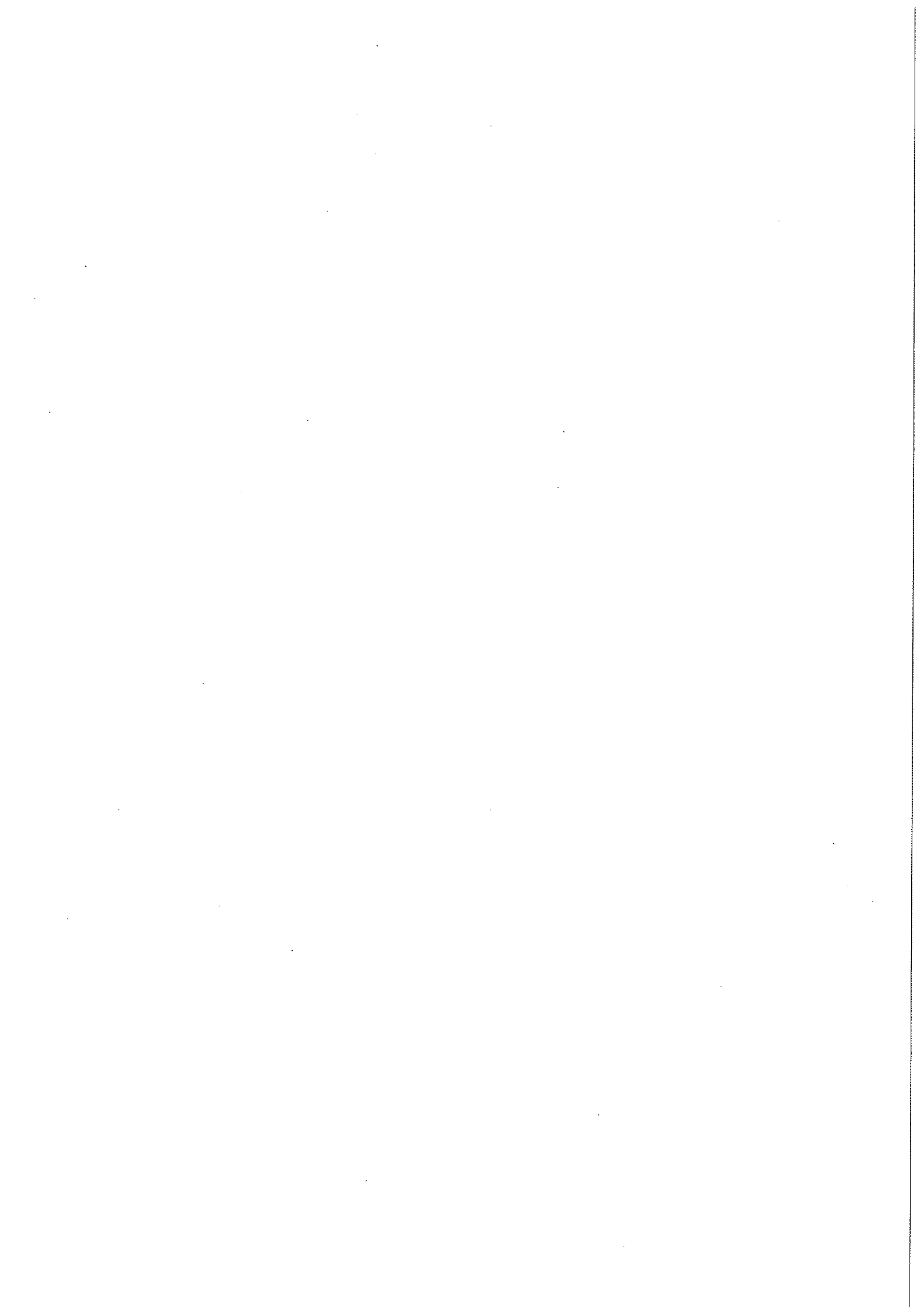
Date	Location	Attendees	Absent
06.08.14	Adelaide	Ms Jenny Morison (Independent Chair) Ms Alison Page	Mr Graham Atkinson
10.09.14	Canberra	Ms Jenny Morison (Independent Chair) Mr Graham Atkinson Ms Alison Page	
25.11.14	Adelaide	Ms Jenny Morison (Independent Chair) Mr Graham Atkinson Ms Alison Page	
25.03.15	Canberra	Ms Jenny Morison (Independent Chair) Mr Graham Atkinson Ms Alison Page	
26.05.15	Canberra	Ms Jenny Morison (Independent Chair) Mr Graham Atkinson Ms Alison Page	

Finance, Legal and Investment Committee

Date	Location	Attendees	Absent
12.08.14	Melbourne	Mr Ian Ward-Ambler (Independent Chair) Ms Lisa Gay Mr Neil Westbury PSM	Mr Ian Trust
22.10.14	Melbourne	Mr Ian Ward-Ambler (Independent Chair) Mr Graham Atkinson Ms Lisa Gay Mr Neil Westbury PSM	
28.01.15	Melbourne	Mr Ian Ward-Ambler (Independent Chair) Mr Graham Atkinson Ms Lisa Gay Mr Neil Westbury PSM	
21.04.15	Hobart	Mr Ian Ward-Ambler (Independent Chair) Mr Graham Atkinson Ms Lisa Gay Mr Neil Westbury PSM	
04.06.15	Melbourne	Mr Ian Ward-Ambler (Independent Chair) Mr Graham Atkinson Ms Lisa Gay	Mr Neil Westbury PSM



Course name/type	Accreditation	Indigenous participants	Property
Horsemanship School	Non-accredited	10	Myroodah
Horsemanship School	Non-accredited	5	Bulimba
Horsemanship School	Non-accredited	4	Crocodile
Low Stress Stock Handling	Non-accredited	9	Myroodah
Hospitality			
Certificate II in Hospitality	Accredited	22	Ayers Rock Resort
Certificate III in Hospitality	Accredited	56	Ayers Rock Resort
Certificate III in Hospitality (Commercial Cookery)	Accredited	6	Ayers Rock Resort
Certificate II in Hospitality	Accredited	5	Home Valley
Certificate III (Commercial Cookery)	Accredited	2	Home Valley
Certificate III in Hospitality	Accredited	7	Home Valley
Certificate III in Hospitality	Accredited	30	Mossman Gorge Centre
Certificate III in Hospitality (F&B)	Accredited	10	Mossman Gorge Centre
Certificate III in Hospitality (Commercial Cookery)	Accredited	2	Mossman Gorge Centre
Certificate II in Hospitality (Kitchen Operations)	Accredited	2	Warrigundu (Hodgson Downs)
Tourism			
Certificate II in Tourism	Accredited	11	Ayers Rock Resort
Other			
Kuku Yalanji Art Class – "The Artist Scarf"	Non-accredited	6	Mossman Gorge Centre
Certificate III in Plumbing	Accredited	1	Ayers Rock Resort
Certificate III in Painting and Decorating	Accredited	1	Ayers Rock Resort
Certificate III Air-conditioning/refrigeration	Accredited	1	Ayers Rock Resort
Certificate III Dry Cleaning	Accredited	1	Ayers Rock Resort
Responsible Service of Alcohol	Accredited	94	Ayers Rock Resort
Certificate II in Automotive Mechanical (Apprentice Mechanic)	Accredited	1	Home Valley
Certificate II in Business Administration	Accredited	2	Gunbalanya Meats
Certificate II in Business Administration	Accredited	1	Warrigundu (Hodgson Downs)
STEPS Literacy and Numeracy Program	Non-accredited	15	Roebuck Plains
STEPS Literacy and Numeracy Program	Non-accredited	5	Bulimba
STEPS Literacy and Numeracy Program	Non-accredited	6	Crocodile Welcome
STEPS Literacy and Numeracy Program	Non-accredited	3	Merepah
STEPS Literacy and Numeracy Program	Non-accredited	4	Warrigundu (Hodgson Downs)
STEPS Literacy and Numeracy Program	Non-accredited	9	Gunbalanya
STEPS Literacy and Numeracy Program	Non-accredited	9	Myroodah
First Aid	Accredited	2	Roebuck Plains
Life Skills – My River Programme	Non-accredited	9	Myroodah
Life Skills – Rise Up Programme	Non-accredited	10	Myroodah
Life Skills – Rise Up Programme	Non-accredited	5	Bulimba
Life Skills – Rise Up Programme	Non-accredited	4	Crocodile Welcome
Life Skills – Rise Up Programme	Non-accredited	3	Merepah
Life Skills – Rise Up Programme	Non-accredited	5	Roebuck Plains



Appendix 6

Consultants

The ILC engages consultants on the same basis as it procures all goods and services. The ILC continued to contract a number of consultants for the performance of specialist professional services and where the ILC requires independent advice, review or evaluation.

The ILC engaged Deloitte Touche Tomatsu during the reporting period to provide assistance with debt refinancing of Ayers Rock Resort which is due in May 2016.

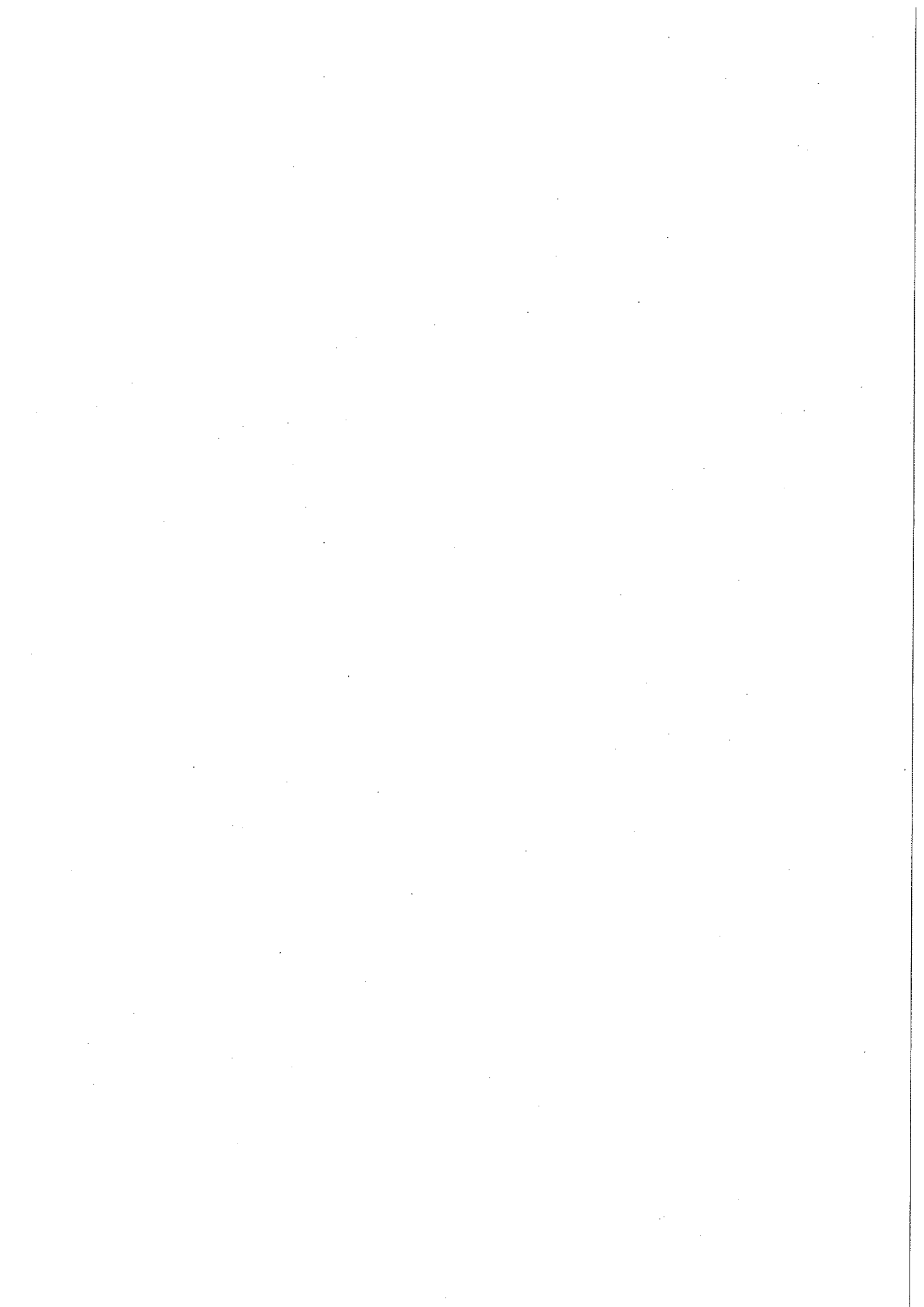
Consultants were selected by tender or direct sourcing. Information on contracts and consultancies is available through the ILC's website.

The ILC is not required to report on contractors and consultancies on the AusTender website. A list of consultants with a value over \$10,000 is available on the ILC website.

ILC spending on consultants (inclusive of GST)

	2014-15	2014-15	2014-15
Administration	\$1.3m	\$1.2m	\$1.2m
Land acquisition and land management functions	\$0.6m	\$0.6m	\$0.5m
Major development/due diligence	\$0.0m	\$0.2m	\$0.7m
Total	\$1.9m	\$2.0m	\$2.4m

During 2014-15, 36 new consultancy arrangements were entered into involving total actual expenditure of \$0.8 million (inclusive of GST). In addition, 24 consultancy projects were ongoing during 2014-15, involving total actual expenditure of \$1.1 million (inclusive of GST).



Compliance index

Requirement	Reference	
Approval by Directors	Commonwealth Authorities (Annual Reporting) Orders 2011, Clause 6	(i), 103
Details of exemptions granted by Finance Minister in regard to reporting requirements	Commonwealth Authorities (Annual Reporting) Orders 2011, Clause 7	No exemptions
Parliamentary standards of presentation	Commonwealth Authorities (Annual Reporting) Orders 2011, Clause 8	(i)
Plain English and Clear Design	Commonwealth Authorities (Annual Reporting) Orders 2011, Clause 9	(i)
Enabling legislation	Commonwealth Authorities (Annual Reporting) Orders 2011, Clause 10	59
Responsible Minister	Commonwealth Authorities (Annual Reporting) Orders 2011, Clause 11	59
Ministerial Directions	Commonwealth Authorities (Annual Reporting) Orders 2011, Clause 12	No Ministerial directions
General Policy Orders	Commonwealth Authorities (Annual Reporting) Orders 2011, Clause 12	59
Work Health and Safety	Commonwealth Authorities (Annual Reporting) Orders 2011, Clause 12	72
Advertising and Market Research	Commonwealth Authorities (Annual Reporting) Orders 2011, Clause 12	None
Disability Reporting Mechanisms	Commonwealth Authorities (Annual Reporting) Orders 2011, Clause 12	77
Ecologically sustainable development and environmental performance	Commonwealth Authorities (Annual Reporting) Orders 2011, Clause 12	73, 74
Information about Directors	Commonwealth Authorities (Annual Reporting) Orders 2011, Clause 13	60, 61
Organisational Structure	Commonwealth Authorities (Annual Reporting) Orders 2011, Clause 14	63, 76
Board Committees and their main responsibilities	Commonwealth Authorities (Annual Reporting) Orders 2011, Clause 14	62
Education and performance review processes;	Commonwealth Authorities (Annual Reporting) Orders 2011, Clause 14	67
Ethics and risk management policies	Commonwealth Authorities (Annual Reporting) Orders 2011, Clause 14	68, 69
Related Entity Transactions	Commonwealth Authorities (Annual Reporting) Orders 2011, Clause 15	N/A
Significant events under section 15 of the CAC Act	Commonwealth Authorities (Annual Reporting) Orders 2011, Clause 16 (a)	59
Operational and financial results	Commonwealth Authorities (Annual Reporting) Orders 2011, Clause (b)	14-56
Key changes to the authority's state of affairs or principal activities	Commonwealth Authorities (Annual Reporting) Orders 2011, Clause 16 (c)	6-10
Amendments to authority's enabling legislation	Commonwealth Authorities (Annual Reporting) Orders 2011, Clause 16 (d)	Nil
Significant judicial or administrative tribunal decisions	Commonwealth Authorities (Annual Reporting) Orders 2011, Clause 17 (a)	Nil
Reports made about the authority	Commonwealth Authorities (Annual Reporting) Orders 2011, Clause 17 (b)	69
Obtaining information from subsidiaries	Commonwealth Authorities (Annual Reporting) Orders 2011, Clause 18	42-56, 83-156
Indemnities and insurance premiums for officers	Commonwealth Authorities (Annual Reporting) Orders 2011, Clause 19	70, 71
Disclosure requirements for Government Business Enterprises	Commonwealth Authorities (Annual Reporting) Orders 2011, Clause 20	N/A
Compliance Index	Commonwealth Authorities (Annual Reporting) Orders 2011, Clause 21	167

