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Australian Government
Indigenous Land Corporation

22 January 2015

Senator the Hon Nigel Scullion MP
Minister for Indigenous Affairs
PO Box 6100
Senate
Parliament House
Canberra ACT 2600

Dear Minister

I refer to the letter of transmission dated 21 September 2015 and advise an inclusion to the Indigenous Land Corporation (ILC) 2014-15 Annual Report.

The Board of the ILC has authorised me to include a statement from me as the Chair. The statement articulates how the Board will work with the Australian Government to deliver better outcomes for Aboriginal and Torres Strait Islander peoples in accordance with our legislative purpose.

The annual report, with the inclusion of my statement, is provided herewith.

Yours sincerely

A handwritten signature in dark ink, appearing to read 'Eddie Fry'.

Eddie Fry
Chairperson

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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

A handwritten signature in dark ink, appearing to read 'D Casey'.

Dr Dawn Casey PSM FAHA
Chairperson

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Young Indigenous dancers performing during celebrations to mark the granting of property to the Noongar Mia Mia Organisation in Perth.

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



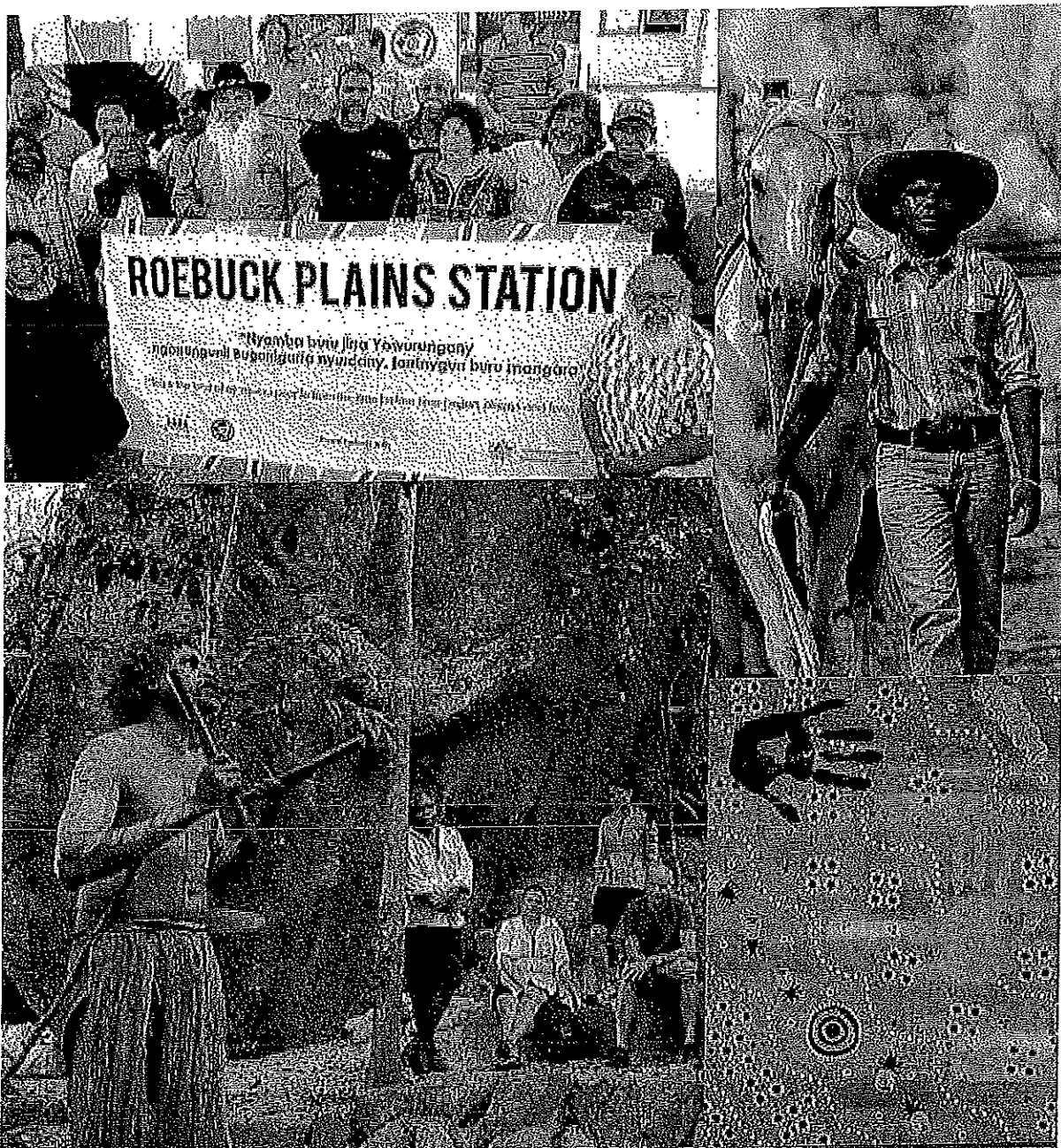
Overview

Our Land Our Future
CELEBRATING
2015
YEARS OF THE ILC



20 years of ILC Achievement 1995 - 2015

The ILC has been providing land-related benefits to Indigenous Australians over two decades, acquiring almost 6 million hectares of land.



Patient capital

The ILC has invested in pastoral and tourism businesses and other land-based projects providing capacity building, real training and employment for Indigenous Australians in areas of Australia where jobs are hard to find.

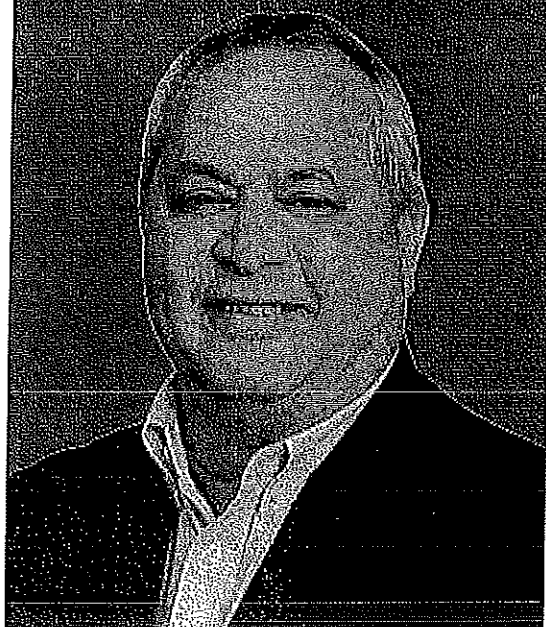
Innovative land management

The ILC has worked with indigenous land owners to manage and gain benefit from their land and pioneered new sources of income for indigenous owners in carbon markets and ecosystem services.

Collaboration for impact

Partnering with government agencies, industry and non-government organisations has brought resources and expertise to strengthen ILC projects and enable maximum Indigenous benefit.

Statement from the Chairperson



The Indigenous Land Corporation (ILC) was set up in 1995 to provide land-related benefits to Indigenous Australians. This report provides ample evidence of the achievements of the ILC's land acquisition and land management programs and of its three subsidiaries: Voyages Indigenous Tourism Australia (Voyages), National Indigenous Pastoral Enterprises (NIPE) and the National Centre of Indigenous Excellence over the 2014-15 financial year.

The ILC Board appointed in October 2015 will be meeting in February 2016 for an in-depth discussion of our strategic priorities and vision for the future; we will be setting our approach to delivering the ILC's functions in an environment where demands on ILC services are increasing, the Indigenous population is growing and an agricultural boom is on our doorstep.

We have already established the basis of a new, open and productive relationship with the Australian Government and will be providing strong support (within our legislative remit) to Government policy priorities.

We also need to work with Government to forge a common approach to two particular issues of concern to the Board.

The first is refinancing. In the first half of 2016, a substantial part of the debt incurred through the ILC's purchase of Ayers Rock Resort. We are seeking an option that minimises the ILC's interest-payment obligations, so the ILC has more resources for its programs and to support the outstanding Indigenous employment outcomes at the resort. The acquisition of the Ayers Rock Resort added a significant asset to the Indigenous estate and on country that has profound Indigenous connections. The Board has taken a decision not to pursue any further investigation into the original purchase of the resort, and will be guided by the findings of reviews already undertaken.

A second major concern for Directors is that returns from the Aboriginal and Torres Strait Islander Land Account, whose revenues fund the ILC's operations, are generally inadequate to meet the demands being made on the corporation. Indeed, the legislated requirement to provide a minimum level of annual funding to the ILC could see the Land Account's capital balance decrease based on current returns from the allowable investments of the Land Account. Meanwhile, the Indigenous population is growing at an estimated 2.3 per cent per annum, and the Indigenous estate is expanding—it covers around 40 per cent of the Australian land mass according to the

December 2015 *Report to COAG on Indigenous Land Administration and Use*. I look forward to discussing with the Minister for Indigenous Affairs and the Minister for Finance a strategic approach to achieving a higher rate of return from the Land Account, benchmarked to returns achieved by the Future Fund.

Increases in revenue to the ILC from the Land Account, and increased revenue generation by our commercial subsidiaries, are essential given the Board's desire to play a greater role in supporting the Government's Indigenous and broader policy agendas. The ILC already delivers strongly on the Government's *Closing the Gap* priority of 'getting adults into work'. It is a major provider of training-to-employment programs, especially in remote Australia, and around one third of total ILC staff are Indigenous people.

“Indigenous people across Australia depend on what we do, and how well we do it.”

The Government is prioritising the development of northern Australia where ILC subsidiary NIPE operates an extensive cattle business across 13 properties. The *White Paper on Developing Northern Australia*, released in June 2015, highlights the opportunities available to such agribusinesses, given northern Australia's proximity to growing Asian markets. Through its commitment to expand NIPE, the ILC is seeking to build the Indigenous presence in the northern cattle industry giving Indigenous interests greater commercial strength and influence.

The *White Paper* recognises that achieving better economic outcomes on Indigenous land is essential to northern development, in light of the extent of Indigenous land ownership across a complex array of titles. The ILC Board will go on mobilising the

corporation's considerable expertise in fostering economic development on Indigenous-held land, recognising that economic benefits are most effectively realised when the other benefits specified in our legislation—environmental, social and cultural—are also realised. As the ILC has demonstrated, Indigenous owners in remote Australia are well placed to earn income from unconventional and innovative sources, including ecosystem services, carbon farming and potentially in the future water management.

I am excited by the prospects I see for the ILC, working in tandem with the other Australian Government agency that I chair, Indigenous Business Australia (IBA). I am committed to building and leveraging the two agencies' combined asset base for the benefit of Indigenous Australians and of Australia as a whole.

As Chair of the ILC I will work as I have with IBA—to increase the ILC's impact, influence, effectiveness and reach. I am keenly aware of the challenges of *Closing the Gap* and of the scale of the resources needed to make progress for Indigenous Australians. I believe the ILC and IBA need to embrace a business model based on growth, commercial sustainability and collaboration across the Australian community (including mobilising greater private-sector interest and investment).

The ILC will have a future focus. It will deliver more, engage more fully and be an exemplar of best practice and process across its various activities. We will work constructively with Government to ensure the ILC delivers the best possible outcomes as Indigenous people across Australia depend on what we do, and how well we do it.

Eddie Fry
Chairperson
January 2016

Chairperson's report

2014-15 was a year of significant reform and reorientation of the ILC's effort to better position the corporation to assist in meeting the land-based challenges confronting Indigenous Australians.



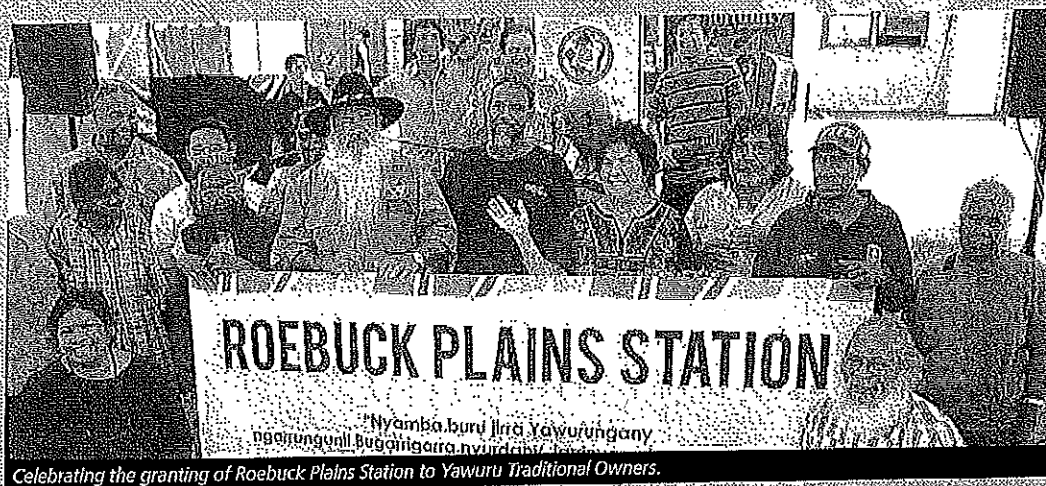
I would like to thank my fellow Board members, and the ILC's hard-working Board committees, for their considered deliberations and commitment over the last year, and in previous years. I would also like to thank the management and staff of the ILC and its subsidiary companies who made great efforts this year to advance the Board's priorities, including better governance, accelerated grant of properties and putting in place new ways of working with Indigenous land owners.

The ILC began operations on 1 June 1995 and is celebrating its 20th anniversary in 2015. This anniversary has served to shine a strong light on the origins of the ILC and of the Aboriginal and Torres Strait Islander Land Account (the Land Account) whose revenues fund the ILC's land acquisition and land management programmes. The ILC and Land Account were legislated together, initially in 1995, as part of the complex political settlement negotiated between the then Australian Government and Indigenous leaders after the *Mabo* judgment recognised native title to land in June 1992. They were intended to provide some compensation for Indigenous peoples' widespread loss of land. The recognition of native title and subsequent legislation of the *Native Title Act 1993* were going to benefit many Indigenous groups, but would not reverse the long history of Indigenous dispossession across the most productive areas of Australia.

Wider developments

2014-15 saw a continuing rising trend in native title determinations, enlarging the Indigenous estate that now covers up to 30 per cent of the continent, the vast majority of it in economically marginal country across remote northern and central Australia.

Indigenous land and native title rights are emerging strongly as a national policy issue, especially given the widely held view (not shared by the ILC) that communal tenure inhibits economic development on Indigenous land. In November 2014 the Council of Australian Governments (COAG) began an investigation into Indigenous land administration and use, advised by an appointed Expert Indigenous Working Group. In May 2015 the Australian Human Rights Commission convened a roundtable in Broome, WA, on Indigenous economic development and property rights attended by senior Indigenous leaders including ILC Deputy Chairperson, Ian Trust. In June 2015 the Australian Law Reform Commission (ALRC) released *Connection to Country*, its review of the *Native Title Act 1993*. The ALRC's recommendations include the need for statutory reform to recognise that native title rights include 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 30 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 management in generating income on Indigenous land. The ILC continues to be a major innovator in

the emerging Indigenous carbon economy. The ILC's Fish River and Merepah Fire Projects in the Northern Territory and Queensland are informing the development of other Indigenous savanna burning projects across northern Australia.

Revised programme arrangements, entitled *Our Land Our Future*, were launched in March 2015, to position the ILC as an even more effective partner for Indigenous land owning groups. The arrangements came with a commitment of up to \$30 million over three years for land-based projects over \$100,000. Features of *Our Land Our Future* include open timelines, simplified processes, and a strong commitment to collaboration, longer term investment and capacity building in the development of successful projects.

Businesses and subsidiaries

As part of its land management function, the ILC has created businesses in a private-sector environment to provide benefits for local Indigenous people, to bring Indigenous land into production and as a base for quality training leading to real jobs. In 2014–15 the 14 ILC businesses hosted 370 trainees and directly employed 521 Indigenous people, making the ILC one of the largest employers of Indigenous people in remote Australia.

The businesses are managed by three wholly-owned subsidiaries. Voyages Indigenous Tourism Australia (Voyages) Pty Ltd oversees three tourism businesses operating on 259,000 hectares of land, including the ILC's most significant acquisition, Ayers Rock Resort. A further 2.15 million hectares of land, owned or leased from Indigenous land holders by the ILC, is under production in the pastoral industry through National Indigenous Pastoral Enterprises (NIPE) Pty Ltd. 13 of the 14 NIPE businesses are cattle operations in northern Australia. The third ILC subsidiary, the National Centre of Indigenous Excellence Ltd (NCIE), oversees an inner-Sydney facility that enables young Indigenous people from across Australia to participate in life-changing programmes.

Our Land Our Jobs

The ILC's former Training to Employment Programme was relaunched this year as *Our Land Our Jobs*, with operational responsibility for training and employment transferred from the ILC to subsidiaries. In 2014–15 the ILC invested \$3.74 million in *Our Land Our Jobs*, with the Australian Government

committing \$3.19 million through the Indigenous Advancement Strategy, over 12 months from February 2015 to provide more than 300 Indigenous jobs. The jobs will be delivered by NIPE, Voyages and the ILC-operated Merriman Shearing School near Brewarrina, NSW. NIPE and Voyages can provide training resources on a scale not matched by similar employers in rural and remote Australia. Trainees benefit from accredited training integrated with the operation of the businesses, combined with mentoring and life skills support. Graduates are guaranteed the offer of a job in an ILC business or another enterprise.

In addition to *Our Land Our Jobs*, ILC land acquisition and management projects enabled 2,677 training outcomes and 902 employment outcomes in 2014–15 through partnerships with third parties.

Governance

Following major reforms to the governance of the ILC during the term of the current Board, Directors this year focused on strengthening the governance of ILC subsidiaries. Statements of Expectations were issued to each subsidiary in pursuit of greater consistency in our combined operations, as required by both the *Aboriginal and Torres Strait Islander Act 2005* (ATSIA Act) and the *Public Governance, Performance and Accountability Act 2013*. NIPE, originally established in 2004 to employ labour on ILC rural businesses, became a fully functioning company with an expanded board. This has given NIPE more operational flexibility, including the ability to partner in commercial ventures with third parties. The operations of the NCIE were reviewed, particularly in the light of the increasing ILC subsidy required to support the centre's operations. In response to this review, the ILC Board made changes to the NCIE board. ILC management has temporarily provided greater assistance to the NCIE, pending recruitment of a new NCIE Chief Executive Officer.

Stronger Land Account Bill

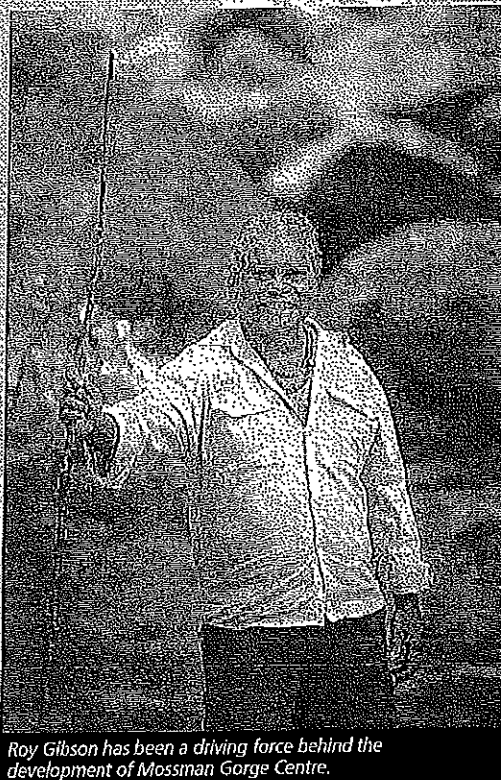
Last financial year I reported on the short review of the ILC and another statutory authority, Indigenous Business Australia (IBA), initiated by the Minister for Indigenous Affairs, Senator the Hon Nigel Scullion. The ILC Board believed the review was established to justify an amalgamation of the ILC and IBA to form a larger agency focused primarily on Indigenous economic development, and that such 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.



Roy Gibson has been a driving force behind the development of Mossman Gorge Centre.

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

Scullion refused to initiate an inquiry on the basis that the matter had already been investigated. Challenged to provide 'new information', the ILC once again examined all the records in its possession and in May 2015 wrote to the Prime Minister adding to the extensive information already supplied to the Government. The letter to the Prime Minister identified a range of relevant documents and detailed five particularly concerning features of the transaction process. No substantive response had been received at the time of preparing this report.

The Ayers Rock Resort borrowings are compromising the ILC's ability to fund our land acquisition and land management programmes. In a worst case scenario up to 40 per cent of the annual revenues flowing from the Land Account to the ILC could be diverted to pay principal and interest on these loans, depending on the financial contribution made by the Resort's revenues. This financial year considerable Board attention has been allocated to the need to refinance, by May 2016, most of the borrowings on Ayers Rock Resort. Expert financial advice commissioned by the ILC indicates that a proportion of the debt—some \$60 million—is likely to attract interest rates of up to 10 per cent.

At the same time the current Board has never wavered in its support for Ayers Rock Resort, owned and operated by Voyages. Capital expenditure at the Resort has been accelerated, visitation and revenues are growing, and Indigenous participation at the Resort (employees, trainees and contractors) stands at around 32 per cent.

Legislative proposals to government

The ILC Board recently put two proposals to the Australian Government that are critical to the ILC's future ability to meet the increasing demands made on it.

The first proposal is to enable a one-off loan from the Land Account to the ILC, at the Land Account's normal rate of return, to help service the debt on Ayers Rock Resort at lower cost. It is estimated that such a loan would save \$32 million in interest payments over the life of the debt. The alternative is a commercial funding package that would see \$94 million in Indigenous funds being diverted to private-sector financiers.

The second proposal is to legislate to broaden the investment parameters of the Land Account to enable the capital balance to grow in real terms and provide more revenue to the ILC for its land acquisition and land management functions in the future. The ILC

also proposes that management of the Land Account be transferred to the Future Fund Management Agency. It is estimated that over the last ten years the Land Account would be around \$450 million better off if its investments had not been largely confined to bank deposits and government bonds.

Looking forward

As the ILC enters its third decade, the corporation will continue to face a number of strategic challenges. Above all, Land Account revenues, generated from a capital fund fixed in real terms, will be increasingly inadequate to meet the land acquisition and, in particular, land management needs generated across Indigenous Australia. The financial consequences of the Ayers Rock Resort purchase will continue to exacerbate these pressures. The current conversations on 'unlocking' Indigenous land for development are in themselves an argument for more resources to the ILC.

Minister Scullion has already announced that my appointed successor, Mr Edward Fry, will take up his position on 20 October 2015, when my term as Chairperson ends. The terms of four other Directors also end at this time. I urge the incoming Chairperson and Board to carry on the important reforms to governance, policy and programmes developed by the current Board. I ask that incoming Directors lend their voices to supporting the Stronger Land Account Bill to ensure the Land Account is protected and strengthened. If the Government is not persuaded to support this Bill, as seems likely, I ask that Directors advance the two legislative proposals recently put to the Government. Both are necessary if the ILC is to go on fulfilling its core responsibilities to Indigenous Australians.

Dr Dawn Casey PSM, FAHA
Chairperson

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.

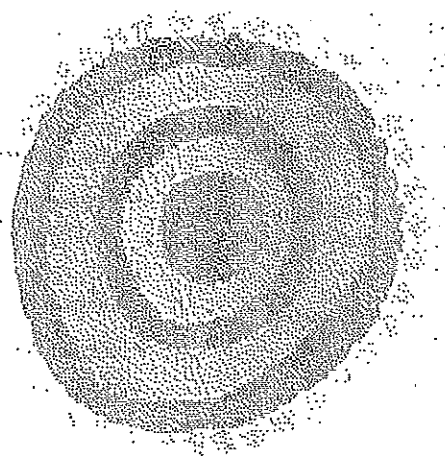


Figure 1: Purpose, priorities and outcomes, 2014–15

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

Programme overview

To fulfill its legislative functions, the ILC assists Indigenous people with land acquisition and the management of Indigenous-held land. Projects providing benefits to Indigenous Australians are developed under the ILC's *Our Land Our Future* Programme through:

- year-round acceptance of land acquisition and land management proposals for development and consideration
- co-design and implementation of regional and strategic projects in collaboration with Indigenous people, government agencies and other partners.

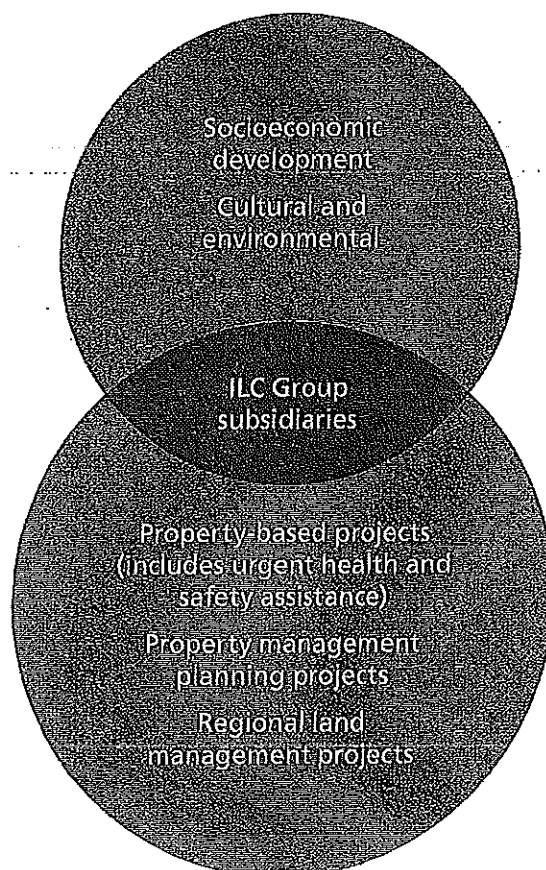
The ILC assesses proposed projects against programme criteria to ensure that:

- Proposals address a need for Indigenous land ownership or for land management assistance on Indigenous-held land.
- Achievable and sustainable benefits will be delivered to Indigenous people.
- There is active engagement of an Indigenous land holder or group.
- The land use will be viable and sustainable.
- There is a clear plan and primary purpose for the use of the land.
- Sound business and environmental practices will be followed.

Figure 2: Programme structure

Land
acquisition

Land
management





Performance

Achievement of Indigenous benefits

The ILC assists Indigenous people to acquire and manage land to achieve economic, environmental, social and cultural benefits for Indigenous people, in accordance with the *Aboriginal and Torres Strait Islander Act 2005* (ATSIA Act). Each year, the ILC commits to achieving specific key performance indicators (KPIs) and deliverables, articulated in the Portfolio Budget Statements (PBS). Progress indicators are used to measure our performance. See Figure 1 for an overview of the ILC's purpose, priorities, indicators and outcomes. The KPIs contribute to the achievement of ILC priority outcomes and long-term improvements in Indigenous wellbeing.

This chapter presents the results of our performance against our commitments and describes the benefits achieved for Indigenous peoples this year, as well as setting out PBS targets for future years.

- For the Land Acquisition Programme, benefits data are collected and reported for three years following the acquisition of a property. Where substantial funds have been spent on developing and managing the property, benefits may be measured over a longer period of time.
- For the Land Management Programme, benefit data are collected and reported for the duration of a project's implementation.

Programme deliverables

Through the PBS, the ILC commits to achieve the following deliverables.

Table 1: ILC deliverables, 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
Deliverable 1: Properties acquired for socioeconomic development and cultural and environmental heritage protection	3	1	3	3	3	3
Deliverable 2: Properties granted	10	14	10	8	6	12
Deliverable 3: Employment and training projects implemented on ILC agricultural and tourism businesses	11	13	11	11	11	11
Deliverable 4: Regional land management projects implemented	15	25	12	12	12	12
Deliverable 5: Property-based, property planning land management projects assisted	60	154	60	60	60	60

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	267 ²	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

Priority Outcome 1: Socioeconomic development

The ILC contributes to Indigenous economic development through assisting the creation of Indigenous enterprises, bringing Indigenous land into production and improving livelihoods through income generation.

The *Our Land Our Jobs* Programme directly funds training and employment outcomes on agricultural and tourism businesses operated by ILC subsidiaries. KPIs 1 and 2 track the ILC's achievement in assisting socioeconomic development directly.

The ILC land acquisition and land management programmes also enable Indigenous enterprises, service deliverers, corporations and land owners to train and employ Indigenous Australians. The Real Jobs Programme, operating across the Northern Territory, is one such project where the ILC enters into contractual arrangements with service providers to deliver jobs in the pastoral industry and environmental services. KPIs 3 and 4 measure the ILC's contribution in enabling Indigenous socioeconomic development through its partners and beneficiaries.

KPI 1

Total number of Indigenous staff employed directly through ILC agricultural and tourism businesses

TARGET 400

ACHIEVED 521

Agriculture **133**

Tourism **388**

NEXT YEAR'S TARGET 450

The total number of Indigenous people directly employed through ILC agricultural and tourism businesses exceeded the target by 30 per cent.

KPI 2

Number of Indigenous trainees hosted through ILC agricultural and tourism businesses

TARGET 260

ACHIEVED 370

Agriculture **132**

Tourism **238**

NEXT YEAR'S TARGET 200

The total number of Indigenous trainees hosted through ILC agricultural and tourism businesses exceeded the target by 42 per cent.

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:

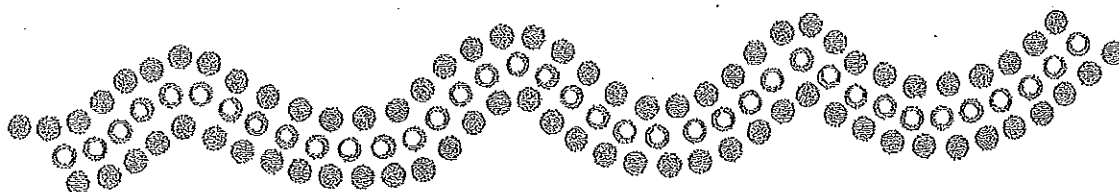
- 276 Indigenous trainees and employees on the 14 businesses operated by NIPE, as well as the Merriman Shearing School, NSW
- 626 Indigenous trainees and employees on the three businesses operated by Voyages
- 74 per cent Indigenous workforce in NIPE
- 37 per cent Indigenous workforce in Voyages.

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.



Programme Highlight

Merriman Shearing School, Brewarrina

New South Wales



The ILC operates Merriman Shearing School at Merriman Station, a 16,000-hectare sheep property near Brewarrina in northern New South Wales. The school trains young Indigenous people for employment in the wool industry.

The ILC and school staff aim to create a realistic workplace environment so trainees can more effectively acquire industry skills. The success of this strategy is demonstrated by graduate employment. In 2014–15 graduates found jobs in places as far afield as Western Australia and New Zealand.

Training runs for 16 weeks and comprises a three-week pre-vocational course followed by a 13-week practical programme in shearing, animal husbandry, wool handling, workplace safety, fencing and life skills. Participants also have the opportunity to attend and compete in shearing and wool handling competitions at agriculture shows and other events in New South Wales and Queensland.

In 2014–15 there were two intakes with participants from the local area and Brisbane. Forty participants commenced the pre-vocational training and 30 went on to undertake vocational training, with 25 graduating with a Certificate II in Rural Operations. All graduates maintain a shearing rate of 80 sheep a day, the industry requirement for learning shearers. In 2014–15, 68 per cent of graduates received job offers, the majority from shearing contractors for work as shearers and wool handlers.

Strong industry partnerships, national and local, are critical to the school's success. Baleman Shearing, a local Indigenous shearing contractor, provides training and mentoring; MEGT provides employment services and accredited training; and the University of Queensland Gatton Vocational Education Centre is the Registered Training Organisation. A local

grazier supplies up to 8,000 sheep which enables hands-on training and provides income to assist the school with costs.

In 2014–15 the ILC provided around \$750,000 for equipment, property and school running costs in addition to funding from the Australian Government through the Indigenous Employment Programme and the Indigenous Advancement Strategy.



Merriman trainees gain vital industry-standard, on-the-job skills development.

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.*

Table 5: Employment on ILC-held properties, 2014–15

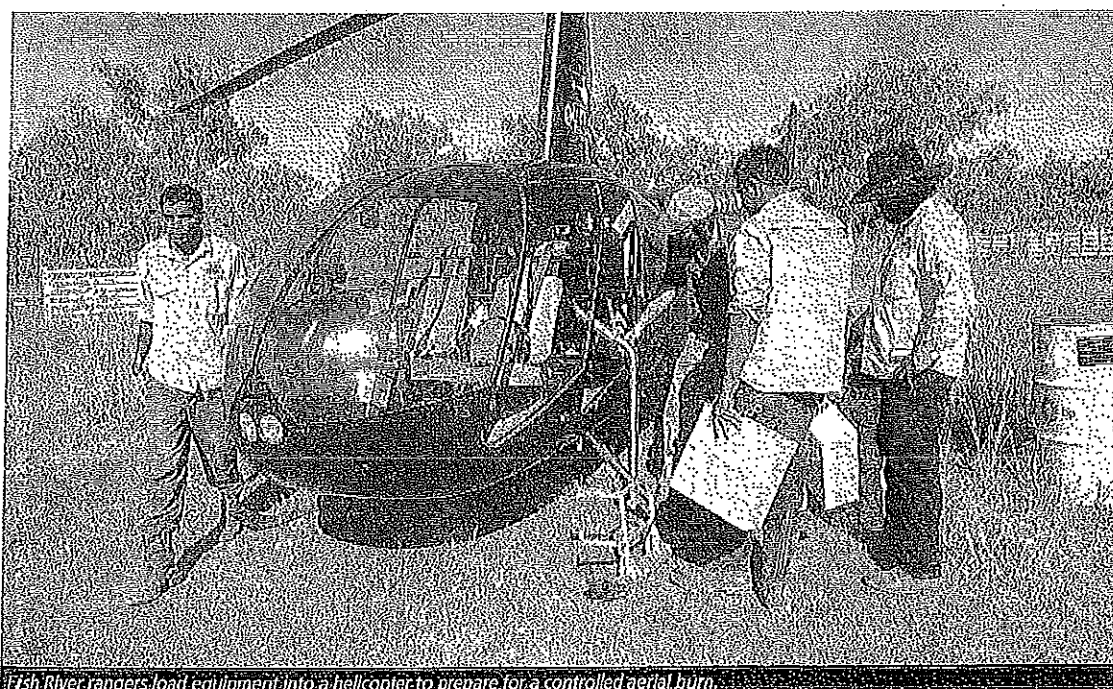
	Non-Indigenous	Indigenous	Total
Clontarf Campus, WA	2	0	2
Fish River Station, NT	4	13	17
Jumbun Farm, Qld	1	4	5
Karunjie Station, WA	0	1	1
Merriman Station, NSW	0	1	1
Mt Tabor, Qld	0	1	1
National Indigenous Training Academy (Ayers Rock Resort, NT)	5	0	5
Other	14	0	14
Total	26	20	46

At 30 June 2015 the third ILC subsidiary, the National Centre of Indigenous Excellence (NCIE) in Redfern, Sydney, NSW, employed 99 staff of whom 49 (49 per cent) were Indigenous people. Additionally, the NCIE enrolled a number of Indigenous staff in a range of training opportunities including a Certificate IV in Fitness and a Diploma in Operations and Facilities Management, in which two staff members received qualifications. Through NCIE Job Ready, the NCIE delivered training to more than 100 Indigenous people in hospitality and construction.

Table 6: Employment outcomes enabled through NCIE, 2014–15

Indigenous employees	Indigenous trainees	Total Indigenous participants	Non-Indigenous employees	% Indigenous employment
48*	1	49	50	49.4

* Note: Includes full-time, part-time and casual



Fish River: rangers load equipment into a helicopter to prepare for a controlled aerial burn.

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.



Table 7: Employment outcomes enabled through ILC assistance, by employment category

Employment category	Land acquisition	Land management	Number of outcomes
Full-time	57	206	263
Part-time	11	46	57
Casual	23	222	245
Contract	8	172	180
Apprentice	0	20	20
Trainee	1	136	137
Total	100	802	902

The shared commitment of the ILC, Indigenous landholders and strategic collaborators resulted in employment figures almost double the target set. Of these employment outcomes, 42 per cent of represented new Indigenous jobs, supporting improved livelihoods and economic development on Indigenous-held land.

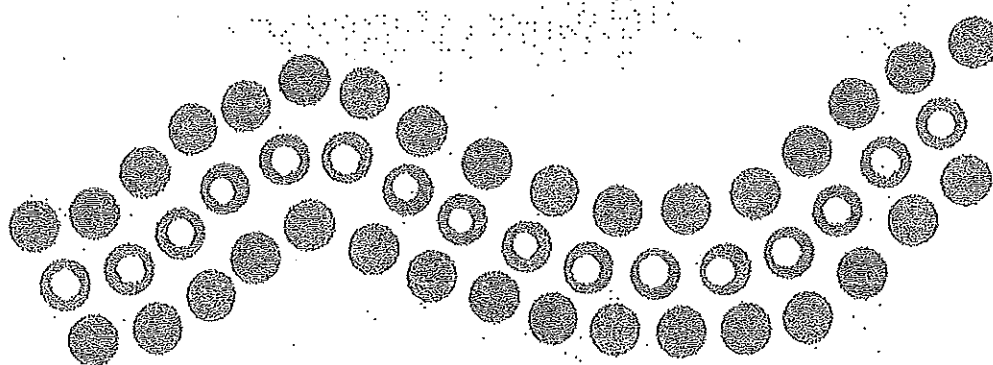
Indigenous business creation and development

The ILC continues to assist the development of Indigenous businesses with a focus on land-based enterprises. In 2014–15, 21 Indigenous businesses were expanded through 19 land management projects and two land acquisition projects. The Indigenous Pastoral Programme in the Northern Territory has seen businesses on Indigenous properties expand or diversify their operations, increase their herd numbers and/or increase their turnover/profit margins.

Six new businesses were created during the year, including The Blackcard, an Indigenous owned and operated business providing training and consultancy services to Gallang Place in Queensland.

Increased income was reported by 83 businesses, including 48 associated with the Broome Aboriginal Media Association's Goolarri Centre of Excellence in Western Australia. Indigenous businesses and sole traders benefiting from this project worked in areas including construction (for completion of the facility), catering, performance, hairdressing, make-up artistry, styling, production engineering and specialist facilitation.

In 2014–15, 127 people reported an increase in income through land management projects. A number of ILC businesses have also provided opportunities for increased income, particularly Ayers Rock Resort where the number of Indigenous employees has been steadily rising.



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).

**KPI
5**

Total number of Indigenous-held properties with improved land management

TARGET 130

ACHIEVED 154

Last year achieved 148

NEXT YEAR'S TARGET 130

The number of Indigenous-held properties with improved land management in 2014–15 exceeded the target. Regional land management projects assisting Indigenous properties included the Kimberley Ranger Initiative (predominately working on seven determined native title areas), Indigenous Pastoral Program, NP and Indigenous Landholder Service, WA.

**KPI
6**

Proportion of ILC assisted projects that protected cultural and environmental heritage values and maintained culture

TARGET 50%

ACHIEVED 49%

Last year achieved 35%

NEXT YEAR'S TARGET 50%

2 | PERFORMANCE

This year ILC projects:

- enabled 3,137 Indigenous people to participate in cultural maintenance and revitalisation activities including children's culture camps, back-to-country trips, traditional skills and language workshops, healing camps and art exhibitions. These activities were facilitated through 14 land management projects and four land acquisition projects across urban, regional and remote settings
- helped to protect 193 culturally significant sites and 297 sites with environmental heritage values across Australia through activities including fencing, weed eradication, waterhole restoration and fire management
- enabled 2,328 Indigenous people to access country with cultural and environmental heritage values across Australia.

Collaborative projects

In 2014–15 the ILC's commitment to working collaboratively was strengthened with the launch of the *Our Land Our Future* Programme in March 2015. The new programme arrangements have a strong focus on partnering with Indigenous groups and other stakeholders including other government agencies, private and non-government organisations, employment and training agencies (local, state and national) and various service providers, primarily in the development and delivery of large-scale and regional projects.

The North West Indigenous Pastoral Project in South Australia, a collaboration involving the ILC, South Australian Government and Indigenous landholders and organisations, aims to develop Indigenous pastoral enterprises in the north-west of the State. The ILC has contributed both financial and intellectual capital to the project; its success to date can be attributed to the shared vision and good working relationships among stakeholders in the early stages of project development.

The reduction in the proportion of collaborative projects achieved in 2014–15 (KPI 7) reflects the increased number of 'small' (under \$100,000) projects in implementation during 2014–15, arising from an increased focus on managing the Indigenous estate and the transition to new programme arrangements. Under the *Our Land Our Future* Programme, the ILC will place more emphasis on working with Indigenous land holders and other partners to leverage greater benefits through co-designing and co-developing projects.

**KPI
7**

Proportion of projects that were collaborative with and leveraged funding from other agencies

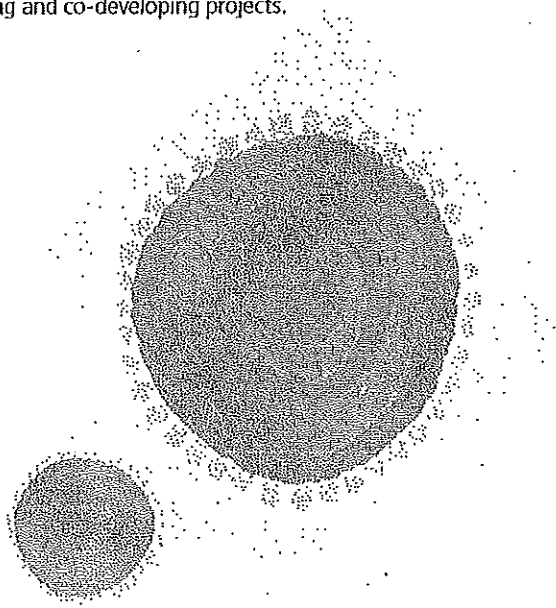
TARGET **66%**

ACHIEVED 41%

Last year achieved 54.6%

NEXT YEAR'S TARGET **66%**

It is important to note that this KPI is a measure of the number of projects in implementation in collaboration with partners; not the value of the ILC's investment in collaborative projects



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.

Land Acquisition - Programme Highlight

Hoddle St, Melbourne

Victoria



The ILC contributed to purchasing premises for a new head office for the Aboriginal Family Violence Prevention and Legal Service (FVPLS) Victoria at 292 Hoddle Street, Abbotsford, Melbourne. It was a joint purchase with the legal service, with the ILC contributing \$1.5 million. The ILC granted ownership of the property to the FVPLS on 15 August 2014.

FVPLS is an Aboriginal community-controlled organisation established in 2002 to provide frontline legal assistance to Indigenous victims and survivors of family violence and sexual assault. The organisation had previously leased premises in Collingwood but had outgrown the site. In 2013-14 FVPLS's services, provided from its head office and three regional offices, reached more than 4,000 Indigenous people across Victoria. Its Sisters Day

Out wellbeing workshop programme attracted close to 7,000 participants.

The purchase and grant delivers on the ILC priority outcome of supporting Indigenous socioeconomic development. Social benefits will be achieved through the expansion of early intervention services, violence prevention education programmes and legal education. FVPLS will develop the building into a culturally safe environment so that Koori people can access a range of integrated support services.

In the medium term, the new premises will be used for cultural events, media and advocacy training, Koori Women's Legal Clinic workshops, and workshops on appropriate practice in working with Koori women.



Celebrating the grant of the Hoddle Street property are (from left) FVPLS Director Bernice Clarke, CEO Antoinette Braybrook, Chairperson Marion Hansen, Secretary Damien Goodall and ILC Director Graham Atkinson.

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				
Maidenwell Acres	Maidenwell	Qld	127.36	Bunya Wakka Wakka Cultural and Heritage AC
2 Highland Park	Dorrig	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 Warangkari 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	Cairns	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

Table 11: Properties approved for grant and awaiting settlement, 2014–15

Property name	Location	State	Size (ha)	Board approval date	Proposed title holding body
Eurool	Mungindi	NSW	4,518	18/06/2014	Eurool Traditional Owners AC
Roebuck Export Depot	Broome	WA	100.14	12/08/2014	Nyamba Buru Yawuru Pty Ltd
Dorismus House	Kalgoorlie	WA	0.05	24/06/2015	Bega Garbarringu Health Services Inc
Murrayfield	Dennes Point	Tas.	4,097	24/06/2015	Weetapoon AC
Rothsay Circle	Goodwood	Tas.	0.494	17/12/2014	Karandi AC
Mawonga Station	Roto	NSW	22,257.71	25/02/2015	Winangakirri AC

AC = Aboriginal Corporation

Other dealings in land

The ILC has responsibilities for land that originate from Deed of Grant conditions as well as interests in properties transferred to the ILC from organisations such as the former Aboriginal and Torres Strait Islander Commission (ATSIC).

The ILC seeks to develop long-term, constructive relationships with Indigenous corporations after land has been granted to them. The ATSI Act sets out that a grantee cannot dispose of or mortgage a property without ILC consent. The ILC places caveats on properties granted to Indigenous corporations preventing the properties' sale or transfer without the ILC's prior consent. The caveats help to ensure that properties continue to deliver benefits for

Indigenous people, remain in Indigenous control and are used for the purposes for which they were acquired. The ILC's caveat does not affect an Indigenous corporation's normal use and enjoyment of their property or their full ownership of the land.

The ILC receives requests from time to time to dispose of or mortgage property from Indigenous corporations looking to expand economic development opportunities or reduce organisational risk. Each case is considered by the ILC Board on its merit. Table 12 shows the requests from Indigenous land owners approved by the ILC Board in 2014–15.

Table 12: Other dealings in land approved, 2014–15

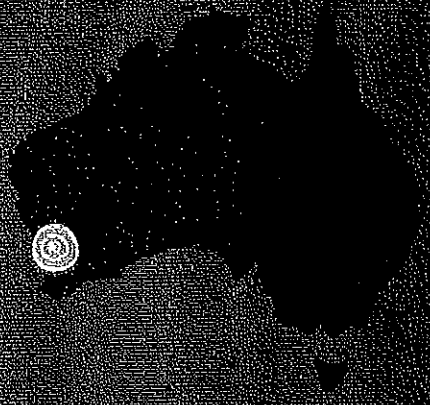
Approval date	Group	State	Request
10 July 2014	Not applicable	Qld	Dispose of ILC-held property, 71 Haggup Street, Cleveland
27 November 2014	Gubbi Gubbi Dyungungoo Group Inc	Qld	Transfer interest in the land back to the ILC
10 September 2014	Nari Nari Tribal Council Inc	NSW	Consent to creation of an easement
29 August 2014	Jubal AC	NSW	Consent to variation of an easement
12 August 2014 (Deed of Grant signed 1 September 2014)	Nyamba Buru Yawuru Pty Ltd	WA	Roebuck Plains Station approved for divestment and sub-leased to NIPE (effective 1 July 2014) for 7 years with the option of a further 8 years
20 October 2014	Viliwarinha Yura AC	SA	Consent to a 5-year lease (with the option of a further 5 years) of a portion of the Yappala property, located in the Flinders Ranges, SA, to an Indigenous sole trader, Cotabena Cattle
3 March 2015	Numul Numul AC	NT	Consent to a 5-year lease (with the option for a further 5 years) to an existing lease of Numul Numul Station to Coodardie Pty Ltd

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.



Celebrating the grant of property are (from left) Noongar Mia Mia's Managing Director Leanne Caton, Chairperson Daniel Morrison and ILC Chairperson Dr Dawn Casey.

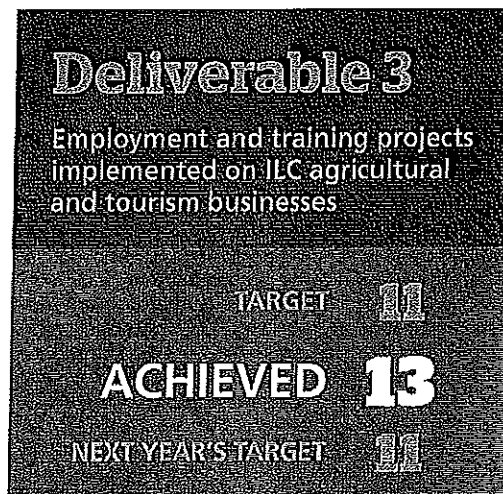
Performance against deliverables: training and employment

The launch during the year of the ILC's *Our Land Our Jobs* Programme is reported on page 17. During 2014-15 ILC-established residential and/or training facilities were in place on the following 13 properties, operated by the ILC or ILC subsidiaries NIPE and Voyages:

- NSW: Merriman Station
- Qld: Crocodile/Welcome Station, Merepah Station, Bulimba Station, Mossman Gorge Centre
- WA: Roebuck Plains Station, Myroodah Station, Home Valley Station
- Tas.: Murrayfield
- NT: Warrigundu Station, Gunbalanya Station, Gunbalanya Meat Supplies, Ayers Rock Resort.

Key elements of the programmes running at these facilities include:

- hosting of trainees on ILC-operated businesses and provision of on-site resources that may include trainee supervisors, residential accommodation, transport to and from properties and operational equipment
- nationally-recognised training packages, training standards and methodologies including 12-month Certificate II or III traineeships in areas such as agriculture, meat processing, horticulture, construction, tourism and hospitality
- mentoring and training in life skills, incorporating literacy, numeracy and money management
- close relationships with Indigenous communities to provide support and facilitate social and cultural activities
- collaboration with national and state employment and training agencies, employers and service providers including Registered Training Organisations and Group Training Organisations
- career opportunities for graduates with ILC subsidiaries or other employers.



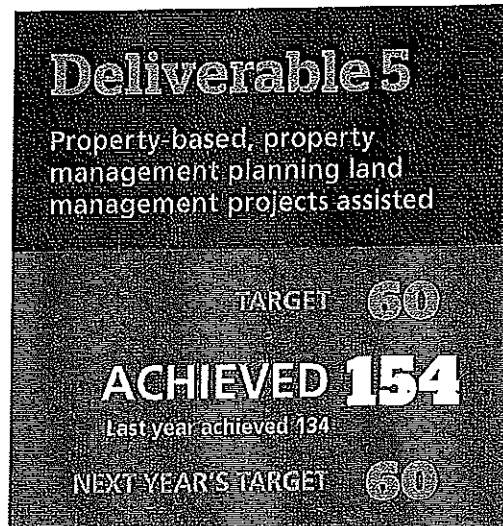
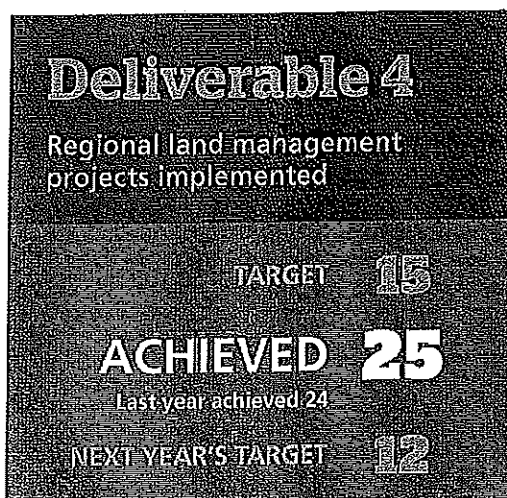
Bulimba trainees at work in the station's stockyards.

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.

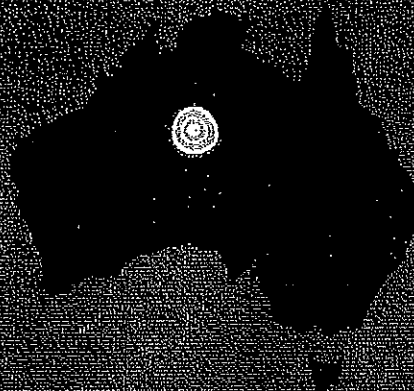
A total of 53 new property-based projects were approved and supported in 2014–15. The first call for applications under the Small Land Management Programme opened in June 2014 and closed on the 22 August 2014. Fifty-one applications were received (17 property-based projects and 34 for property management 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.

Regional Land Management -Programme Highlight

Indigenous Pastoral Programme

Northern Territory



The Indigenous Pastoral Programme (IPP) is assisting 15 Indigenous pastoral businesses in the Northern Territory to develop viable enterprises, undertake sustainable land management and increase managers' business skills.

The IPP is an 11-year collaboration involving the ILC, Northern and Central Land Councils, NT Department of Primary Industry and Fisheries, the Department of Education, NT Cattleman's Association, and the Department of the Prime Minister and Cabinet. Four jointly funded staff provide extension services to Indigenous pastoral properties to develop infrastructure based on business plans and undertake natural resource audits to support land and herd management.

In 2014-15 the ILC provided \$1.14 million for infrastructure development on 10 properties. One natural resource audit was completed at Mistake Creek, which provided advice on grazing pressures, location of water, fencing and palatable pasture.

The Business Management Advisory Project (BMAP), funded by the ILC, is the most recent initiative of the IPP, aimed at improving the professional management and profitability of Indigenous-owned stations. BMAP supports station directors and managers to plan and monitor their performance based on the achievement of agreed outcomes. Five stations are currently involved in BMAP: Bluebush, Huckitta, Mistake Creek, Tanami Downs and Twin Hills. Together these stations manage around 58,000 head of cattle on 11,034 square kilometres of Aboriginal-held land. BMAP participants have reported increased knowledge of business and financial management, animal production, grazing land management and people management.

For the past 20 years Mistake Creek has been managed by Steven and Jo-Anne Craig on behalf of Tiupanyin Traditional Owners. Reflecting on their involvement in BMAP, the Craigs can see significant progress—the business is moving forward and they continue to learn and inspire others in the process. Simple but fundamental improvements to the property are having a big impact on profitability and the overall satisfaction of staff.

'BMAP is one of the best things I have ever been involved in,' Steven said. 'We want to really push for the next generations to be involved. The opportunity is there and it can make a real difference to someone's life.'



Developing horse riding skills is an important element of the IPP.

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 Fsh River Carbon Farming Initiatives (National)	
Emerging project: Development of the conservation economy through expanding carbon market opportunities (National)	
Programme transition for the ILC's NIPE 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 Wurdi 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, Bralbinminya (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)	

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Property-based projects

Materials and equipment to design and establish a simulated horticultural site with industry standard facilities at Tauondi College to assist training and enhance the employability of students (SA)

Assistance in the APY Lands to develop commercially viable pastoral enterprises to increase primary production and provide training and employment opportunities (SA)

Infrastructure development and maintenance at Head of Bight whale watching facility (SA)

Infrastructure to support the establishment of a seed collection and storage facility at Emu Farm (SA)

Purchase of a harvester and processing machinery to expand an Indigenous market garden business (SA)

Construction of a multi-purpose community shed at Finnis Springs to provide accommodation and shelter for visitors and facilitate members returning to country (SA)

Fencing on Leigh Creek Station for the conservation of the Lake Corridor (SA)

Fencing for the protection of three cultural heritage sites on Lambina Station (SA)

Purchase of a shade system to protect plants in extreme heat and solar PV to reduce costs at Pundi Produce (SA)

Protection of current business infrastructure on Trefoll Island (Tas.)

Upgrade of infrastructure and purchase of equipment to assist management of the Gowan Brae property (Tas.)

Construction of a new ablutions block at Trawmanna property (Tas.)

Construction of infrastructure at Willigi Outstation for business expansion (NT)

Property management planning

Property management plan for land at Bilgalera owned by Eden Local Aboriginal Land Council (NSW)

Property management plan to guide the future development of land at Jigamy Farm owned by Twofold Aboriginal Corporation (NSW)

Property management plan for the 5,550-hectare Collum Collum Station owned by Baryulgil Local Aboriginal Land Council (NSW)

Property management plan for land owned by Biraban Local Aboriginal Land Council (NSW)

Property management plan for land owned by Bega Local Aboriginal Land Council (NSW)

Corranderk Homestead property management plan and business enterprise analysis (Vic.)

Land management plan for a seed collection/native revegetation business at Yielima (Vic.)

Creating a Carling for Country plan in the eastern part of the Nharnuwangga Wajarri and Ngarlawangga Native Title Determination Area (WA)

Property management plan for Decca Station to investigate development of the property into a 'learning centre' linked with local organisations for Roebourne and surrounding communities (WA)

Property management plan for the development of a tourism/social enterprise at Billiluna community (WA)

Strategic assessment of existing water sources on Adelong and Pinjin Stations to guide potential diversification of tenure from the current pastoral lease to conservation and other land management uses such as tourism (WA)

Mabel Creek Station property management and viability plan (SA)

Lakalineri Tumbetin Waal property management plan to investigate long-term options for use of the property to provide for employment, training, business development and preservation of heritage values (SA)

Property management plan for Nijnkali to identify viable options for future land use (SA)

Property management plan for the integration of Mount Serle and Myrtle Springs Stations into the Lake to Lake Corridor regional environmental project (SA)

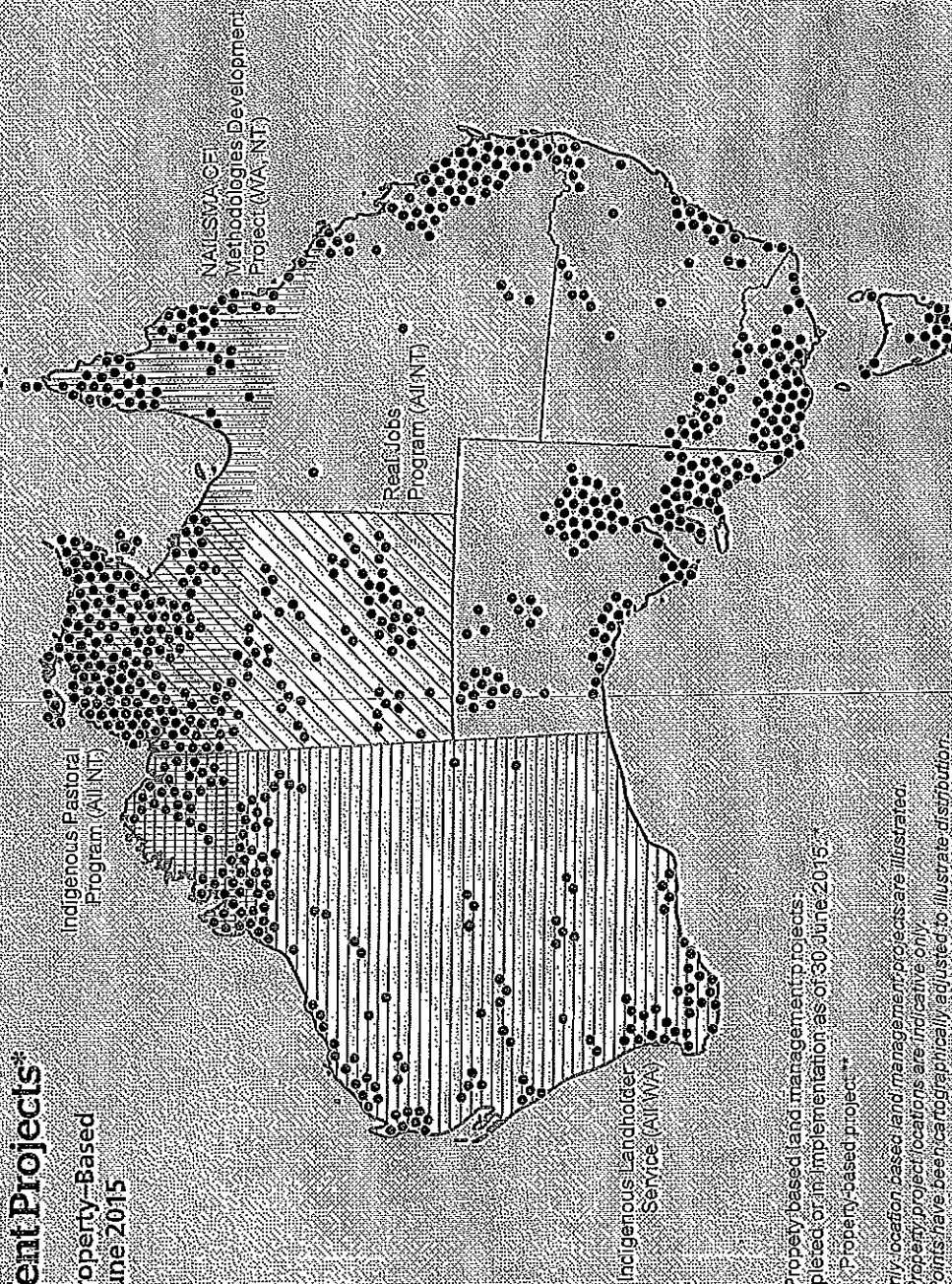
Property management plan to establish a lucerne-growing operation at Kurnturlpara (NT)

Property management plan for a sustainable harvest and horticulture enterprise supplying Kakadu plum products to the health and seafood industries (NT)

Site infrastructure development plans for three homeland-based tourism enterprises to enable Lirwi to commence construction of tourism amenities on each homeland, Eastern Arnhem Land (NT)

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



A controlled environmental burn underway on Murrayfield Station on Bruny Island in Tasmania.

Environment, carbon and heritage

The ILC assists Indigenous people to achieve economic, environmental, social and cultural benefits from environment, carbon and heritage opportunities through:

- the identification, investigation and development of innovative practical projects and sustainable Indigenous enterprises
- supporting ILC Group compliance with relevant legislation and other statutory responsibilities
- leadership and policy influence in representing environment, carbon and heritage opportunities for Indigenous people in external forums and consultations.

Environment and heritage framework

In 2014–15, the ILC pursued sound land and environmental practices and appropriate management of cultural and sacred-site matters across its programmes and operations in accordance with the ATSI Act, the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) and the ILC's National Indigenous Land Strategy 2013–17.

The EPBC Act also requires that the ILC (as a Corporate Commonwealth Entity that owns or controls land with Commonwealth heritage values) prepare a Heritage Strategy. Heritage is broadly defined in the EPBC Act to include natural

environments, culturally important and historic places, and artefacts. While there are currently no Commonwealth heritage values on land owned or controlled by the ILC, the Heritage Strategy documents how the ILC plans to manage all heritage values on ILC properties in accordance with the ATSI Act and the EPBC Act.

Heritage and Environment Management Plans (HEMPs) outline specific environmental and heritage characteristics of properties and include responsible consideration of environmental risks and opportunities. HEMPs are in place on rural and urban properties either held or directly managed by the ILC. HEMPs are in development for those properties managed by ILC subsidiaries.

Implementation of the ILC's Heritage Strategy during 2014–15 included:

- desktop audits of likely areas of heritage value in preparation for potential heritage nominations under the EPBC Act
- updating HEMP templates and supporting documents to better identify environmental and cultural heritage management priorities on Indigenous-held land
- planning a heritage training programme for ILC staff
- establishment of an Environment and Heritage Advisory Committee within the ILC administration to help guide implementation of the Heritage Strategy.

Some projects from 2014-15 focused 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, QLD

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 Earaheedy 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.

Participation in carbon and payment for ecosystem services markets

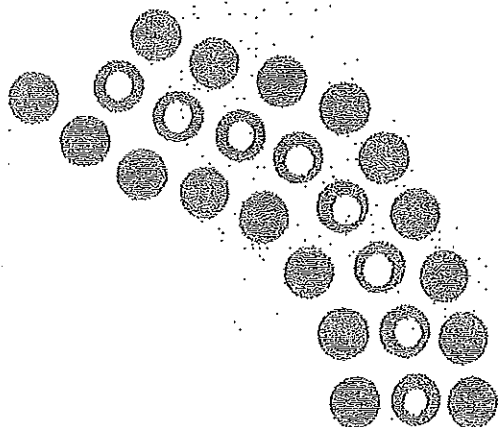
The ILC is committed to maximising opportunities for Indigenous people in the carbon and payment for ecosystem services markets. Indigenous people are well placed to participate in the conservation economy, particularly those who live on country. Activities include savanna burning, native revegetation, sustainable timber harvesting, farm forestry, biodiversity offsets, feral animal control and wetlands management. The ILC is working with Indigenous organisations and other partners such as The Nature Conservancy, natural resource management groups, the private sector and government agencies to develop projects in carbon, biodiversity and ecosystem services markets.

On 12 December 2014 the Carbon Farming Initiative (CFI) was integrated with the Emissions Reduction Fund (ERF), as part of the Government's Direct Action Plan. The ILC worked with Indigenous organisations around Australia to analyse and understand the implications of this transition. The development of submissions relating to the design of various elements of the ERF constituted a significant body of work for the ILC in 2014–15.

While Indigenous carbon projects make an important contribution to Australia's emissions-reduction target, they are currently facing major market challenges, with only two Indigenous projects (neither of these from the ILC) successful in securing contracts through ERF auctions in 2014–15. The ILC is working with partners to help ensure the valuable public good provided by these projects is recognised through alternative financing mechanisms and/or changes to policy settings.

To understand the potential opportunities available to Indigenous land holders in the carbon and payment for ecosystem services markets, the ILC engaged in the following types of activities in 2014–15:

- development and implementation of new and ongoing CFI demonstration projects under the early dry season savanna burning method, including the Fish River Fire Project, NT (on a conservation property) and the Merepah Fire Project, Qld (on a working cattle station)
- co-funding, with The Nature Conservancy and Department of the Environment, ongoing work to develop two new CFI savanna burning methods for biosequestration in the high rainfall zone. Work to extend the existing savanna burning method has led to expanded opportunities for emissions avoidance south in the 600–1000mm rainfall zone
- review and assessment of new draft CFI methods applying to the land sector, such as the beef cattle herd management method and the soil carbon method, to better understand the opportunities for Indigenous land holders
- advocacy to influence policy settings by participating in forums, presenting ILC experiences at workshops and conferences, developing policy submissions, hosting property visits and contributing to opportunity studies
- continued work on assessing the feasibility of new CFI projects on Indigenous-held land, including a potential savanna burning project at Karunjle and Durack River Stations, WA, and co-funding NAILSMA Ltd to assess the feasibility of extending the savanna burning method into the mulga landscapes of central and western Australia
- planning with key partners for a future 'scale-up path' for savanna burning in Northern Australia to ensure all carbon-abatement potential using this method may be unlocked on Indigenous-held land and projects remain viable
- sharing of ILC experiences with other Indigenous land holders wishing to engage in the carbon market, including providing templates, presentations, technical advice and support to projects under development (participating in steering committees, reviewing business plans and providing high-level assessments of carbon abatement potential).



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 Goolarri 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.

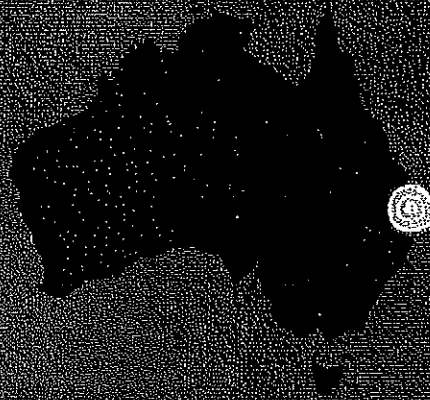
In 2014–15, the ILC conducted the following native title-related activities:

- 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.

Land Management - Programme Highlight

Quandamooka Community Rangers

North Stradbroke Island, Queensland



A small land management grant in 2014-15 supported a new land-based enterprise focused on employing Quandamooka people on Quandamooka country.

Native title was recognised over 54,400 hectares of land and sea country on and around Minjerribah (North Stradbroke Island) in 2011, and Quandamooka-Yoolooburrabee Aboriginal Corporation (QYAC) Registered Native Title Body Corporate was set up to manage it. QYAC has prioritised caring for country, maintenance of traditional knowledge and educating Quandamooka people for employment.

Land management funding from the ILG purchased essential start-up equipment for a commercially-focused land management team, the Quandamooka Community Rangers. After qualifying in conservation and land management through the Australian Government's Green Army project, the rangers worked under the guidance of Elders to develop their capacity to care for country in accordance with their culture.

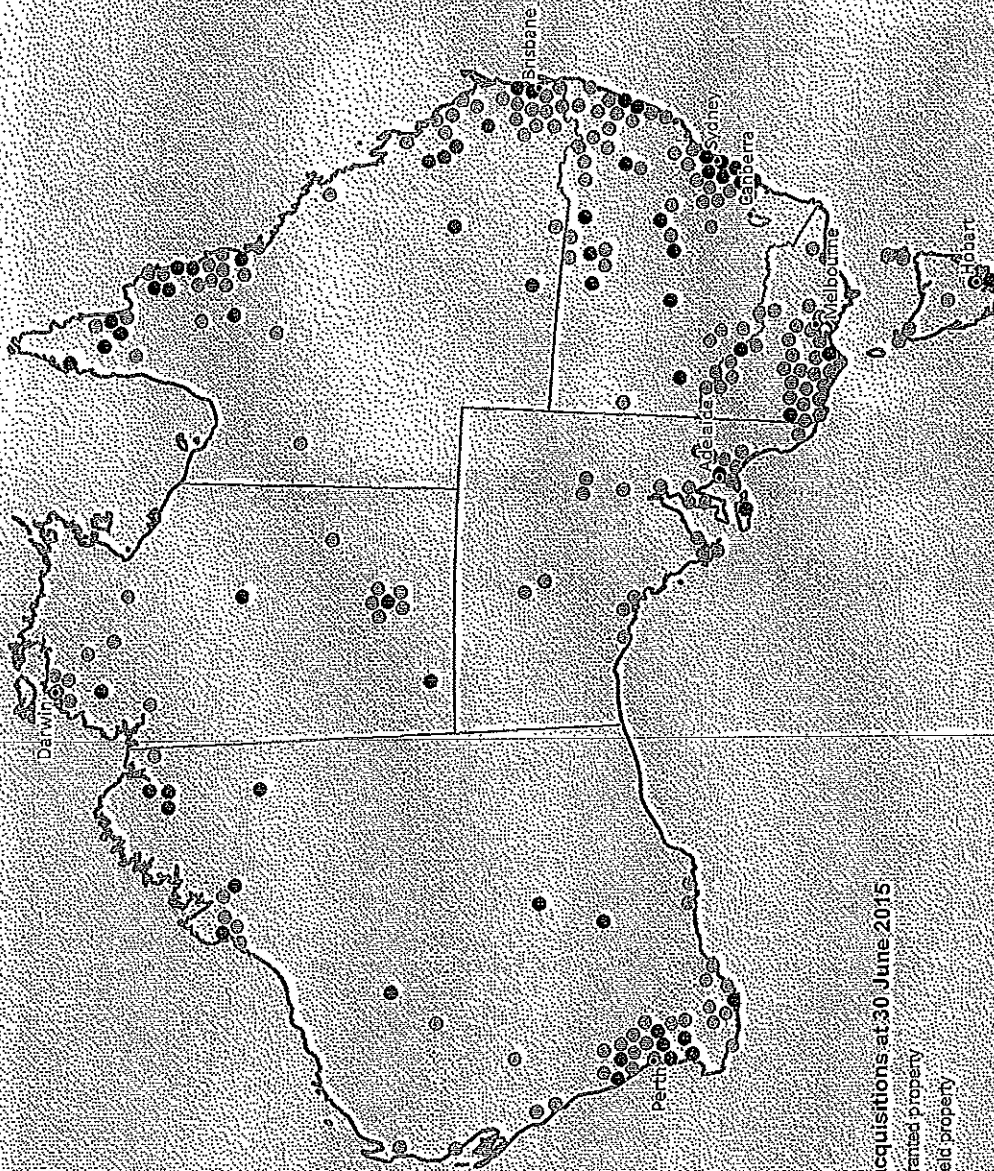
The rangers have worked on land restoration and management for Minjerribah Camping, a successful business venture between QYAC and Indigenous Business Australia, completing erosion and vegetation management, debris removal and weed treatment to restore the natural and cultural values at a number of sites.

The project has provided contract jobs for seven Quandamooka people helping to build their self-respect and wellbeing. With new equipment, training and experience, the ranger group is well positioned to tender for commercial land management contracts on Minjerribah.



A Quandamooka ranger undertaking vegetation control at a North Stradbroke Island site.

Figure 4: ILC land acquisitions



ILC land acquisitions at 30 June 2015

- ILC-granted property
- ILC-held property



Ayers Rock Resort kitchen staff member John Seden.

Performance of ILC Group

The ILC has established subsidiaries to achieve benefits for Indigenous people in accordance with section 191G of the *Aboriginal and Torres Strait Islander Act 2005* (ATSIA Act). ILC subsidiaries are governed by Part 4A of the ATSIA Act and by the *Corporations Act 2001*.

Pursuant to section 86 of the *Public Governance, Performance and Accountability Act 2013*, the ILC must ensure its subsidiaries perform only the legislated functions of the ILC itself. Subsidiaries are therefore required to assist the ILC in complying with this obligation, and to cooperate with the ILC at all times. Further measures were taken this year to strengthen links between the ILC and its subsidiaries in pursuit of strategic and operational alignment. The ILC appoints the directors to all subsidiary boards. All such boards have two ILC directors, one of whom chairs the subsidiary.

At 30 June 2015, the ILC had three subsidiaries (see Figure 5) following some rationalisation during the year.

- **National Indigenous Pastoral Enterprises (NIPE) Pty Ltd** manages 14 agribusinesses established on Indigenous land owned or leased by the ILC. NIPE was established in 2004 to employ staff on ILC-run businesses. In 2014 the ILC Board decided to transfer all the ILC's agribusinesses and associated training and employment functions to NIPE to allow greater flexibility in the company's operations.

- **Voyages Indigenous Tourism Australia (Voyages) Pty Ltd** owns and operates Ayers Rock Resort and manages two other tourism enterprises developed by the ILC. Voyages was established in 2010–11 following the ILC's acquisition of Ayers Rock Resort. ILC training and employment functions in relation to tourism/hospitality were transferred to Voyages during the year.

- **National Centre of Indigenous Excellence (NCIE) Ltd** which manages the National Centre of Indigenous Excellence, a facility for Indigenous young people developed by the ILC on the site of the former Redfern Public School in Sydney. The company was incorporated in 2008, and the centre opened in early 2010.

The ILC had a fourth subsidiary last financial year, Muijulu Foundation, which transferred to Voyages in February 2015 (see page 53).

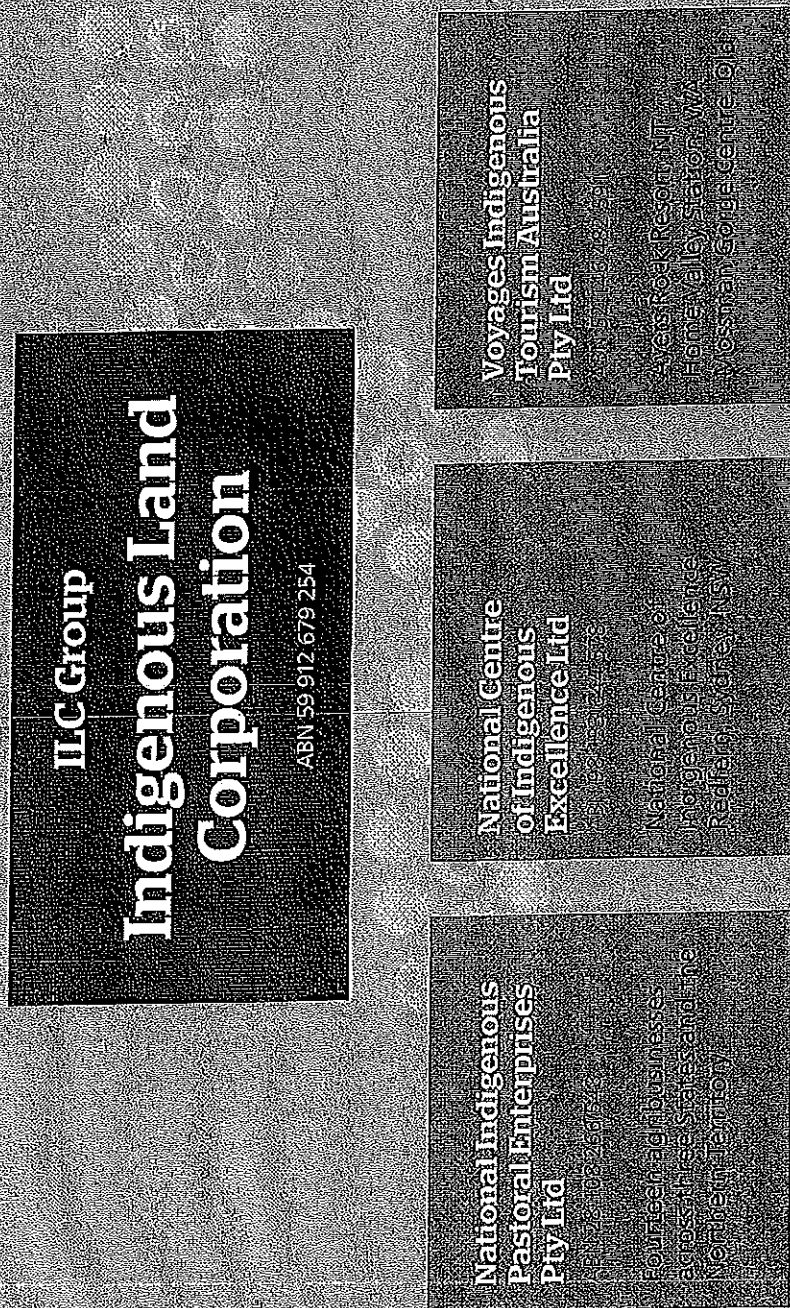
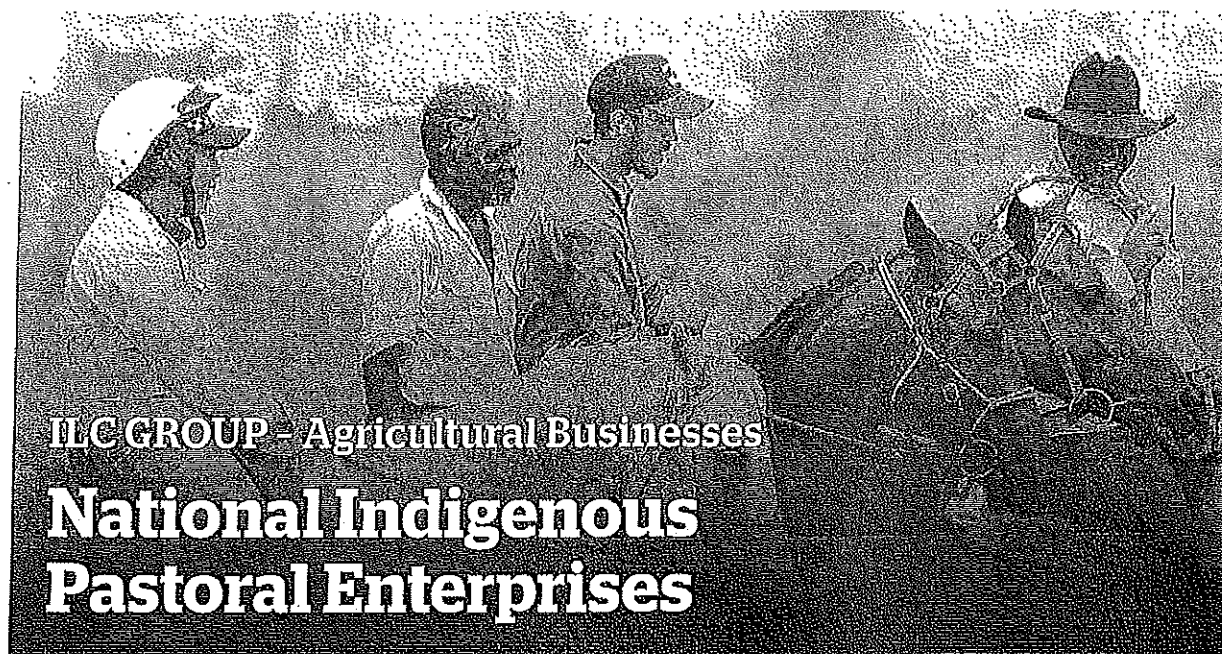


Figure 5: Wholly-owned subsidiaries of the ILCC



ILC GROUP – Agricultural Businesses

National Indigenous Pastoral Enterprises

Overview

During 2014–15 the ILC/NIPE operated 14 agricultural businesses on land owned by the ILC or leased from Indigenous land holders. Through these businesses, Indigenous-held land is making a significant contribution to the economic activity of regional Australia, providing benefits for Indigenous Australians, and in many cases bringing previously undeveloped land into production.

All but one of the agribusinesses are involved in the northern Australian beef cattle industry and, with a combined herd of 88,890 at 30 June 2015, NIPE is the 15th largest cattle producer in Australia. The NIPE business in Tasmania produces meat and fine wool from a flock of 11,314 sheep at 30 June 2015.

In 2014–15 the ILC Board took the decision to move ILC agricultural operations to a new corporate structure within its NIPE subsidiary. The transfer of responsibility and eventually business assets (livestock, plant and machinery) will enable greater commercial flexibility in the management of the agribusinesses including facilitating active partnerships and investment opportunities with Indigenous land owners. This is consistent with the ILC's *Our Land Our Future* Programme arrangements also launched this year.

Because it is a wholly-owned subsidiary of the ILC, NIPE operates in a different way to other agribusiness investors. As well as striving to maximise business profitability, NIPE also aims to provide economic, environmental, social and cultural benefits for its Indigenous partners and co-investors. NIPE businesses are a base for paid, accredited,

on-the-job training for Indigenous people in a range of pastoral activities so graduates gain the skills to be employed not just in NIPE but across the broader agricultural sector. NIPE also assists in natural resource management and care for environmentally sensitive country.

Governance

An expanded Board was appointed in 2014–15, to oversee NIPE's increased responsibilities:

- Neil Westbury (ILC Director), Chairperson
- Mike Stephens (independent), Deputy Chairperson
- Graham Atkinson (ILC Director)
- John Daly (Deputy Chairman, Northern Land Council; independent) – appointed July 2015
- Anne de Sallis (independent).

ILC CEO, Michael Dillon, is also the CEO of NIPE, and ILC staff who were part of the former Business, Employment and Training Directorate have been seconded to NIPE.



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

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Traditional Owners, NIPE will also assist in managing environmentally and culturally significant areas on the property. During the year NIPE collaborated with Yawuru rangers to establish livestock exclusion zones to protect significant cultural sites on Roebuck Plains, and is working with Traditional Owners to plan for the first Indigenous Protected Area to be declared over part of a commercial cattle station. A new environmental monitoring regime is being developed to ensure multiple values are achieved, and monitoring-site installation has commenced.

Across its rangeland properties, NIPE continued implementation of a Rangeland Monitoring Programme. During the year all northern station managers and senior Indigenous staff, as well as Yawuru rangers, participated in Grazing Land Management (GLM) training at Roebuck Plains Station. GLM improves managers' capacity to match grazing pressure to available feed, improving productivity and biodiversity on northern properties. The training was delivered by the Northern Territory Department of Primary Industries and Fisheries, supported by the Queensland Department of Agriculture and Fisheries.

Ecologically Sustainable Rangeland Management (ESRM) plans continued to be developed for all properties. ESRM incorporates cultural and ecological values with the best available science on landscape processes, land systems, land condition, climate and biodiversity to enhance grazing capacity

and protect significant areas. Projects arising from ESRM during 2014-15 included working with Nykina Mangala rangers to manage erosion and rehydrate the 250-hectare Lake Daley chain of wetlands on Myroodah Station in the Kimberley, WA, and working with Baiyungu Aboriginal Corporation to help stabilise Cardabia Creek, a major catchment of Lake MacLeod, WA, a nationally significant wetland. In the Northern Territory the Alawa Aboriginal Corporation was assisted to control parkinsonia weed on the Alawa Aboriginal Land Trust (part of Warrigundu/Strangways).

In Queensland NIPE provided support to the nomination of 'Quinkan Country', the site of major examples of Aboriginal rock art, exclusively accessed through Crocodile/Welcome Stations for inclusion on the National Heritage List. NIPE also conducted an early dry-season savanna burning project at Merepah Station to reduce the scale and intensity of late dry-season wildfires and generate carbon credits under the Carbon Farming Initiative.

At Murrayfield Station in Tasmania NIPE continued to work on the protection of endangered bird species, including finalisation of a Heritage and Environment Management Plan, preparing an environmental offset proposal with the local council, and managing a Landcare grant in collaboration with Weetapoonā Aboriginal Corporation.



Red Hot Tips Fire Management Program underway on Murrayfield Station.

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.

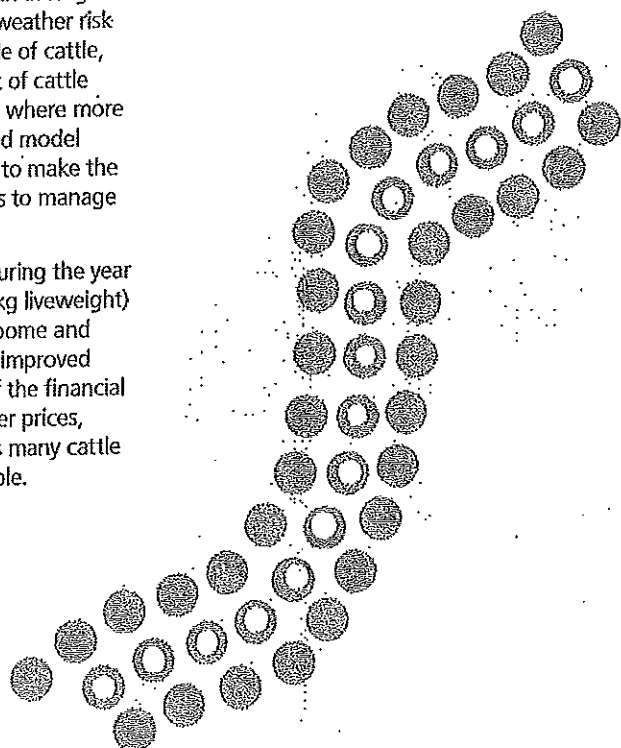
As expected, the 2014–15 wet season rainfall at Roebuck Plains, Gunbalanya, Warrigundul/Strangways, Merepah, Bulimba and Crocodile/Welcome was below average. However, contrary to the forecast, rainfall at Myroodah, the Banana properties and Mimosa was better than average. During the year plans to manage 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.

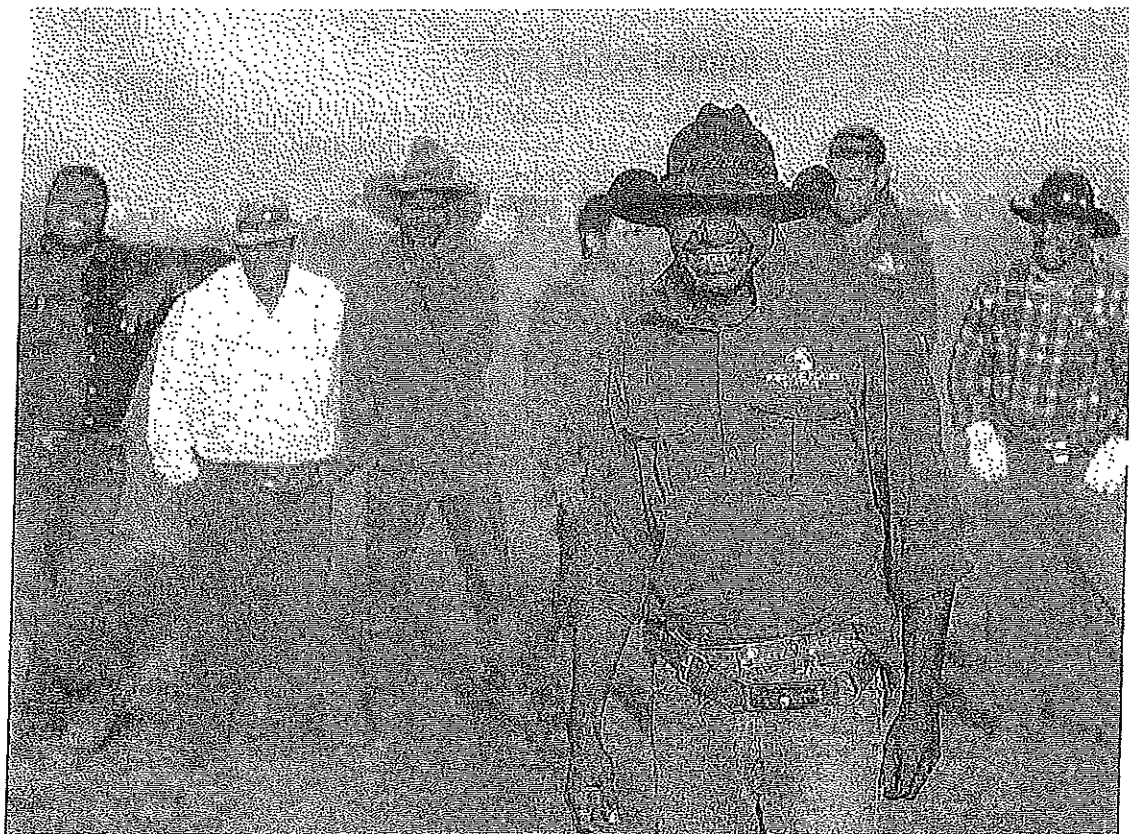
Cattle sale prices received increased during the year to reach unprecedented levels (\$2.75/kg liveweight) for live export feeder steers sold in Broome and Darwin. Queensland cattle prices also improved considerably during the second half of the financial year. NIPE took advantage of the higher prices,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





Workers and trainees on Roebuck Plains Station in Western Australia.

Looking forward

A business strategy for NIPE was developed during the year outlining priorities and goals to guide the ILC's investment in its agricultural businesses over the next three years. The strategy is underpinned by individual business plans for each enterprise and an overall operational plan for all businesses.

With up to 30 per cent of the Australian land mass being Indigenous held, NIPE is in a unique position to lead the development of best-practice Indigenous pastoralism, contribute to the social and cultural economy and improve the livelihoods and wellbeing of Indigenous Australians.

The development of long-term partnerships with Indigenous land owners will continue to be a priority. NIPE's focus is on ensuring Indigenous land owners can develop successful land-based ventures to deliver long-term benefits including meaningful training and employment and increased governance and business-management capacity among its Indigenous stakeholders.

Two concurrent and complementary strategies will be implemented into the future:

- Consolidation—continuing to operate existing businesses while improving business efficiency and profitability and maximising Indigenous employment including training Indigenous people for senior management positions
- Diversification—using the experience and knowledge gained by the ILC/NIPE over 15 years to increase benefits to Indigenous people by expanding NIPE agribusinesses, increasing the area of land managed by NIPE as well as increasing the size of the herd. This scenario will require significant capital investment by the ILC, NIPE and potentially other partners.

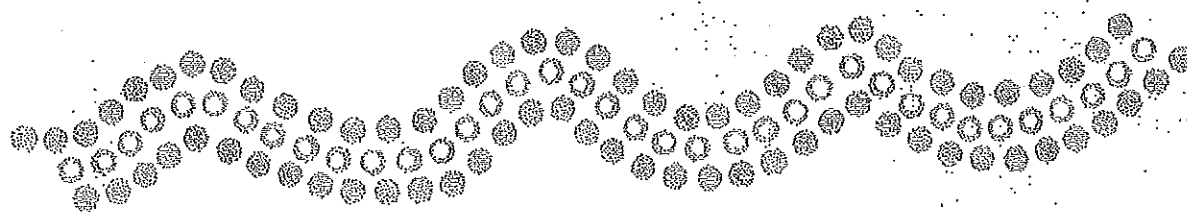
Performance of ILC/NIPE businesses, 2014-15

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



Ayers Rock Resort employees Dorothy Page, Daniell Billy and Jarrahyn Canendo at Kulata Cafe Town Square.



ILC GROUP

Voyages Indigenous Tourism Australia

Overview

Voyages' vision is to be the leading Indigenous tourism operator in Australia, focusing on recruiting, training, employing and retaining Indigenous Australians. The tourism and hospitality sectors provide many opportunities to train and employ Indigenous Australians. Training provided in Voyages' businesses assists Indigenous people to transition to jobs in the wider industry.

Following the acquisition of Ayers Rock Resort (ARR) in 2010–11 the ILC Board established Voyages to own and manage the resort and to assist in the development of Indigenous tourism across the nation. Voyages also operates two other ILC-owned tourism ventures:

- Home Valley Station, a tourism venture on a pastoral lease in the East Kimberley, WA
- Mossman Gorge Centre, an ecotourism centre developed by the ILC north of Cairns, Qld.

The ILC funds capital expenditure and underwrites operating shortfalls at Home Valley Station and Mossman Gorge Centre.

Governance

The Voyages board is chaired by ILC Director Lisa Gay. Non-executive directors on this board are ILC Director Olga Havnen, a number of industry representatives and two representatives of Wana Ungkuntja, a corporation that includes Traditional Owners of ARR.

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.

Indigenous employment and training

The ILC transferred management of the National Indigenous Training Academy (NITA) to Voyages in July 2015. NITA was established at Ayers Rock Resort in 2011 to support the ILC's vision of creating a highly skilled workforce in the hospitality and tourism industries. NITA offers 100 traineeship positions each year, with trainees employed by Voyages. The transfer of NITA has seen the traineeship programme fully integrated into Voyages' operations.

During 2014–15 Voyages' three tourism businesses hosted 238 trainees undertaking Certificate II or III hospitality and tourism qualifications. Trainees are recruited in regular intakes and are guaranteed employment on successful completion of the traineeship. During the year 71 trainees graduated from NITA and a further 17 from Mossman Gorge Centre. Home Valley Station offers flexible training arrangements, with trainees commencing at NITA during Home Valley's close-down period and continuing at Home Valley during the tourist season. Indigenous employees at Home Valley Station, including apprentices, are also supported into jobs at Ayers Rock Resort during close down to support continuity in employment.

Indigenous people now make up one in three employees at Voyages. At 30 June 2015 the Indigenous workforce at Ayers Rock Resort was 262, at Home Valley Station 12 and at Mossman Gorge Centre 80. Voyages is committed to increasing the representation of Indigenous employees at the supervisory and management levels and in late 2014 introduced 'Step Up' to provide a structured supervisory training programme. A cadet management programme is being developed for introduction in 2015.

The work experience programme for students from the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands, SA, continued with up to 80 students each year undertaking a three-part structured work experience programme at Ayers Rock Resort. Participating students continue to be supported through their final year of school, transitioning into traineeships at NITA on completion of their Year 12 Certificate. Voyages works closely with the South Australian Department of Education and Child Development which has integrated the work experience programme into the APY Senior School Curriculum (SACE), ensuring secondary teachers provide both preparatory and follow-up guidance, instruction and documentation for SACE-related activities undertaken at the resort.

For more information on Indigenous training and employment on businesses managed by Voyages, see pages 81–82.



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.





Overview

The National Centre of Indigenous Excellence was developed by the ILC in Redfern, Sydney, NSW, to serve generations of young Aboriginal and Torres Strait Islander people, cultivating their talents, providing enriching experiences and creating opportunities for them to excel.

The 'Indigenous Excellence' philosophy embodied in the centre aims to steer the national narrative on Indigenous people away from deficit and disadvantage to one that acknowledges the abilities, resilience and achievements of people who represent the oldest continuing human culture.

The NCIE runs programmes from its Sydney premises for Indigenous young people from around Australia in four pathways: learning and development, sports and recreation, arts and culture, and health and wellness. The aim is to empower young people to pursue their own excellence and become the next generation of Indigenous leaders and change makers. The centre has sporting, hostel and conferences facilities and also hosts other Indigenous organisations. Since October 2013 it has operated the Koori Job Ready programme from separate premises. 2014–15 marks five years since the NCIE opened its doors.

Governance

The NCIE has a board of nine directors, seven of whom are Indigenous. In October 2014 ILC Director Alison Page was appointed to chair the NCIE board, and two new directors were appointed to replace outgoing members. ILC Director Graham Atkinson is also on this board. The board oversees the NCIE's strategic direction and administration via quarterly meetings. It is supported by a number of committees including an audit committee.

The operations of the NCIE were reviewed by independent consultants in 2014–15 who provided advice to the ILC on the NCIE's performance, structure and financial projections, particularly in the light of operational deficits that have required increasing subsidies from the ILC. The consultants' report provided three future management options for consideration by the ILC Board. The Board chose to continue the existing range of NCIE activities with increased ILC oversight and restrictions on expenditure.

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 Heelers, 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 mayors 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 Exceller8!! 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.

Performance Highlight

NCIE Afterschool Programme

The NCIE Afterschool Programme provides innovative cultural and educational activities to help the growth and development of young people, most of them Indigenous, between the ages of five and 12 from Redfern and the surrounding suburbs.

The NCIE Afterschool Programme has created a culturally safe and inclusive place where Aboriginal and Torres Strait Islander identity is celebrated. The programme focuses on social and emotional wellbeing as well as educational support including encouraging participants to complete their homework. It fosters creativity and teaches skills in areas including arts and culture and sports and recreation.

The Afterschool Programme is free, and runs every day of the school year from 2:30 to 6 p.m. On arrival participants are offered a healthy meal. Attendance has grown from an average of seven participants in early 2013 to 50-60 participants a day. On average, 80 per cent of participants are Aboriginal and Torres Strait Islander students.

The programme recognises that the key to educational success lies both inside and outside the classroom. It works to strengthen links between schools and families and strives to provide a seamless day for young people and their families. Programme staff work directly with teachers, families, school-based programmes and community partnerships. Workshops are developed around the National Quality Framework for Early Childhood Education and Care.

As a result of continuous improvement to the programme and the commitment of staff, programme evaluation demonstrates that it is already achieving positive social impacts. The achievements of the programme are in line with the NCIE's overarching vision: the realisation of Indigenous Excellence for young Aboriginal and Torres Strait Islander people.



Educational support is a key focus for the Afterschool Programme.

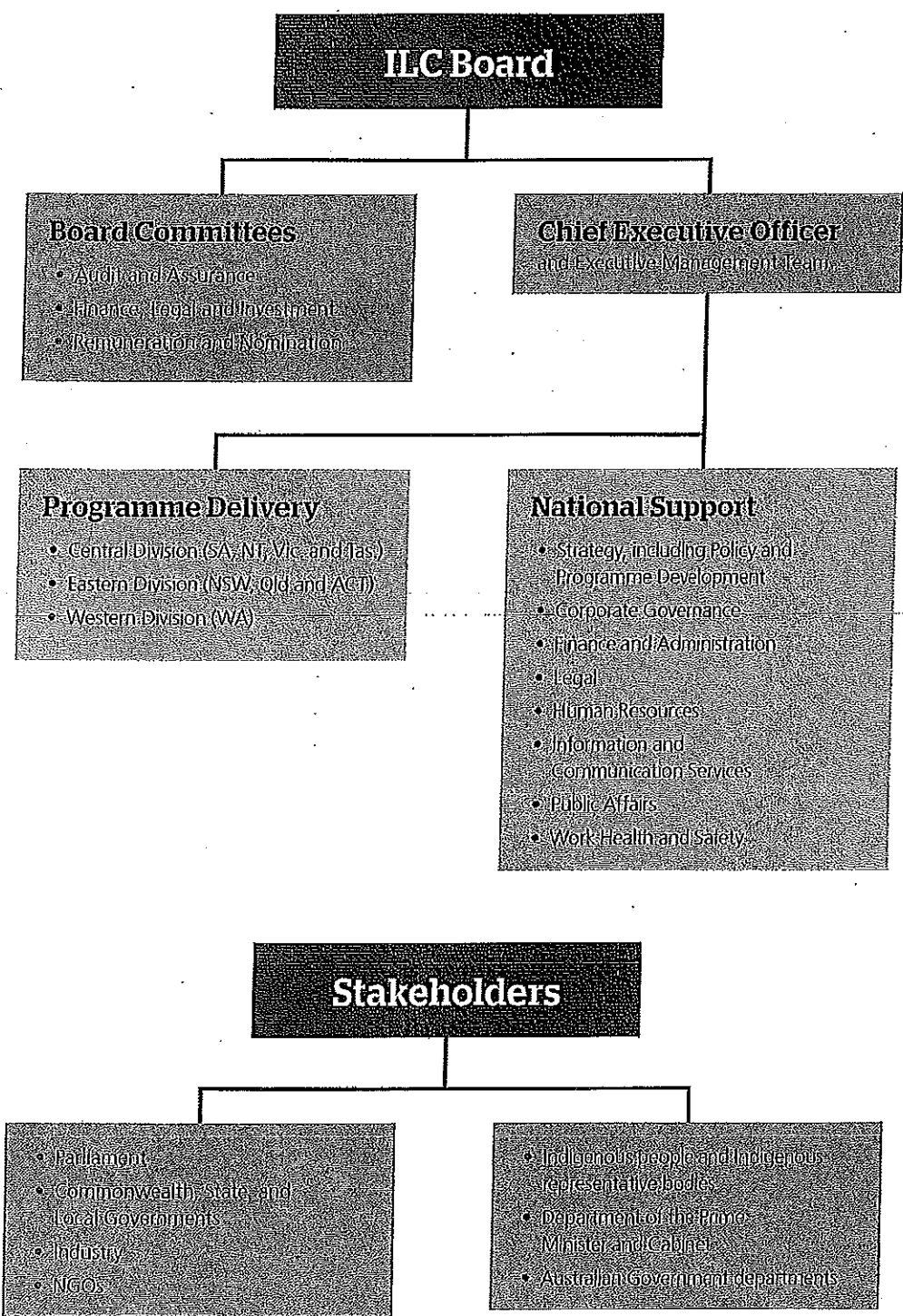


Governance

Objective

A responsive, efficient and effective organisation.

Figure 6: Governance overview



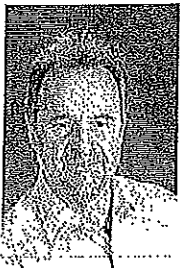
Purpose

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 (ATSI Act 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.

ILC Board Members



Dr Dawn Casey PSM FAHA **Chairperson**

Dr Casey has worked in a number of key government roles (Commonwealth and State) in Indigenous affairs, the arts and museum sector and international development. She chaired Indigenous Business Australia for four years to June 2014, and was the first Director of the National Museum of Australia. Dr Casey has received numerous awards including three Commonwealth Public Service Australia Day Medals, a Centenary of the Australian Public Service Medal, and a Centenary Medal for service to Australian society in the areas of Indigenous affairs and museum management. She is an honorary fellow of the Australian Academy of the Humanities and currently Adjunct Professor at Griffith University and the University of Queensland. Dr Casey was appointed Chairperson of the ILC in October 2011 for a term of four years.



Mr Ian Trust **Deputy Chairperson**

Mr Trust is Executive Director of the Wunan Foundation which invests commercially to create training and employment opportunities for Indigenous people and to build the capacity of Indigenous organisations in the East Kimberley, WA. He is also a member of a number of national, state and regional boards including the Kimberley Development Commission, Aarnja Ltd, Empowered Communities and East Kimberley Job Pathways. Mr Trust joined the ILC Board in October 2005, and was appointed Deputy Chairperson in October 2011 for a term of four years.



Mr Graham Atkinson

Mr Atkinson is a member of the Dja Dja Wurrung and Yorta Yorta peoples and has many years of experience in senior management roles in Indigenous affairs and business administration. He chairs the Dja Dja Wurrung Clans Corporation, and is director at Atkinson Consulting Group Pty Ltd. He has been chair of Native Title Services Victoria, served as director on the National Native Title Council, and was elected to Chamber Two of the National Congress of Australia's First Peoples. Mr Atkinson was appointed to the ILC Board in October 2011 for a term of four years.



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 Binnjilutlun 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 Glontari 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 Arts 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 Investment 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.

Board committees

The Board has established three committees to assist its work. All Board committees are governed by charters that are renewed annually. See Appendix 2 for all board and committee meeting dates and attendance.

Audit and Assurance Committee

Subsection 45(1) of the PGPA Act requires the establishment of an audit committee. The ILC's Audit and Assurance Committee (AAC)—formerly the Audit and Risk Management Committee—provides independent assurance and advice to the ILC Board on risk, internal control systems, financial and performance reporting and the external accountability framework for the ILC and its subsidiaries. The AAC reports to the Board and operates in accordance with applicable Commonwealth legislation and the Australian National Audit Office's *Better Practice Guide for Public Sector Audit Committees*, March 2015.

Committee members are Directors Atkinson and Page. Ms Jenny Morison is the independent chair. The AAC met five times in 2014–15. During the reporting period the AAC continued monitoring the Internal Audit Programme, overseeing the work of internal auditors and the implementation of audit recommendations; provided advice and assurance to the Board regarding the ILC and consolidated financial statements; and reviewed the ILC's Enterprise Risk Management Framework.

Finance, Legal and Investment Committee

This committee's primary purpose is to provide high-level oversight of key financial and legal processes and strategies of the ILC and its subsidiaries, including major business investments.

Specifically, the Finance, Legal and Investment Committee:

- oversees the ILC's consolidated financial strategy and performance and looks at issues arising from the performance of subsidiaries that may impact on the ILC's budget or strategies
- monitors the ILC investment portfolio
- oversees the performance of subsidiaries and major business investments
- reviews subsidiary constitutions and relevant documentation for major business investments to ensure compliance with the ILC's legislative, governance and reporting requirements
- oversees significant legal actions
- ensures that formal processes are in place to identify and/or recommend legislative and regulatory changes.

Committee members are Directors Atkinson, Page and Westbury. Mr Ian Ward-Ambler is the independent chair. The committee played a significant role in overseeing ILC legal issues during 2014–15.

Remuneration and Nomination Committee

The Remuneration and Nomination Committee is an integral part of the governance framework of the ILC and its subsidiaries, established to assist the Board to select the CEO and monitor his/her performance; consider and make recommendations about appointments to Board committees and subsidiary boards; and oversee and make recommendations on ILC Group remuneration policy, including subsidiary board and committee remuneration.

Committee members are the ILC Chairperson, Dr Dawn Casey, and Deputy Chairperson, Mr Ian Trust. In 2014–15 the committee undertook a review of the remuneration paid to directors on subsidiary boards, making a number of recommendations to the ILC Board to adjust payments on the basis of independent advice.

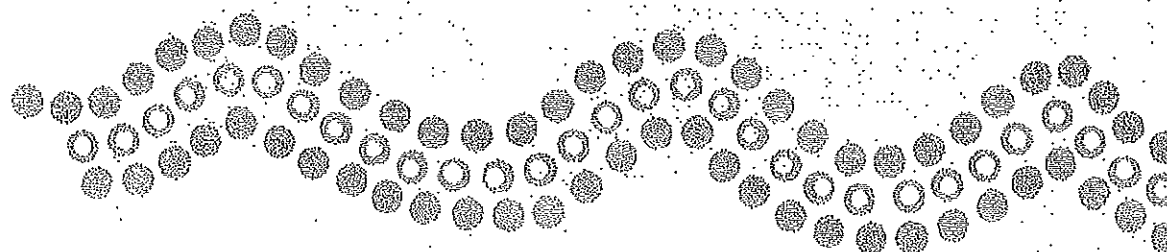


Table 16: Location of the ILC's Offices

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	Mrs Jodie Lindsay Chief Operating Officer
	Risk and Corporate Services	
	Information and Communication Systems	
Canberra	Legal	Mr Tri Nguyen General Counsel
	Office of the Chief Executive Officer	Mr Michael Dillon Chief Executive Officer
	Corporate Governance	Ms Beth Fielder Executive Director Corporate Governance
	National Indigenous Pastoral Enterprises	Mr Garry Cook General Manager NIPE
	Policy and Programme Development Environment 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.



ILC functions

The ILC has two legislated functions: land acquisition and land management. The ILC's approach to these functions was reformed during the year with the launch of the *Our Land Our Future* Programme in March 2015. Under *Our Land Our Future* the ILC no longer has scheduled 'rounds' of application-based grant funding, but will work with Indigenous land holding groups at any time through the year along a spectrum of assistance—from grant maker, through to co-investor and joint-venture partner.

Land acquisition

The ILC's land acquisition function acquires and grants land to Indigenous corporations. In performing this function, the ILC seeks to build and secure a land base for Indigenous Australians delivering sustainable benefits.

Indigenous corporations can apply for assistance to acquire land to achieve benefits in two categories:

- Socioeconomic development, for social and/or economic benefits to Indigenous people, with priority given to projects that provide sustainable Indigenous employment and training
- Cultural and environmental, for access to and protection of land with significant cultural and/or environmental values.

The ILC's primary goal in acquiring land is for the Indigenous corporations to own and manage the land successfully and independently. The ILC may initially lease a property it has acquired to an appropriate Indigenous corporation to allow the corporation to demonstrate effective management and use of the property, sound governance and

the achievement of Indigenous benefits. Once this occurs, the property is granted to that corporation with conditions requiring the title-holding body to report the achievement of benefits to the ILC for five years. The ATSI Act also requires that the ILC place caveats on properties granted to Indigenous corporations (see page 28).

If a lessee or grantee fails to manage a property effectively or deliver Indigenous benefits, the ILC can terminate the lease or grant. If Indigenous benefits are not achievable, the property may be sold and the proceeds used for future land purchases.

Land management

The ILC's land management function assists organisations with sustainable management and development of Indigenous-held land.

Indigenous land owners and organisations can seek land management assistance under two categories:

- property-based projects, for projects that improve the condition of land, develop infrastructure or assist the development of land management activities including enterprises
- property management planning projects, for projects that assist Indigenous land holders to plan the management and use of their property.

The ILC also works with Indigenous proponents and others (government agencies, the private and philanthropic sectors) to co-design, develop and implement regional land management projects over multiple properties to support Indigenous land holders to use and develop their land. These projects generally deliver capacity building and develop infrastructure for viable businesses.

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

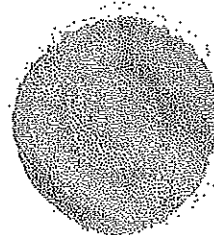
The ILC has this year revised its way of working with Indigenous land owners, its key stakeholders. The ILC's *Our Land Our Future* arrangements are aimed at strengthening collaboration in project development, design and implementation. In restructuring its relationship with Indigenous land owners, the 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.



The ILC website (www.ilc.gov.au) provides strategic and corporate information about the ILC, its activities, programmes and projects, including programme documentation, handbooks, application forms and contact details for ILC offices. The range of resources and information available in 2014–15 included:

- National Indigenous Land Strategy 2013–17
- Regional Indigenous Land Strategies
- Portfolio Budget Statements
- *Our Land Our Future* Programme
- *Our Land Our Jobs* Programme
- Service Charter
- Annual reports.

In June 2015 the ILC launched its social media platform aimed at improved engagement with young Indigenous Australians.

The following ILC subsidiaries and ILC-operated businesses and projects have websites that support their operations and provide information to stakeholders:

- Home Valley Station, WA – www.hvstation.com.au
- Merriman Shearing School, NSW – www.merrimanshearingschool.com.au
- Mossman Gorge Centre, Qld – www.mossmangorge.com.au
- Murrayfield Station, Tas. – www.murrayfield.com.au
- Mutitjulu Foundation – www.mutitjulufoundation.org.au
- National Centre of Indigenous Excellence, NSW – www.ncie.org.au
- T2E – www.t2e.org.au (for *Our Land Our Jobs*)
- Voyages Indigenous Tourism Australia – www.voyages.com.au

Client satisfaction surveys

During the assessment of 2014–15 land management applications, 28 randomly chosen applicant groups participated in a client satisfaction telephone survey. The surveys were conducted to obtain feedback on both the application process and the advice provided by ILC staff. Applicants were not aware of the outcome of their applications when surveyed.

Results indicated that participants were generally satisfied with the application process, and most applicants surveyed indicated that information on the ILC's land management programme was easily accessible. ILC staff were rated as knowledgeable and responsive to enquiries. Recommendations included:

- ILC staff to conduct workshops and/or field visits with potential applicants to discuss project ideas
- reducing the time from assessment to notification of the outcome to applicants
- streamlining the quote process, given the challenges of sourcing three quotes in remote areas
- simplifying the application form.

Feedback obtained from these surveys has been incorporated, where appropriate, into the new *Our Land Our Future* programme delivery arrangements.

Service Charter

The Service Charter sets out the standards of service the ILC strives to provide its clients through programme delivery, policy development, communication and consultation. The Service Charter was reviewed and updated during 2014–15 and is available on the ILC's website or by contacting any ILC office.

Complaints Handling System

The Complaints Handling System encompasses internal processes as well as timeframes within which the ILC must respond to complaints. Both the Service Charter and Complaints Handling Procedure encourage resolution of complaints at the Divisional Office level, but provide for the referral of complaints to the Executive Director, Strategy, where necessary. In 2014–15, the ILC received one external complaint.

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.

3 | GOVERNANCE

Key messages from project-level evaluations included:

- ILC-assisted groups acquired a better understanding of specific issues relating to their land.
- Property management planning projects resulted in clearer articulation of land holders' aspirations.
- Both property management plans and property-based projects assisted in building relationships between the beneficiary group and other stakeholders, partners and service providers.
- Successful projects resulted in increased confidence and self-esteem among participants.
- Land management projects increased business income and viability for many groups.
- In most property-based projects the employment outcomes were achieved as projected.
- Funding of equipment and facilities provided opportunities for some Elders to rediscover and pass on ancient skills and revive old food gathering practices and associated ceremonies.
- Increased engagement between children and adults has led to a stronger sense of community, cultural identity and the intergenerational sharing of knowledge.

The findings have also highlighted issues that will inform development of ILC policy and practice including the need to:

- provide extra support from ILC project managers to groups that require it
- continue building strong relationships with partners and external collaborators to ensure projects are completed on time and to plan
- assist with the design of alternative business models for groups to achieve sustainability.

Measurement of benefits

The ILC's Benefits Framework guides how the ILC plans, monitors and measures its performance based on the financial and non-financial benefits being achieved with Indigenous people through land acquisition and land management investment.

Consistent with its remit under the ATSI Act to achieve long-term improvements in Indigenous wellbeing, the ILC uses a time-bound approach to benefits. In the short-to-medium term, the ILC uses priority outcomes and progress indicators to measure the benefits achieved through ILC assistance. For decision-making, monitoring and reporting purposes, benefits data are considered and collected for three years after a property's acquisition. In instances where the ILC has made a substantial investment in funds or project-management support, benefits may be measured over a longer period. Benefits achieved by the Land Management Programme are collected for the duration of the project. The Benefits Framework focuses on the ILC's two priority outcomes, as articulated in the NILS 2013–17, to ensure the ILC's achievements are aligned with its legislative purpose.

This approach is consistent with developments in Australian Government legislation emphasising the need to measure the non-financial aspects of performance. The PGPA Act and PGPA Rules provide parameters for a new framework for performance measurement that the ILC is in the process of incorporating into its planning, monitoring, evaluation and reporting mechanisms.

Risk management

The ILC Group's Risk Management Framework takes a whole-of-enterprise approach, is integrated into the operations of the ILC and its subsidiaries, and promotes the identification and management of risk at every level. The framework aligns with the Australian Government Risk Management Policy, Better Practice Guides and relevant Australian and international good-practice guides and/or standards. It is reviewed regularly.

The ILC Group's commitment to effective risk management is communicated through strategic and operational planning documents, integrated into policies and procedures underpinning all ILC Group functions and operations, and implemented through a Risk Management and Treatment Plan. The plan is reviewed and re-endorsed annually by the ILC Board.

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.

Participation in forums and submissions

Each year the ILC participates in forums and responds to requests for submissions to parliamentary and other inquiries on topics relevant to Indigenous people and to the work of the ILC.

Directors attended the following forums and events in 2014–15:

- National Native Title Conference, June 2015 (Chairperson and Director Westbury)
- COAG Investigation into Indigenous land administration and use, meeting with Expert Indigenous Working Group, May 2015 (Chairperson, Directors Atkinson and Page)
- Roundtable on Citizenship and the Constitution, House of Representatives Standing Committee on Social Policy and Legal Affairs, March 2015 (Chairperson)
- RNTBC Nation Building Summit co-hosted by Queensland South Native Title Services and Quandamooka Yoolooburrabee Aboriginal Corporation, December 2014 (Chairperson)
- World Parks Congress, November 2014 (Chairperson)
- i20 Business Summit, September 2014 (Chairperson).

The ILC made 14 submissions to government in 2014–15.

Two submissions were made to the inquiry by the Senate Community Affairs Legislation Committee into the Aboriginal and Torres Strait Islander Amendment (A Stronger Land Account) Bill 2014: an initial submission in July 2014 and a supplementary submission in November 2014.

Submissions were also made in relation to:

- the Exposure Draft of the Aboriginal Land Rights (Northern Territory) Amendment (Delegation) Regulation 2014
- the Australian Law Reform Commission's review of the *Native Title Act 1993*
- the Inquiry into the Development of Northern Australia by the Joint Select Committee on Northern Australia
- the Agricultural Competitiveness Green Paper
- the Defence White Paper 2015.

The following submissions were made in relation to carbon farming/emissions reduction:

- Carbon Credits (Carbon Farming Initiative – Beef Cattle Herd Management) Methodology Determination 2014
- Carbon Credits (Sequestration of Carbon in Soil Using Modelled Abatement Estimates) Methodology Determination 2015
- Carbon Credits (Carbon Farming Initiative – Emissions Abatement through Savanna Fire Management) Methodology Determination 2014
- Corporations Amendment (Emissions Reduction Fund Participants) Regulation 2015
- Aggregation under the Emissions Reduction Fund
- Review of the National Carbon Offset Standard and Carbon Neutral Programme
- Emissions Reduction Fund Safeguard Mechanism consultation paper.

Freedom of Information

Commonwealth agencies subject to the *Freedom of Information Act 1982* are required to provide information to the public as part of the Information Publication Scheme (IPS). The ILC displays on its website a plan showing what information it publishes, according to IPS requirements. The information is at www.ilc.gov.au/about-us/ilc-publication-scheme

Insurance and indemnities

The ILC Group's insurable risks are covered through Comcover, the Australian Government's self-managed fund. The cover comprises liability (including public, directors and officers and professional indemnity); property (including plant and equipment, livestock, pastures and property in transit); motor vehicles; business interruption; fraud; and aviation. The 2014–15 premium for Directors' and officers' cover was \$33,535 (2013–14: \$29,335), 14.42 per cent of the total liability premium. The insurance cover for Directors and officers is consistent with Part 2–4, Division 5 clause 23 of the PGPA Rules.

Via Deed of Access indemnity and insurance, the ILC provides limited indemnities in favour of all Directors and the CEO. The indemnity arrangements largely mirror those that would be implied at common law; generally speaking, they indemnify Directors

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

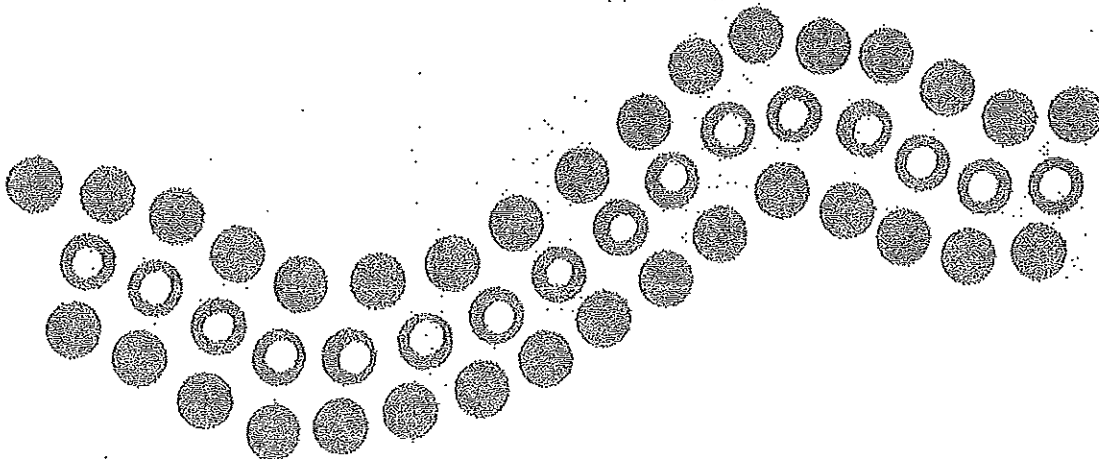
See Appendix 6.

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.



Work Health and Safety

The ILC is committed to continual improvement in Work Health and Safety (WHS) through providing safe and healthy working environments and the development of a positive safety culture across the ILC Group. In 2014–15 the ILC appointed a new WHS Coordinator to manage WHS across the ILC and its subsidiaries. In addition, several WHS reviews were undertaken (internal and external) on WHS strategic and operational issues.

The ILC reviewed its WHS governance documents: the WHS Policy, Health and Safety Management Arrangements and WHS Plan 2015–17. These documents formed the WHS consultative package released for broad comment across the ILC Group. The aim was to develop a WHS framework to ensure the ILC and its subsidiaries are fully compliant with WHS legislation. The new WHS package was in the final stage of approval at the time of writing this report.

The WHS performance of the ILC and its subsidiaries is set out below.

ILC

Over the course of the year six incidents resulted in injury or illness; there were no notifiable incidents. One workers' compensation claim was accepted by Comcare. The ILC undertook hazard inspections of all its offices, and maintained WHS roles across all work groups including bullying and harassment contact officers, fire wardens and first aid officers. The ILC hosted all four mandatory WHS Committee meetings and provided staff across the ILC Group with access to an Employee Assistance Programme (EAP). The ILC commenced asbestos surveys and a review of WHS risks for ILC-owned properties.

NIPE

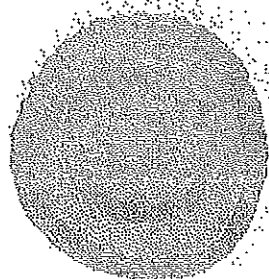
In 2014–15 National Indigenous Pastoral Enterprises Pty Ltd reported 44 incidents resulting in injury or illness; 12 were notifiable. This resulted in four liaison inspections by the regulator; two were site visits by inspectors at Banka Banka Station NT, and Murrayfield Tas. The other inspections were undertaken through a desktop audit only. No enforcement action was taken. There were five compensation claims accepted by private insurers. NIPE has undertaken preventive measures, such as hosting annual property managers' conferences to provide information on WHS issues and the fitting of roll-over protection systems on all quad bikes. Trainees working on NIPE properties receive a rigorous WHS induction and undertake a recognised Vocational Education and Training programme on WHS issues. NIPE completed asbestos surveys on all properties and has an action plan for remediation.

Voyages

In 2014–15 there were 196 incidents at Ayers Rock Resort resulting in injury or illness; three were notifiable. This triggered two liaison inspections and a site visit with two inspectors. Comcare issued two separate reports containing recommendations for action. There were 77 compensation claims lodged and accepted for liability. Home Valley Station reported six injuries and five compensation claims were accepted. At Mossman Gorge Centre six injuries were reported and five claims were accepted as compensation claims. Voyages operates a WHS induction and training programme for staff and trainees on its businesses and provides access to an EAP for all staff. Voyages has local consultative arrangements through its WHS committee; positive relationships are maintained at all sites with local authorities and services such as police and fire.

NCIE

A total of 136 incidents resulted in injury or illness; there were no notifiable incidents. One compensation claim was accepted. Internal and external reviews of WHS were undertaken during the year.



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.

Table 17: Ecologically Sustainable Development performance in ILC offices, 2014-15

Theme	Performance measure	Indicator	2013-14	2014-15	Percentage change
Energy efficiency	Energy consumption	Electricity purchased (kWh)	268,285.00	267,395.00	-0.3
	Relative energy use	Electricity purchased (kWh) / FTE / day	7.40	7.42	0.3
	Use of taxis for business travel	Number of bookings	2,167	2154	-0.6
		Total distance travelled (km)	27,308.28		
	Use of hire cars for business travel	Number of bookings	289	272.00	-5.3
		Total distance travelled (km)	151,970	116,341	-22.8
	Use of aircraft for business travel	Number of sectors flown	3260	3402	4.4
		Total distance travelled (km)	3,724,572	2,796,054	-24.9
Greenhouse gas	Electricity (scope 2)	Office electricity use (t CO2-e) ¹	206.70	185.35	-10.3
	Staff travel (scope 3)	Hire cars (t CO2-e) ²	38.80	26.90	-38.1
		Taxi travel (t CO2-e) ³	4.35	4.07	-6.6
		Aircraft travel (t CO2-e) ⁴	844.30	568.10	-32.7
	Paper purchases (scope 3)	Greenhouse gas emissions (paper purchases) (t CO2-e) ⁵	5.13	5.12	-0.1
Waste	Paper purchased	Total amount of paper purchased (t)	3.71	4.39	17.0
	Use of carbon neutral paper	Carbon neutral paper (% of total weight)	2.80	16.79	500.3
	Use of recycled paper	Recycled paper (% of total weight)	45.67	46.34	1.5
	Relative paper purchased	Total amount of paper purchased (t / FTE)	0.04	0.04	20.4

*This report does not include indicators for Voyages, NCIE or NIPE business operations apart from NIPE staff accommodated in ILC offices.

¹ National Greenhouse Account (NGA) Factors, August (2015) Canberra

² Based on data provided by AVIS on actual emissions from ILC vehicle hires, and extrapolated to rentals from other businesses based on average emission/km

³ National Transport Commission (2015) average emissions intensity of 2013 new taxi fleet purchases

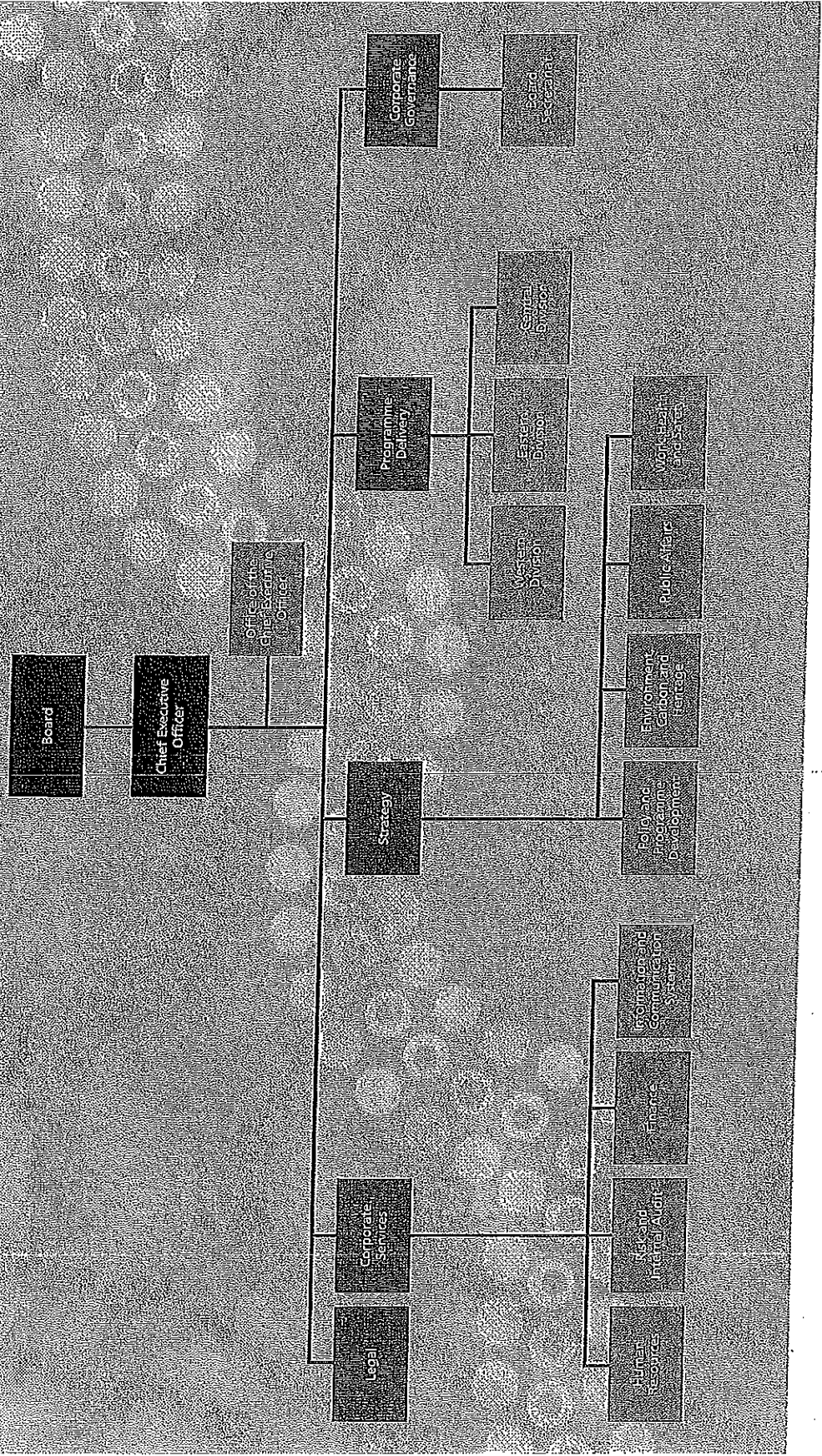
⁴ DEFRA Emission Factor Methodology Paper (2015), United Kingdom, for domestic and short haul flights & NGA1 factors applied to charter aircraft fuel use estimates

⁵ Greenhouse Gas Emissions for Office Copy Paper, (2013), EPA Victoria



Our People

Figure 7: ILC organisational structure at 30 June 2015



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.

Employee arrangements: ILC

The CEO is responsible for the engagement of employees necessary to perform the functions of the ILC.

At 30 June 2015 the ILC employed 89.6 full-time equivalent (FTE) employees. This is a decrease from 2013–14, largely due to the transfer of former Business Employment and Training Directorate staff to National Indigenous Pastoral Enterprises (NIPE) Pty Ltd in October 2014 following a review of ILC business operations. There was also no recruitment to fill certain vacancies arising during the year. Eight new employees (six female and two male) were engaged in 2014–15 and 11 employees separated, resulting in a 10.2 per cent turnover (2013–14: 11.1 per cent).

The ILC maintained a high level of workplace diversity. At 30 June 2015 the proportion of Indigenous employees was 33.3 per cent (2013–14: 32.1 per cent), and of female employees 58.9 per cent (2013–14: 52.7 per cent).

The CEO's remuneration is administered by the Australian Government Remuneration Tribunal under the Principal Executive Officer classification. Senior Executive staff are employed under individual Employment Agreements, and have access to private-plated vehicles and parking, business class official travel (when travelling more than two hours), airline lounge membership, home-based computers, mobile phones and salary sacrificing arrangements.

All other ILC employees are engaged under the ILC Enterprise Agreement 2011–14. Benefits under the Agreement include studies assistance, an employee assistance programme, training and development courses, a healthy employee scheme (individual and team), screen-based eyesight testing and vaccinations.

No ILC employee, including Senior Executive employees, received a performance payment during the year.

Employee arrangements: NIPE

National Indigenous Pastoral Enterprises (NIPE) Pty Ltd is a wholly-owned subsidiary of the ILC. At 30 June 2015 NIPE had 157 (head count) employees across 14 ILC-operated businesses. This includes nine members of the ILC's former Business Employment and Training Directorate seconded to NIPE during the year.

As part of NIPE's attraction and retention strategy, property managers and similar level positions are offered individual Employment Agreements. This enables flexible remuneration arrangements including the private use of work-related vehicles, housing, remote location and annual remote airfare allowances, and salary sacrificing provisions. NIPE entered into six new Employment Agreements in 2014–15; 26.1 per cent of NIPE employees were on Employment Agreements (2013–14: 25.7 per cent).

All other employees are engaged under the NIPE Enterprise Agreement 2012–16. Benefits under the Agreement include an employee assistance programme, training and development courses, time off in lieu provisions, board and/or lodging and vaccinations. Many employees are engaged on a casual or seasonal basis. In Table 21, remuneration ranges are provided on an annual equivalent basis.

No NIPE employee received a performance payment during the year.

At 30 June 2015 the proportion of Indigenous employees was 53.5 per cent (2013–14: 60.5 per cent), and of female employees 19.1 per cent (2013–14: 21.1 per cent).

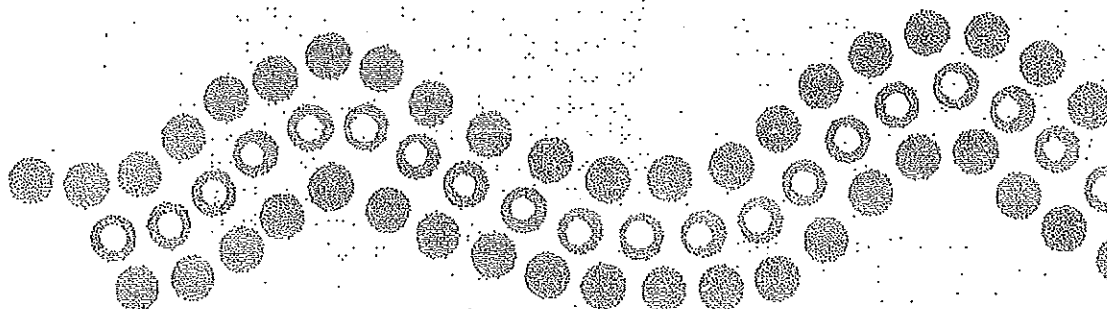


Table 18: ILC employees (FTE) by diversity group, at 30 June 2015

	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	89.6¹

* 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	6.0		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

Table 20: NIPE 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	20	23	35	35	55	58
Female	9	9	1	1	10	10
Male	11	14	34	34	45	48
Queensland	12	13	22	15	34	28
Female	5	5	4	2	9	7
Male	7	8	18	13	25	21
Western Australia	20	25	33	33	53	58
Female	8	10	3	1	11	11
Male	12	15	30	32	42	47
Tasmania	3	4	1	1	4	5
Female	1	1	-	-	1	1
Male	2	3	1	1	3	4
South Australia	1	4	-	-	1	4
Female	-	-	-	-	-	-
Male	1	4	-	-	1	4
New South Wales	1	-	1	-	2	-
Female	-	-	-	-	-	-
Male	1	-	1	-	2	-
Aust. Capital Territory	3	4	-	-	3	4
Female	1	1	-	-	1	1
Male	2	3	-	-	2	3
Grand total	60	73	92	84	152	157

Table 21: NIPE salaries by diversity group, at 30 June 2015

Class	Female			Male			Grand total
	Indigenous	Non-Indigenous	Total	Indigenous	Non-Indigenous	Total	
1: \$42,000	-	5	5	35	-	35	40
2: \$44,000	-	-	-	14	1	15	15
3: \$46,000	3	9	12	16	9	25	37
4: \$49,000	-	2	2	8	2	10	12
5: \$52,000	-	1	1	3	6	9	10
6: \$60,000	-	-	-	-	2	2	2
EA: >\$50,000	1	9	10	4	27	31	41
Grand total	4	26	30	80	47	127	157

EA = Employment Agreement

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

Table 23: Voyages employees by diversity group and classification, at 30 June 2015

Classification	Female			Male			Grand total
	Non-Indigenous	Indigenous	Total	Non-Indigenous	Indigenous	Total	
Resort operations \$38,789 to \$56,579	200	155	355	254	168	422	777
Sales, professionals and administration \$46,391 to \$91,000	65	18	83	19	7	26	109
Other managers \$48,204 to \$100,000	39	4	43	56	2	58	101
Senior managers \$76,426 to \$148,753	7	1	8	7	0	7	15
General managers / executive \$95,000 to \$407,225	1	0	1	13	1	14	15
Grand Total	312	178	490	349	178	527	1017

Table 24: NCIE employees by diversity group, at 30 June 2015

	Non-Indigenous		Indigenous		Total	
	13-14	14-15	13-14	14-15	13-14	14-15
Female	19	27	33	24	52	51
Male	29	23	32	25	61	48
Total	48	50	65	49	113	99

Table 25: NCIE salaries by diversity group, at 30 June 2015

Classification	Female			Male			Grand total
	Indigenous	Non-Indigenous	Total	Indigenous	Non-Indigenous	Total	
Trainee <\$50,000				1	-	1	1
EA <\$50,000	12	6	18	10	3	13	31
\$50,000-\$100,000	11	19	30	14	19	33	63
\$100,000-\$150,000	1	2	3	-	1	1	4
Grand total	24	27	51	25	23	48	99

EA = Employment Agreement



Financial Administration

Aboriginal and Torres Strait Islander Land Account

The Aboriginal and Torres Strait Islander Land Account (Land Account) is the primary source of funding to the ILC. The Land Account was established in 1995 with the intention of providing a secure income stream to the ILC in perpetuity. The Land Account is a Special Account as provided for in section 80 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

Financial overview

The Land Account was built up to become a self-sustaining capital fund by 30 June 2004. Funding received from the Land Account since 1 July 2004 is set out in Table 26. The balance of the Land Account at 30 June 2015 was \$2.015 billion.

From 1 July 2010, following amendments to the *Aboriginal and Torres Strait Islander Act 2005* (ATSI Act), the ILC receives a minimum guaranteed annual payment from the Land Account of \$45 million, indexed annually by the Consumer Price Index. The ATSI Act also provides for additional payments to be made to the ILC where the actual capital value of the Land Account exceeds its real capital value. The additional amount to be paid is the excess above the real capital value.

The Land Account and its investments are administered by the Department of the Prime Minister and Cabinet under delegation from the Minister for Finance.

The PGPA Act restricts the Land Account to investing in authorised investments, which are:

- securities of the Commonwealth or of a State or Territory
- securities guaranteed by the Commonwealth, a State or Territory
- a deposit with a bank, including a deposit evidenced by a certificate of deposit
- any other form of investment prescribed by the regulation.

Consultative Forum

The Minister for Indigenous Affairs is responsible for convening meetings of the Consultative Forum on the investments of the Land Account pursuant to section 193G of the ATSI Act. The forum enables nominated ILC Directors and other ministerial appointees to express their views and provide advice on the investment policy of the Land Account to the Delegate of the Minister for Finance. The forum met twice in 2014–15, with the ILC represented by Directors Gay and Westbury. The ILC Chief Executive Office and Chief Operating Officer attended as observers. The meetings focused on presentation of financial statements for the year ended 30 June 2014 and review of the Land Account's Investment Strategy and associated investment policies.

Table 26: Funding received from the Land Account since 1 July 2004

Financial year	Amount (\$m)
2004–05	4.0
2005–06	23.8
2006–07	96.4
2007–08	0.0
2008–09	44.8
2009–10	0.0
2010–11 ¹	45.0
2011–12	51.3
2012–13	65.9
2013–14	52.5
2014–15	49.9

¹ Legislation change

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).

Table 27: Agency resource statement for 2014-15*

Source	Actual Available Appropriation 2014-15 \$'000	Payments Made 2014-15 \$'000	Balance Remaining 2014-15 \$'000
Opening balance/Reserves at bank	39,278		
REVENUE FROM GOVERNMENT			
Ordinary annual services			
Outcome 1	9,527		
Total ordinary annual services	9,527		
SPECIAL ACCOUNTS			
Aboriginal and Torres Strait Islander Land Account	49,865		
Total Special Account	49,865		
Total funds from Government	59,392		
FUNDS FROM OTHER SOURCES			
Interest	19,805		
Other	39,522		
Total	59,327		
Total net resourcing for agency	157,997	115,183	42,814

Table 28: Resources for outcomes for 2014-15*

Outcome 1: Enhanced socio-economic development; maintenance of cultural identity and protection of the environment by Indigenous Australians through land acquisition and management	2014-15 Budget \$'000	2014-15 Actual \$'000	2014-15 Variation \$'000
Programme 1.1: Assistance in the acquisition and management of an Indigenous land base			
Revenue from Government			
Ordinary annual services (Appropriation Bill No. 1)	9,527	9,527	-
Payment from related entities	18,500	18,090	(410)
Special Accounts	49,865	49,865	-
Revenues from other independent sources	4,700	41,237	36,537
Total for Programme 1.1	82,592	118,719	36,127
Outcome 1 Totals by resource type			
Revenue from Government			
Ordinary annual services (Appropriation Bill No. 1)	9,527	9,527	-
Payment from related entities	18,500	18,090	(410)
Special Accounts	49,865	49,865	-
Revenues from other independent sources	4,700	41,237	36,537
Total for Outcome 1	82,592	118,719	36,127
Total expenses for Outcome 1	76,292	115,183	(38,891)
	2013-14	2014-15	
Average staffing level (number)	272	274	

* Tables do not include Voyages Indigenous Tourism Australia Pty Ltd as this entity is classified as a Public Non-Financial Corporation.



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:

- Statement by the Accountable Authorities, 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's 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.

GPO Box 797 CANBERRA ACT 2601
19 National Circuit BARTON ACT
Phone (02) 6203 7300 Fax (02) 6203 7777

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

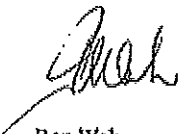
In conducting my audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

Opinion

In my opinion, the financial statements of the Indigenous Land Corporation and the consolidated entity:

- (a) comply with Australian Accounting Standards and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial positions of the Indigenous Land Corporation and the consolidated entity as at 30 June 2015 and their financial performance and cash flows for the year then ended.

Australian National Audit Office



Ron Wain
Audit Principal

Delegate of the Auditor-General

Canberra
16 September 2015



Australian Government
Indigenous Land Corporation

ABN 59 912 679 254

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 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the 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.....*[Signature]*.....

Dr Dawn Casey
Chairperson
Accountable Authority

Signed.....*[Signature]*.....

LISA GAY
Director
Accountable Authority

Signed.....*[Signature]*.....

Mr Michael Dillon
Chief Executive Officer

Signed.....*[Signature]*.....

Ms Jodie Lindsay
Chief Financial Officer

16 September 2015

Statement of Comprehensive Income for the year ended 30 June 2015

	Notes	Consol 2015 \$,000	Consol 2014 \$,000	ILC 2015 \$,000	ILC 2014 \$,000
NET COST OF SERVICES					
Expenses					
Property granted	5A	19,475	8,091	19,475	8,091
Provision for property held for grant	5B	(13,112)	(2,417)	(13,112)	(2,417)
Land management	5C	37,691	41,161	54,287	55,052
Employee benefits	5D	80,704	73,243	12,194	13,145
Suppliers	5E	73,860	67,399	5,333	6,988
Depreciation and amortisation	5F	17,925	18,331	5,896	6,417
Net loss (gain) from sale of assets	5G	1,030	(125)	261	(340)
Other net loss (gain)	5H	(21,541)	20,164	1,161	6,904
Finance costs	5I	11,011	11,094	8,967	8,970
Total Expenses		207,043	236,941	94,462	102,810
Own-source income					
Own-source revenue					
Interest	6A	2,151	2,248	19,788	20,214
Sale of goods and rendering of services	6B	131,758	115,819	8,358	7,820
Grants	6C	2,174	3,739	1,187	3,035
Other revenue	6D	13,286	13,373	1,693	3,187
Total own-source revenue		149,369	135,179	31,026	34,256
Gains					
Net gain in the net market value of livestock	7A	21,647	10,377	19,240	10,377
Net market value of agricultural produce	7B	444	423	444	423
Total net gains		22,091	10,800	19,684	10,800
Total own-source income		171,460	145,979	50,710	45,056
Net cost of services		(35,583)	(90,962)	(43,752)	(57,754)
Revenue from Government					
Revenue from Government	8A	59,391	62,127	59,391	62,127
Surplus (deficit) before Income tax on continuing operations		23,808	(28,835)	15,639	4,373
Income tax benefit	5J	167	-	-	-
Surplus (deficit) attributable to the Australian Government		23,975	(28,835)	15,639	4,373
Other comprehensive income					
Changes in asset revaluation surplus		330	(305)	263	(305)
Disposal of minority interest		(251)	-	-	-
Total comprehensive income (loss) attributable to the Australian Government		24,054	(29,140)	15,902	4,068

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

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	1
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	10L	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

Consolidated	Retained Earnings		Asset Revaluation Reserve		Total Equity	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Opening Balance	187,973	215,988	5,794	6,949	193,767	222,907
Balance carried forward from previous period	-	-	-	(767)	-	-
Adjustment on correction of error (refer Note 1.30)	-	767	-	-	-	-
Adjusted opening balance	187,973	216,725	5,794	6,182	193,767	222,907
Comprehensive Income						
Surplus (deficit) for the period	23,975	(28,835)	-	-	23,975	(28,835)
Other comprehensive income:						
Disposal of minority interest	(251)	-	-	-	(251)	-
Fair value revaluation of property, plant and equipment	-	-	330	(305)	330	(305)
Total comprehensive income attributable to the Australian Government	23,724	(28,835)	330	(305)	24,054	(29,140)
Amount transferred from revaluation reserve for property, plant and equipment disposed of	912	83	(912)	(83)	-	-
Closing balance attributable to the Australian Government	212,609	187,973	5,212	5,794	217,821	193,767

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 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Opening Balance						
Balance carried forward from previous period	330,990	325,772	5,724	6,874	336,714	332,646
Adjustment on correction of error (refer Note 1.30)	-	767	-	(767)	-	-
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:						
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.

Cash Flow Statement for the year ended 30 June 2015

OPERATING ACTIVITIES	Notes	Consol 2015 \$,000	Consol 2014 \$,000	ILC 2015 \$,000	ILC 2014 \$,000
Cash received					
Receipts from Government		9,527	9,664	9,527	9,664
Other receipts from Government		53,487	56,606	51,392	55,646
Goods and services		163,686	140,027	25,424	18,592
Interest		1,994	2,142	1,545	1,950
Other		13,855	10,063	5,062	2,938
Net GST received from ATO				3,434	4,349
Total cash received		242,549	218,502	96,384	93,139
Cash used					
Employees		74,437	74,750	11,892	12,620
Direct land acquisition		2,719	6,640	2,719	6,640
Land management		56,405	43,663	58,666	58,205
Interest paid		11,580	11,155	8,967	8,970
Other suppliers		71,729	73,922	8,522	12,086
Net GST paid to ATO		2,855	2,097	-	-
Total cash used		219,725	212,227	90,766	98,521
Net cash from or (used by) operating activities	14	22,824	6,275	5,618	(5,382)
INVESTING ACTIVITIES					
Cash received					
Proceeds from the sale of property, plant and equipment		161	114	160	119
Proceeds from sale of investments, net		-	15,000	-	15,000
Total cash received		161	15,114	160	15,119
Cash used					
Purchase of property, plant and equipment		15,864	9,505	2,699	3,135
Purchase of intangibles		47	851	47	73
Investments made, net		10,000	-	10,000	-
Total cash used		25,911	10,356	12,746	3,208
Net cash from or (used by) investing activities		(25,750)	4,758	(12,586)	11,911
Net increase (decrease) in cash held		(2,926)	11,033	(6,968)	6,529
Cash at the beginning of the reporting period		51,403	40,370	38,721	32,192
Cash at the end of the reporting period	14	48,477	51,403	31,753	38,721

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 Commitments as at 30 June 2015 (cont.)

The capital commitments comprise:

- at 30 June 2015 the Voyages had capital commitments for orders placed awaiting completion or delivery of custom specified assets such as pipework that has a 12 week lead time for orders and staff accommodation construction where workers have been mobilised.

The operating leases commitments comprise:

- Leases for office accommodation relate to tenancy of the ILC in its Adelaide (Head Office and ICS Office), Perth, Brisbane and Canberra offices. Voyages have a lease for its office accommodation in Sydney and a lease over the airport at Ayers Rock Resort. Lease payments are subject to annual increases in accordance with the lease contracts at either a fixed rate or to market. The initial periods of the leases are still current. The ILC has the option to renew for an additional term on expiry of the current term on six of the seven leases. There are no purchase options available to the ILC.
- Agreements for the provision of motor vehicles to senior executives – no contingent rentals exist. There are no renewal or purchase options available to the Corporation.
- Leases and Grazing licences entered into by the ILC are for the purposes of running a commercial enterprise. The commitment equals the total consideration paid by the ILC over the term of the lease, being a cash payment, which is subject to an annual index adjustment, and an agreed amount of capital development to be undertaken by the Corporation. The initial periods of the licences are still current. The ILC has the option to renew for an additional term on expiry of the current term on four of the five licences. There are no purchase options available to the ILC.
- Voyages have a contract with The Leasing Centre for Retech terminals for its retail outlets, expiring in May 2017.

The other commitments comprise:

- Voyages had entered into a non-cancellable contract for the provision of fire and emergency services at Ayers Rock Resort. The contract expired on 30 June 2015.

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. Summary of Significant Accounting Policies

1.1 Objective of the Indigenous Land Corporation

The Indigenous Land Corporation (ILC) is Corporate Commonwealth Entity established to provide economic, environmental, social and cultural benefits for Aboriginal people and Torres Strait Islanders by assisting with acquisition and management of land. The ILC was established on 1 June 1995, and is governed by the *Aboriginal and Torres Strait Islander Act 2005* (ATSIA Act). It is a not for profit entity.

The ILC is structured to meet the following outcome:

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

1.2 Basis of preparation of the financial statements

The financial statements are general purpose financial statements and are required by section 42 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

The financial statements have been prepared in accordance with:

- Financial Reporting Rule (FRR) for the reporting periods on or after 1 July 2014; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or on the financial position of the ILC and the economic entity ("the Corporation").

The financial statements are presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

Unless alternative treatment is specifically required by an accounting standard or the FRR's, assets and liabilities are recognised in the ILC and Consolidated Statement of Financial Position when, and only when, it is probable that future economic benefits will flow to the entity or a future sacrifice of economic benefits will be required and the amounts of the assets and liabilities can be reliably measured. However, assets and liabilities arising under executory contracts are not recognised unless required by an accounting standard. Liabilities and assets that are unrecognised are reported in the Schedule of Commitments or the Schedule of Contingencies.

Unless alternative treatment is specifically required by an Accounting Standard, income and expenses are recognised in the ILC and Consolidated Statement of Comprehensive Income when, and only when, the flow, consumption or loss of economic benefit has occurred and can be reliably measured.

1.3 Principles of consolidation

The consolidated financial statements are those of the Corporation, comprising:

- ILC (the parent entity) and its subsidiaries or controlled entities:
 - National Indigenous Pastoral Enterprises Pty Ltd ("NIPE")
 - National Centre of Indigenous Excellence Ltd ("NCIE")
 - Voyages Indigenous Tourism Australia Pty Ltd ("Voyages")
 - The Owners - Strata Plan No. 86156 ("Strata Corp")

NIPE was established in 2004 as a wholly-owned subsidiary of the ILC. Until 1 September 2014 NIPE was the employment vehicle for staff working on ILC-held properties and agribusinesses. From 1 September 2014 the ILC's agribusiness operations will progressively transfer to NIPE.

NCIE was incorporated to manage the National Centre of Indigenous Excellence in Redfern NSW on behalf of the ILC. No income or property of NCIE may be paid or transferred, directly to any member of NCIE whether by way of dividend, bonus or otherwise. The ILC is the sole member of NCIE.

Voyages was incorporated to own and manage Ayers Rock Resort in Yulara NT on behalf of the ILC.

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 Ungkuntja 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, 10E, 10G and 10L).

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

1.5 Significant accounting judgements and estimates (cont.)

An impairment reversal of \$22.556m (Land \$4.407 million, Property, plant and equipment \$17.743 million and intangibles \$0.406 million) has been recognised in the Statement of Comprehensive Income to restate the carrying amount of these assets to fair value refer notes (5G, 10F, 10G and 10L).

Key assumptions used in fair value calculations

The calculation of fair value of the Ayers Rock Resort CGU is most sensitive to the following assumptions:

- Investment yield or capitalisation of earnings rates
- Resort occupancy and average daily rate

Capitalisation of earnings rate – The capitalisation of earnings rate represents the current market assessment of the risks specific to the CGU, taking into account a detailed analysis of hotel sales and yields achieved in the Australian market. The capitalisation approach involves the application of a market derived yield to the assessed Net Operating Income from the property to indicate its current market value. The capitalisation of earnings rate is determined based on an analysis of market transactions to determine market derived assumptions used in the valuation.

Resort occupancy and average daily rate – Ayers Rock Resort occupancy has been forecast based on an analysis of key market segments and expected growth in these markets over the forecast period. The forecast also takes account of strategic initiatives to grow the average daily rate (ADR) in the resort key market segments due to the strength of demand experienced during the year and from forward booking patterns.

Sensitivity to changes in assumptions

The recoverable amount of the Ayers Rock Resort CGU is equal to its carrying value and consequently any adverse change in a key assumption would result in a further impairment loss.

Capitalisation of earnings rate – The capitalisation of earnings rate reflects the prevailing conditions in the hotel investment market which are subject to change based on investor sentiment and economic conditions. The valuer assessed a range of capitalisation of earnings rates between 8.25% to 8.75% with 8.5% adopted when calculating the fair value of the Ayers Rock Resort CGU. The independent valuer is of the view that the capitalisation of earnings rate selected is appropriate in the current market. An increase in the capitalisation of earnings rate of 0.25% would result in a reduction in the impairment reversal or a reduction in the fair value of approximately \$8,500,000.

Resort occupancy and average daily rate – Changes in market conditions in the tourism sector can have a significant impact on resort occupancy and average daily rate. Such changes may include economic conditions in key source markets, currency fluctuations and available airline capacity. The valuer performed sensitivity analysis on the values around increases and decreases in both occupancy and average daily rate. A reduction in occupancy, being the most influential on earnings, from the levels estimated in the operating forecast would result in a further impairment.

No other accounting assumptions or estimates have been identified that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next accounting period.

1.6 New accounting standards

Adoption of new Australian Accounting Standards requirements

No accounting standard has been adopted earlier than the application date as stated in the standard.

Amendments to AASB 13 Fair Value Measurement made by AASB 2015-7 Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities may be early adopted to apply for 30 June 2015. The amendments reduce certain fair value disclosures about property, plant and equipment held for their current service potential for Not-for-Profit Public Sector Entities. The Corporation has early adopted the amendments.

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, applicable to the current reporting period did not have a financial impact, and are not expected to have a future financial impact on the Corporation.

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

1.9 Revenue from Government

Funding received or receivable from non-corporate Commonwealth entities (appropriated to the non-corporate Commonwealth entity as a corporate Commonwealth entity payment item for payment to the ILC) is recognised as Revenue from Government unless they are in the nature of an equity injection or loan.

Any amounts received under the Parental Leave Payment Scheme by the Corporation not yet paid to employees are presented as cash and liability (payable). The Corporation received \$123,854 (2014 \$63,561) under this scheme for the reporting period.

Revenue from Government is disclosed in Note 8A.

Grants received from Government sources are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

1.10 Employee benefits

Benefits

Liabilities for "short-term employee benefits" (as defined in *AASB 119 Employee Benefits*) and termination benefits due within twelve months of the end of the reporting period are measured at their nominal amounts.

The nominal amount is calculated with regards to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits liabilities are measured at the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

Leave

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the Corporation is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will apply at the time the leave is taken, including the Corporation's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

Separation and redundancy

Provision is made for separation and redundancy benefit payments. The Corporation recognises a provision for termination when it has developed a detailed formal plan for the termination and has informed those employees affected that it will carry out the terminations.

Superannuation

Employees of the ILC are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Scheme (PSS) or the PSS Accumulation Plan (PPSap). The CSS and PSS are defined benefits schemes for the Australian Government. The PPSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported by the Department of Finance's administered schedules and notes.

The ILC makes employer contributions to the employee superannuation scheme at rates determined by the actuary to be sufficient to meet the cost to the Australian Government of the superannuation entitlements of the ILC's employees. The ILC accounts for the contributions as if they were contributions to defined contributions plans.

Superannuation contributions on behalf of employees of the ILC's wholly owned subsidiaries are made in accordance with their employment contracts, mainly to industry superannuation funds which are defined contribution plans.

The liability for superannuation recognised as at 30 June represents outstanding contributions accrued as at the reporting date.

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

1.14 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, advances made and demand deposits with a bank or financial institution held at call or with an original maturity of three months or less that are readily convertible to known amounts of cash and subject to insignificant risk of change in value. Cash is recognised at its nominal amount.

1.15 Investments and other financial assets

Investments and other financial assets are categorised as either held to maturity investments or loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Financial assets are recognised and derecognised upon trade date.

Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Corporation has the positive intent and ability to hold to maturity are classified as held-to-maturity investments.

Investments designated as held-to-maturity investments are fixed rate term deposits with a term exceeding 3 months placed with major banks.

Held-to-maturity investments are recorded at amortised cost using the effective interest rate method less impairment, with revenue recognised on an effective yield basis.

Loans and receivables

Financial instruments designated as loans and receivables are short term deposits with major banks, trade and other receivables and repayable grants. Loans and receivables are measured at amortised cost using the effective interest rate method less impairment. Interest is recognised by applying the effective interest rate method.

Repayable grants are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in the profit and loss when the repayable grant is impaired.

Trade receivables, which generally have 28 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less an allowance for impairment.

Collectability of trade receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectable are written off when identified. An impairment provision is recognised when it is probable that the Corporation will not be able to collect the receivable.

Additional disclosures in relation to financial instruments are provided at Note 22.

1.16 Impairment of financial assets

Financial assets are assessed for impairment at each balance date.

Financial assets held at amortised cost

If there is objective evidence that an impairment loss has been incurred for held to maturity investments or loans and receivables, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the Statement of Comprehensive Income.

Financial assets held at cost

If there is objective evidence that an impairment loss has been incurred, the amount of impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate for similar assets.

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

1.19 Property, plant and equipment (cont.)

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity (Revaluation Reserve) except to the extent that it reverses a previous revaluation decrement of the same class of assets. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

Revaluation adjustments as a result of significant judgements or estimates are included in Note 1 in the financial statements.

Depreciation and amortisation

Depreciable property, plant and equipment are written off to their estimated residual values over their estimated useful lives to the Corporation using both the diminishing value and prime cost method of depreciation. Leasehold improvements are amortised over the lower of the estimated useful life of the improvements or the unexpired period of the lease.

Depreciation rates (useful lives) and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate. Residual values are re-estimated for a change in prices only when assets are revalued.

Depreciation rates applying to each class of assets are as follows:

	Diminishing Value 2015	Diminishing Value 2014	Prime Cost 2015	Prime Cost 2014
Administration assets				
Office equipment	20-50%	20-50%		
Furniture and fittings	20-40%	20-40%		
Computer equipment	40-67%	40-67%		
Office fit-outs			10-67%	10-67%
Commercial business assets				
Buildings and infrastructure	2.5-40%	2.5-40%		
Plant and equipment	5-67%	5-67%		
Furniture and fittings	13-67%	13-67%		
Motor vehicles	20-45%	20-45%		

The aggregate amount of depreciation allocated for each class of asset during the reporting period is disclosed in Note 10G.

Impairment

All assets were assessed for impairment as at 30 June. Where indications on 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 fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the entity were deprived of the asset, its value in use is taken to be its depreciated replacement cost. Details are disclosed in Note 10G.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

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

1.22 Inventory – property held for grant

Property held for grant is land, plant and equipment and livestock held for grant which represents properties purchased for the purpose of grant to appropriate organisations in line with the legislative function and objectives of the ILC. These assets are held for distribution at no consideration in the ordinary course of business of the ILC. Accordingly, these assets are classified as inventory held for distribution in accordance with *AASB 102 Inventories*.

Property held for grant is initially recorded at cost. Property held for grant acquired for free, or for a nominal amount, is recognised initially at current replacement cost at the date of acquisition. Ongoing the assets are valued at cost, adjusted when applicable for any loss of service potential. Any adjustment is expensed to the Statement of Comprehensive Income.

Land purchases (including the related plant, equipment and livestock, acquisition and holding costs) are capitalised on purchase. At this time a provision is raised against the Statement of Comprehensive Income for the full cost of the purchase representing the sacrifice of the future benefits embodied in the assets.

On transfer, the assets and provision are offset against one another.

Livestock held for grant is purchased incidental to the purchase of land and is not held for the specific purpose of sale. It is valued at cost, adjusted when applicable for any loss of service potential.

Loss of service potential of livestock held for grant is identified and measured based on current replacement cost.

Where the Infrastructure and plant and equipment are used in the production or supply of goods or services on an ongoing and commercial basis the corresponding asset is classified as Property, plant and equipment in accordance with *AASB 116 Property, Plant and Equipment*.

1.23 Inventory – other

Inventories held for sale are valued at the lower of cost and net realisable value.

1.24 Held for sale assets

Non-financial assets are classified as held for sale and measured at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered principally through a sales transaction. They are not depreciated or amortised. For an asset to be classified as held for sale, it must be available for immediate sale in its present condition and its sale must be highly probable.

1.25 Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit and loss or other financial liabilities. Financial liabilities are recognised and derecognised upon trade date.

Financial liabilities at fair value through profit and loss

Financial liabilities at fair value through profit and loss are initially measured at fair value, net of transaction costs. Subsequent fair value adjustments are recognised in the surplus/deficit. The net gain or loss recognised in the surplus/deficit incorporates any interest paid on the financial liability.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of any transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method, with interest expense recognised on an effective yield basis.

Supplier and other payables

Supplier and other payables are carried at amortised cost. Due to their short term nature they are not discounted. Liabilities are recognised to the extent that the goods and services have been received (and irrespective of having been invoiced). The amounts are unsecured and usually paid within 30 days of recognition.

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

1.28 Taxation (cont.)

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxable authority.

Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

1.29 Comparative figures

Where necessary, comparative figures have been adjusted to conform with changes in presentation in these financial statements.

1.30 Correction of an error

Revaluation adjustments for Property, plant and equipment are made on a class basis. Any revaluation increment is credited to equity (Revaluation Reserve) except to the extent that it reverses a previous revaluation decrement of the same class of assets.

In previous reporting periods revaluation increments totalling \$767,000 which were reversals of previous revaluation decrements for the same class of asset was credited to equity (Revaluation Reserve) rather than recognised directly in the surplus/deficit.

The error has been corrected by restating each of the affected financial statement line items for the prior periods, as follows:

Impact on equity

	Consol 2015 \$'000	Consol 2014 \$'000	ILC 2015 \$'000	ILC 2014 \$'000
Reserves		(767)		(767)
Retained surplus		767		767
Total impact on equity				

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 (ATSLC 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
5B. Provision for property held for grant				
A provision is raised in the Statement of Comprehensive Income for the full cost of land and infrastructure purchases representing the sacrifice of future benefits embodied in the assets. The following represents the net movement in the provisions for the reporting period.				
Total movement in the provision for property held for grant	(13,112)	(2,417)	(13,112)	(2,417)

5C. Land management

The ILC works with the Indigenous corporations and develops a package of support in the form of agreed solutions to land management issues identified by the land owners. Land management expenses also include land management on land held by the ILC and includes the cost of caretaking, use, maintenance and improvement of that land. Land management expenses are recorded as expenses in the Statement of Comprehensive Income in the period in which they are incurred.

Land management expense				
Related entities	4,211	3,140	20,808	17,030
External entities	33,480	38,021	33,479	38,022
Total land management expenses	37,691	41,161	54,287	55,052

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	296	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
5F. Depreciation and amortisation				
Administration assets				
Office equipment	31	30	24	21
Furniture and fittings	329	12	5	5
Computer equipment	407	265	208	157
Office fit-outs	178	145	164	138
Commercial business assets				
Buildings and Infrastructure	9,385	9,933	3,570	3,900
Plant and equipment	2,561	2,447	838	1,019
Furniture and fittings	3,460	3,601	64	66
Motor vehicles	1,203	1,181	880	952
Total depreciation	17,554	17,614	5,753	6,258
Amortisation of "make good" asset	40	43	40	43
Amortisation of software	285	109	96	109
Amortisation of goodwill	7	7	7	7
Amortisation of trademarks and licences	39	558	-	-
Total amortisation	371	717	143	159
Total depreciation and amortisation	17,925	18,331	5,896	6,417

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

	Consol 2015 \$,000	Consol 2014 \$,000	ILC 2015 \$,000	ILC 2014 \$,000
5I. Finance costs				
Loans	11,011	11,094	8,967	8,970
Total finance costs	11,011	11,094	8,967	8,970

5J. Income tax expense (benefit)

The major components of income tax are:

Income Statement				
Current income tax				
Current income tax charge	(4,617)	(5,322)	-	-
Deferred income tax				
Relating to origination of temporary differences	(148)	(331)	-	-
Adjustments in respect of income tax of previous years	(158)	-	-	-
Value of deferred tax assets not recognised	4,756	5,653	-	-
Income tax reported in Statement of Comprehensive Income	167	-	-	-

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

Total accounting profit (loss)	23,975	(28,835)	15,639	4,373
Accounting profit not subject to income tax	17,416	8,682	15,639	4,373
Total accounting profit (loss) subject to income tax	6,559	(37,517)	-	-
Income tax on profit at statutory rate (30%)	1,968	(11,255)	-	-
Entertainment	6	6	-	-
Fringe benefits tax	-	91	-	-
Donations	28	-	-	-
Revaluation/impairment loss	(6,768)	5,668	-	-
Amortisation of intangibles	12	167	-	-
Tax depreciation	(11)	-	-	-
Adjustments in respect of current income tax of previous years	(158)	165	-	-
Value of deferred tax assets not recognised	4,756	5,158	-	-
Aggregate income tax benefit	167	-	-	-

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	
Deferred tax relates to the following:	Consol 2015 \$'000	Consol 2014 \$'000	Consol 2015 \$'000	Consol 2014 \$'000
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	ILC 2015 \$,000	ILC 2014 \$,000
6. Own-source revenue				
6A. Interest				
Interest on bank accounts				
Held-to maturity investments				
Term deposits	1,698	2,023	1,698	2,023
Loans and receivables				
Interest on bank and other securities	453	225	18,090	18,191
Total interest revenue	2,151	2,248	19,788	20,214
6B. Sale of goods and rendering of services				
Provision of goods - related			1	
Provision of goods - external parties	40,715	35,506	1,295	681
Rendering of services - related entities		261		
Rendering of services - external parties	91,043	80,052	7,062	7,139
Total sale of goods and rendering of services	131,758	115,819	8,358	7,820
6C. Grants				
Grants from:				
Department of Prime Minister and Cabinet	1,120	1,260	1,187	1,147
Department of Families, Housing, Community Services and Indigenous Affairs (former)		157	-	157
Aboriginal Benefits Account		1,050	-	1,050
Department of Health and Ageing (former)		468	-	
Department of Health	592		-	
Department of Education, Employment and Workplace Relations (former)	462	804	-	681
Total grants	2,174	3,739	1,187	3,035

The ILC receives small amounts from Government departments as contributions to some of its land management projects. The income is recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

**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
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
7B. Net market value¹ of agricultural produce				
Non-living agricultural produce extracted from biological assets				
Net market value of wool extracted during the reporting period	444	423	444	423
Wool				
Revenue from sale of wool	434	423	434	423
Deemed cost of wool	(434)	(423)	(434)	(423)
Net revenue from sale of wool	-	-	-	-
Wheat and barley				
Revenue from sale of wheat and barley	10	-	10	-
Deemed cost of wheat and barley	(10)	-	(10)	-
Net revenue from sale of wheat and barley	-	-	-	-

During the reporting period the Corporation sold 278 (2014: 345) bales of wool.

¹ Net market value is fair value less estimated point-of sale costs

8. Revenue from Government

8A. Revenue from Government				
Department of Families, Housing, Community Services and Indigenous Affairs (former)				
CAC Act body payment item	-	3,221	-	3,221
Department of the Prime Minister and Cabinet				
Corporate Commonwealth Entity payment	9,527	6,443	9,527	6,443
Receipts from the Land Account	49,864	52,463	49,864	52,463
Total revenue from Government	59,391	62,127	59,391	62,127

The amounts received by the Corporation as a Corporate Commonwealth Entity payment are for the support of jobs in the Northern Territory in land management and pastoral activities. The income is recognised on receipt and corresponding payments are recognised as expenses when incurred or when paid to third parties.

Receipts from the Aboriginal and Torres Strait Islander Land Account (Land Account) is a minimum \$45 million in accordance with Section 193C of the ATSJ Act. The Land Account is administered by the Department of the Prime Minister and Cabinet. Receipts from the Land Account are recognised at the time the ILC becomes entitled to receive the revenue.

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
9B. Trade and other receivables (cont.)				
The allowance for impairment loss is aged as follows:				
Not overdue	92	194		
Overdue by				
- less than 30 days	12	14		
- 30 to 60 days	1	5		
- 60 to 90 days	6	1	3	
- more than 90 days	73	91	38	16
	92	111	41	16
Total allowance for impairment loss	184	305	41	16
Reconciliation of allowance for impairment				
Opening balance	305	321	16	11
Amounts written off	(101)	(23)	(15)	(8)
Amounts recovered or reversed	(13)	(120)	(1)	(3)
Increase/ decrease recognised in net surplus	(7)	127	41	16
Closing balance	184	305	41	16

9C. Investments

Term deposits	10,000		10,000	
Investment in subsidiary companies ¹			14,045	1
Total investments	10,000		24,045	1
Total investments are expected to be recovered in:				
No more than 12 months	10,000		10,000	
More than 12 months			14,045	1
Total investments	10,000		24,045	1

¹ The ILC owns 100% of shares in each of its subsidiaries.

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
10. Non-financial assets				
10A. Biological assets				
Livestock	46,607	37,565	33,619	37,565
Provision for deaths	(2,330)	(1,878)	(1,681)	(1,878)
Total biological assets	44,277	35,687	31,938	35,687
Total biological assets – are expected to be recovered in:				
No more than 12 months	16,912	11,776	10,778	11,776
More than 12 months	27,365	23,911	21,160	23,911
Total biological assets	44,277	35,687	31,938	35,687
	Consol 2015 Number	Consol 2015 \$,000	ILC 2015 Number	ILC 2015 \$,000
<i>Movement in livestock:</i>				
Opening on hand (at net market value)	111,162	37,565	111,162	37,565
Less provision for deaths	-	(1,878)	-	(1,878)
Sales	(40,991)	(14,252)	(60,074)	(24,184)
Purchases	10,033	1,195	10,033	1,195
Natural increase	28,928	-	25,029	-
Deaths/rations/other	(8,675)	-	(8,673)	-
Net gain from change in net market value	-	22,099	-	19,043
Change in provision for deaths	-	(452)	-	197
Closing on hand (at net market value)	100,457	44,277	77,477	31,938

Summary of each class of livestock on hand at the beginning of the reporting period and at the end of the reporting period at fair value less estimated point-of-sale costs (net market value).

Livestock on hand at the beginning of the reporting period at net market value (excluding provision for deaths)

	Consol Number	Consol \$,000	ILC Number	ILC \$,000
Cattle	97,501	36,368	97,501	36,368
Sheep	13,314	737	13,314	737
Horses	248	412	248	412
Buffalo	99	48	99	48
	111,162	37,565	111,162	37,565

Livestock on hand at the end of the reporting period at net market value (excluding provision for deaths)

	Consol Number	Consol \$,000	ILC Number	ILC \$,000
Cattle	88,890	45,500	65,932	32,528
Sheep	11,314	719	11,314	719
Horses	253	388	231	372
	100,457	46,607	77,477	33,619

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
10D. Inventory – property held for grant and provision for property held for grant				
Property held for grant	136,419	149,531	136,419	149,531
Less: provision for grant	(136,419)	(149,531)	(136,419)	(149,531)
Carrying amount 30 June	-	-	-	-
A summary of the movement in property held for grant is as follows:				
Opening balance 1 July	149,531	151,948	149,531	151,948
Opening provision 1 July	(149,531)	(151,948)	(149,531)	(151,948)
Carrying amount 1 July	-	-	-	-
Additions to 30 June	2,295	5,939	2,295	5,939
Grant to 30 June	(19,348)	(7,826)	(19,348)	(7,826)
Property sold during the year	-	(185)	-	(185)
Reclassified as property held for sale	-	(345)	-	(345)
Reclassified as property held for grant	3,941	-	3,941	-
Net movement	(13,112)	(2,417)	(13,112)	(2,417)
Movement in provision to 30 June	13,112	2,417	13,112	2,417
Carrying amount 30 June	-	-	-	-

The above amount includes a property that is jointly controlled by the ILC and Housing Authority of Western Australia. The holding is as follows:

	\$
ILC – 64.19%	576,461
Housing Authority of Western Australia – 35.81%	321,593
	<u>*898,054</u>

*Includes \$543,054 contribution by Housing Authority of Western Australia

Total Inventory – property held for grant assets are expected to be recovered in:

No more than 12 months	20,155	16,800	20,155	16,800
More than 12 months	116,264	132,731	116,264	132,731
Total Inventory – property held for grant assets	<u>136,419</u>	<u>149,531</u>	<u>136,419</u>	<u>149,531</u>

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 \$248m. 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
10F. Land (cont.)				
Reconciliation of fair value				
Opening balance, land held at fair value	56,736	56,736		
Opening balance, provision for impairment	(12,720)	(11,269)		
Impairments for the year		(1,451)		
Reversal of impairment	4,407			
Portion of land in Strata Corp transferred with grant of land	(81)			
Closing balance 30 June	48,342	44,016		
10G. Property, plant and equipment				
Commercial business assets¹				
Buildings and infrastructure improvements², at fair value	292,083	314,130	81,521	105,339
Less: Accumulated depreciation	(24,155)	(35,718)		(17,220)
Less: Allowance for impairment	(33,432)	(47,781)	(4,490)	(4,490)
	234,496	230,631	77,031	83,629
Plant and equipment, at fair value	26,331	23,326	3,254	4,023
Less: Accumulated depreciation	(5,154)	(3,565)		
Less: Allowance for impairment	(2,109)	(3,381)		
	19,068	16,380	3,254	4,023
Furniture and fittings, at fair value	34,087	29,668	230	182
Less: Accumulated depreciation	(10,824)	(7,839)		
Less: Allowance for impairment	(3,712)	(5,204)		
	19,551	16,625	230	182
Motor vehicles, at fair value	6,802	5,941	2,176	2,660
Less: Accumulated depreciation	(931)	(584)	(53)	
Less: Allowance for impairment	(169)	(346)		
	5,702	5,011	2,123	2,660
Administration assets				
Office equipment, at fair value	121	126	77	38
Less: Accumulated depreciation	(26)	(16)	(20)	
Less: Allowance for impairment		(7)		
	95	103	57	38
Furniture and fittings, at fair value	2,661	2,656	31	31
Less: Accumulated depreciation	(835)	(517)	(6)	
Less: Allowance for impairment		(414)		
	1,826	1,725	25	31

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

	Consol 2015 \$'000	Consol 2014 \$'000	ILC 2015 \$'000	ILC 2014 \$'000
10G. Property, plant and equipment (cont.)				
Net amounts charged to the statement of comprehensive income for impairment (impairment reversal) of property, plant and equipment during the reporting period relate to:				
Commercial business assets				
Building and infrastructure improvements	(14,349)	5,180	-	323
Plant and equipment	(1,272)	357	-	-
Furniture and fittings	(1,492)	556	-	-
Motor vehicles	(177)	78	-	-
Administration assets				
Office equipment	(7)	1	-	-
Furniture and fittings	(414)	1	-	-
Computer systems	(1)	-	-	-
Office fitout	(31)	-	-	-
Total impairment movement	(17,743)	6,173	-	323

Buildings and infrastructure on properties that are under construction or significant redevelopment have not been revalued as at 30 June as the cost of construction and development reflects the fair value of the assets. The total values of assets under construction are as follows:

Building and infrastructure improvements	177	392	173	941
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Movement in asset revaluation reserve

As a result of disposal

Administration assets				
Decrement for furniture and fittings	(1)	-	(1)	-
Decrement for office fitout	(102)	-	(102)	-
Commercial Business assets				
Decrement for buildings and structures	(165)	(2)	(165)	(2)
Decrement for plant and equipment	(347)	(12)	(346)	(11)
Decrement for motor vehicles	(297)	(69)	(296)	(65)
	(912)	(83)	(910)	(78)

As a result of revaluation

Administration assets				
Increment (decrement) office equipment	2	-	-	-
Increment (decrement) furniture and fittings	8	8	-	8
Increment (decrement) office fitout	(114)	50	(116)	50
Increment (decrement) computer systems	42	-	1	-
Commercial business assets				
Increment (decrement) for buildings and structures	(99)	(825)	(97)	(825)
Increment for plant and equipment	192	83	159	83
Increment for motor vehicles	209	351	208	351
Increment for furniture and fittings	108	28	108	28
	348	(305)	263	(305)
	(564)	(388)	(647)	(383)

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	Leasehold Improvements	
As at 1 July 2014	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000
Gross book value	314,130	23,326	29,668	5,941	126	2,656	921	1,139	377,907
Accumulated depreciation	(35,718)	(3,565)	(7,839)	(584)	(16)	(517)	(10)	(13)	(43,262)
Accumulated impairment	(47,781)	(3,381)	(5,204)	(346)	(7)	(414)	(1)	(31)	(57,165)
Opening net book value	230,631	16,380	16,625	5,011	103	1,725	910	1,095	272,480
Additions:									
By purchase	3,259	4,038	5,248	1,704	51	9	512	122	14,943
Net revaluation increment (decrement)	(99)	192	108	209	2	8	42	(114)	348
Depreciation/amortisation	(9,385)	(2,561)	(3,460)	(1,203)	(31)	(329)	(407)	(178)	(17,554)
Reversal of impairment	14,349	1,272	1,492	177	7	414	1	31	17,743
Reclassification	(4,086)	16	(2)	-	(27)	-	9	-	(4,090)
Disposals:									
Other	(173)	(269)	(460)	(196)	(10)	(1)	(12)	(7)	(1,128)
Closing net book value	234,496	19,068	19,551	5,702	95	1,826	1,055	949	282,742
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	364,442
Accumulated depreciation	(24,155)	(5,154)	(10,824)	(931)	(26)	(835)	(335)	(18)	(42,278)
Accumulated impairment	(33,432)	(2,109)	(3,712)	(169)	-	-	-	-	(39,422)
Closing net book value	234,496	19,068	19,551	5,702	95	1,826	1,055	949	282,742

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

10L. 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 2013	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000
Gross book value	318,372	22,691	28,662	5,366	331	2,737	1,359	380,752
Accumulated depreciation	(31,427)	(2,377)	(4,849)	(493)	(226)	(65)	(934)	(40,959)
Accumulated impairment	(42,600)	(3,031)	(4,847)	(268)	(6)	(414)	(31)	(50,997)
Opening net book value	244,345	17,283	19,166	4,605	99	1,698	425	288,796
Additions:								
By purchase	2,245	1,867	1,628	2,037	40	45	766	8,641
Net revaluation increment (decrement)	(829)	83	28	351	(5)	(6)	(14)	(340)
Depreciation/amortisation	(9,933)	(2,447)	(3,601)	(1,181)	(30)	(12)	(265)	(17,614)
Impairment	(5,180)	(357)	(556)	(78)	(1)	-	(1)	(6,173)
Reclassification	-	-	-	(439)	-	-	-	(439)
Disposals:								
Other	(17)	(49)	(40)	(284)	-	-	(1)	(391)
Closing net book value	230,631	16,380	16,625	5,011	103	1,725	910	272,480
Net book value as at 30 June 2014 represented by:								
Gross book value	314,130	23,326	29,668	5,941	126	2,656	921	377,907
Accumulated depreciation	(35,718)	(3,565)	(7,839)	(584)	(16)	(517)	(10)	(48,262)
Accumulated impairment	(47,781)	(3,381)	(5,204)	(346)	(7)	(414)	(6)	(57,165)
Closing net book value	230,631	16,380	16,625	5,011	103	1,725	910	272,480

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 (ILC)

Item	Commercial Business Assets			Administration Assets				Total
	Building & Infrastructure Improvements	Plant and Equipment	Furniture & Fittings	Motor Vehicles	Office Equipment	Furniture & Fittings	Computer Systems	Leasehold Improvements
As at 1 July 2014								
Gross book value	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Accumulated depreciation	105,339	4,023	182	2,660	38	31	453	935
Accumulated impairment	(7,220)	-	-	-	-	-	-	-
Opening net book value	83,629	4,023	182	2,660	38	31	453	935
Additions:								
By purchase	1,017	450	19	649	33	-	158	109
Net revaluation increment (decrement)	(97)	159	108	208	-	-	1	(116)
Depreciation/amortisation	(3,570)	(838)	(64)	(880)	(24)	(5)	(208)	(164)
Impairment	-	-	-	-	-	-	-	-
Reclassification	(3,935)	(4)	(2)	-	-	-	-	-
Disposals:								
Other	(13)	(536)	(13)	(514)	(10)	(1)	(6)	(6)
Closing net book value	77,031	3,254	230	2,123	57	25	398	758
Net book value as at 30 June 2015 represented by:								
Gross book value	81,521	3,254	230	2,176	77	31	597	758
Accumulated depreciation	(4,490)	-	-	(53)	(20)	(6)	(199)	-
Closing net book value	77,031	3,254	230	2,123	57	25	398	758

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

10K. Reconciliation of the opening and closing balances of Property, plant and equipment (ILC)

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 2013	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000
Gross book value	109,848	5,012	723	3,615	264	126	1,129	121,760
Accumulated depreciation	(18,947)	(228)	(535)	(87)	(201)	(101)	(874)	(20,973)
Opening net book value	86,734	4,784	188	3,528	63	25	275	(4,167)
Additions:								
By purchase	1,958	200	35	305	-	4	348	2,850
Net revaluation increment (decrement)	(825)	83	28	351	(3)	7	(10)	(319)
Depreciation/amortisation	(3,900)	(1,019)	(66)	(952)	(21)	(5)	(157)	(6,258)
Impairment	(323)	-	-	-	-	-	-	(323)
Reclassification	-	-	-	(439)	-	-	-	(439)
Disposals:								
Other	(15)	(25)	(3)	(133)	(1)	-	(3)	(180)
Closing net book value	83,629	4,023	182	2,660	38	31	453	91,951
Net book value as at 30 June 2014 represented by:								
Gross book value	105,339	4,023	182	2,660	38	31	453	113,661
Accumulated depreciation	(17,220)	-	-	-	-	-	-	(17,220)
Closing net book value	83,629	4,023	182	2,660	38	31	453	91,951

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.)

Consolidated

Item	Software (internally developed)	Software (externally purchased)	Trade marks and licences	Other contracts and relationships	Goodwill	Total
As at 1 July 2014:	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000
Gross book value	1,468	3,241	20,469	3,243	107	28,528
Accumulated amortisation	(386)	(1,752)	(4,745)	(78)	(14)	(6,975)
Accumulated impairment	(100)	(255)	(15,623)	(68)	-	(16,046)
Opening net book value	982	1,234	101	3,097	93	5,507
Additions:						
By purchase	222	43	-	-	-	265
Amortisation	(59)	(226)	(34)	(5)	(7)	(331)
Reversal of impairment	-	-	406	-	-	406
Disposals: Other	-	-	-	-	-	-
Closing net book value	1,145	1,051	473	3,092	86	5,847
Net book value as at 30 June 2015 represented by:						
Gross book value	1,690	3,284	20,469	3,243	107	28,793
Accumulated amortisation	(445)	(1,978)	(4,779)	(83)	(21)	(7,306)
Accumulated impairment	(100)	(255)	(15,217)	(68)	-	(15,640)
Closing net book value	1,145	1,051	473	3,092	86	5,847

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
As at 1 July 2014	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000
Gross book value	262	514	-	-	107	983
Accumulated amortisation	(262)	(459)	-	-	(14)	(735)
Accumulated impairment	-	-	-	-	-	-
Opening net book value	-	155	-	-	93	248
Additions:						
By purchase	-	43	-	-	-	43
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	557	-	-	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
10L. Intangible assets and goodwill (cont.)				
<i>Impairment</i>				
Amounts charged to the statement of comprehensive income for impairment of intangibles during the reporting period relate to:				
Software (externally purchased)	-	10	-	-
Trademarks and licences	-	11,575	-	-
Other contracts and relationships	-	7	-	-
Reversal of impairment:				
Trademarks and licences	(406)	-	-	-
Total impairment movement	(406)	11,592	-	-
10M. Other Non- Financial Assets				
Prepaid operating leases	11,626	10,883	11,626	10,883
Less: Amortisation of prepaid operating lease	(5,793)	(4,564)	(5,793)	(4,564)
	5,833	6,319	5,833	6,319
Other prepayments	816	782	265	244
	6,649	7,101	6,098	6,563
The prepaid operating lease is to be amortised as follows:				
- within one year	686	701	686	701
- within one to five years	2,742	2,806	2,742	2,806
- over five years	2,405	2,812	2,405	2,812
	5,833	6,319	5,833	6,319
Total other prepayments are expected to be settled in:				
No more than 12 months	816	773	265	243
More than 12 months	-	9	-	1
Total other prepayments	816	782	265	244

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	1,923
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

	Consol 2015 \$,000	Consol 2014 \$,000	ILC 2015 \$,000	ILC 2014 \$,000
12. Provisions				
12A. Employee provisions				
Annual leave	4,201	4,011	970	977
Long service leave	3,069	2,781	1,970	1,825
Provision for bonus	1,396	841	-	-
Total employee provisions	8,666	7,633	2,940	2,802
Employee provisions are expected to be settled in:				
No more than 12 months	6,913	4,640	2,159	700
More than 12 months	1,753	2,993	781	2,102
	8,666	7,633	2,940	2,802
12B. Provision for make good				
Opening provision	403	375	403	375
New provisions recognised	-	28	-	28
Closing provision for make good on leasehold improvements	403	403	403	403
Make good provision is expected to be settled in:				
No more than 12 months	403	403	403	403
More than 12 months	-	-	-	-
	403	403	403	403

The Corporation currently has three agreements for the leasing of premises which have provisions requiring the Corporation to restore the premises to their original condition at the conclusion of the leases. The Corporation has made a provision to reflect the present value of these obligations.

13. Fair value measurements

The following tables provide an analysis of assets and liabilities that are measured at fair value. The different levels of the fair value hierarchy are defined below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

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 measurements at the end of the reporting period using			
	Fair value \$'000	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 measurements at the end of the reporting period using			
	Fair value \$'000	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

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

ILC As at 30 June 2015	Fair value measurements at the end of the reporting period using			
	Fair value \$'000	Level 1 inputs \$'000	Level 2 inputs \$'000	Level 3 inputs \$'000
Non-financial assets				
Commercial business assets				
Buildings and Infrastructure Improvements	77,031		31,230	45,801
Plant and equipment	3,254		3,216	38
Furniture and fittings	230		230	
Motor vehicles	2,123		2,123	
Administration assets				
Office equipment	57		57	
Furniture and fittings	25		25	
Computer systems	398		398	
Leasehold improvements	758			758
Make good	150			150
Biological assets	31,938		31,938	
Total non-financial assets	115,964		69,217	46,747
Total fair value measurements of assets in the Statement of Financial Position	115,964		69,217	46,747

There were no transfers during the period between levels.

ILC As at 30 June 2014	Fair value measurements at the end of the reporting period using			
	Fair value \$'000	Level 1 inputs \$'000	Level 2 inputs \$'000	Level 3 inputs \$'000
Non-financial assets				
Commercial business assets				
Buildings and Infrastructure Improvements	83,629		35,702	47,927
Plant and equipment	4,023		4,015	8
Furniture and fittings	182		182	
Motor vehicles	2,660		2,660	
Administration assets				
Office equipment	38		38	
Furniture and fittings	31		31	
Computer systems	453		453	
Leasehold improvements	935			935
Make good	190			190
Biological assets	35,687		35,687	
Assets held for sale	345		345	
Total non-financial assets	128,173		79,113	49,060
Total fair value measurements of assets in the Statement of Financial Position	128,173		79,113	49,060

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				
Commercial business assets				
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%
Administration assets				
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

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

Consolidated As at 30 June 2014	Category (Level 2 or Level 3)	Fair value \$,000	Valuation technique	Inputs used range (weighted average)
Non-financial assets				
Commercial business assets				
Buildings and Infrastructure improvements	2	36,084	Market Value	Adjusted market transactions
	3	47,977	DRC	
	3	146,570	DCF	Free cash flows Pre tax discount rate 10.75% to 11.93%
Plant and equipment	2	4,015	Market Value	Adjusted market transactions
	3	8	DRC	
	3	12,357	DCF	Free cash flows Pre tax discount rate 10.75% to 11.93%
Furniture and fittings	2	182	Market Value	Adjusted market transactions
	3	16,443	DCF	Free cash flows Pre tax discount rate 10.75% to 11.93%
Motor vehicles	2	2,661	Market Value	Adjusted market transactions
	3	2,350	DCF	Free cash flows Pre tax discount rate 10.75% to 11.93%
Administration assets				
Office equipment	2	49	Market Value	Adjusted market transactions
	3	54	DCF	Free cash flows Pre tax discount rate 10.75% to 11.93%
Furniture and fittings	2	61	Market Value	Adjusted market transactions
	3	1,664	DCF	Free cash flows Pre tax discount rate 10.75% to 11.93%
Computer systems	2	588	Market Value	Adjusted market transactions
	3	322	DCF	Free cash flows Pre tax discount rate 10.75% to 11.93%
Leasehold Improvements	3	934	DRC	Replacement Cost New (price per square metre) Consumed economic benefit (Obsolescence of assets) 6.25%-10.00% (9.87%) per annum Free cash flows Pre tax discount rate 10.75% to 11.93%
	3	161	DCF	
Land	2	208	Market value	Adjusted market transactions
	3	43,808	DCF	Free cash flows Pre tax discount rate 10.75% to 11.93%
Make good	3	190	DRC	Replacement Cost New (price per square metre) Consumed economic benefit (Obsolescence of assets) 6.25%-10.00% (9.87%) per annum
Biological assets	2	35,687	Market Value	Adjusted market transactions
Assets held for sale	2	345	Market Value	Contract of 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	I.L.C. 2015 \$,000	I.L.C. 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

15. Contingencies

15A. Contingent liabilities and assets

The ILC and Voyages have provided cross guarantees for obligations under the sale agreement for the purchase of Ayers Rock Resort which include a cross guarantee for deferred payment arrangements and minimum uplift payment to the vendor.

The ILC provides a guarantee to a major bank that provides a \$60m revolving facility to Voyages.

An event has occurred after the Statement of Financial Position date where Voyages signed a lease and other agreements on 28 July, 2015 to procure the detailed design, supply, installation and commissioning of three ground based and two roof based solar photovoltaic systems at Yulara. 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 ILC has guaranteed Voyages performance under the lease.

Contract Disputes

Proceedings commenced in 2013 by Voyages in the Supreme Court of New South Wales (Technology and Construction List) in relation to wall panelling installed at the conference facility at Ayers Rock Resort in 2012 was settled out of court in January 2015. The terms of the settlement are confidential.

Voyages is still in dispute with a design consultant in relation to defective air-conditioning works installed in the conference facilities at Ayers Rock Resort in 2012. At the time of the report, Voyages has spent \$1,622,920 on rectification works and associated fees. The amount in dispute currently stands at \$1,523,246 (2014: \$1,472,712). Following failed attempts to engage in mediation with the consultant, Voyages engaged external lawyers and technical experts to prepare a statement of claim and supporting expert report. The design consultant is currently reviewing the letter of claim and quantum of damages sought. No allowance of any potential proceeds has been made in the financial statements.

Consolidated	Guarantees/Claims for damages		Total	
	2015 \$ '000	2014 \$ '000	2015 \$ '000	2014 \$ '000
CONTINGENT LIABILITIES				
Balance from previous period	-	500	-	500
Obligations expired	-	(500)	-	(500)
Total contingent liabilities	-	-	-	-
CONTINGENT ASSETS				
Balance from previous period	2,568	2,124	2,568	2,124
New	50	444	50	444
Assets settled	(1,095)	-	(1,095)	-
Total contingent assets	1,523	2,568	1,523	2,568
Net contingent assets (liabilities)	1,523	2,568	1,523	2,568

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 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

17. Related party disclosure

For the purposes of related party disclosures the following were Directors of ILC during or since the end of the financial year. Directors were in office for this entire period unless otherwise stated.

Dr Dawn Casey (Chair)
Mr Ian Trust (Deputy Chairperson)
Ms Olga Havnen
Mr Graham Atkinson
Mr Neil Westbury
Ms Allison Page
Ms Lisa Gay

For the purposes of related party disclosures the following were Directors of NCIE during or since the end of the financial year. Directors were in office for this entire period unless otherwise stated.

Ms Allison Page (Chair)
Ms Terri Ann Janke
Mr Graham Atkinson
Mr Kyle Bernard Vander-Kuyp
Mr Angus Shane Phillips
Mr Timothy Patrick O'Leary
Mr Kelvin Kong
Mr Anthony Ashby - appointed 29 October 2014
Mr Dugald Russell - appointed 29 October 2014
Ms Shelley Reys - appointed 16 November 2012, ceased 29 October 2014
Ms Roslyn Morgan - appointed 24 December 2009, ceased 29 October 2014
Mr Stephen Charles Fitzgerald - appointed 16 December 2012, ceased 10 April 2015

For the purposes of related party disclosures the following were Directors of Voyages during or since the end of the financial year. Directors were in office for this entire period unless otherwise stated.

Ms Olga Havnen
Ms Lisa Gay (Chair)
Mr Ian Ward-Ambler (Deputy Chair)
Mr George Bedwani
Mr Peter Thomas
Mr Sean Cummins
Mr Owen Cole
Mr Bob Teasdale
Ms Rosemary Lester

For the purposes of related party disclosures the following were Directors of NIPE during or since the end of the financial year. Directors were in office for this entire period unless otherwise stated.

Mr Graham Atkinson
Mr Michael Stephens - appointed 29 October 2014
Mr Neil Westbury (Chair) - appointed 29 October 2014
Ms Anne De Salls - appointed 29 October 2014
Dr Dawn Casey - appointed 17 February 2012, ceased 28 October 2014

The aggregate remuneration of Directors is disclosed in Note 18.

No Director has received or become entitled to receive during or since the end of the financial year, a benefit due to any contract or contracts made by the ILC or its subsidiaries other than those disclosed in Note 19.

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

20. Senior Management Personnel remuneration

For the purposes of this note, the Corporation has defined senior executives as those employees who are the CEO or Managing Director and employees who report directly to the CEO or Managing Director. These employees are the only employees considered to have the capacity and responsibility for decision making that can have a significant and direct impact on the strategic direction and financial performance of the group.

	Consol 2015 \$	Consol 2014 \$	ILC 2015 \$	ILC 2014 \$
Short term employee benefits				
Salary (including leave taken)	3,852,798	3,308,565	1,915,554	1,648,933
Performance bonus	559,001	260,997		
Motor vehicle and other allowances	274,433	355,233	149,131	234,903
Total short-term employee benefits	4,686,232	3,924,795	2,064,685	1,883,836
Post-employment benefits				
Superannuation	472,625	402,316	279,626	263,877
Total post-employment benefits	472,625	402,316	279,626	263,877
Other long-term benefits				
Annual leave accrued	30,944	102,104	34,217	97,775
Long service leave	80,606	107,401	48,371	84,372
Total other long term benefits	111,550	209,505	82,588	182,147
Termination benefits				
Termination	272,868	9,024	119,369	
Total termination benefits	272,868	9,024	119,369	
Total	5,543,275	4,545,640	2,546,268	2,329,860

The number of Senior Managers increased during the financial year due to reorganisation which resulted in a Senior Manager transferring from ILC to Voyages. Additionally appointments were made to Senior Management positions in the subsidiaries during the financial year which were new or vacant for part of the previous financial year.

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

	Consol 2015	Consol 2014	ILC 2015	ILC 2014
The number of Senior Management	19	15	11	8

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
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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

	Consol 2015 \$,000	Consol 2014 \$,000	ILC 2015 \$,000	ILC 2014 \$,000
22C. Net income and expenses from financial liabilities				
Financial liabilities measured at amortised cost				
Interest bearing loans	11,011	11,094	8,967	8,970
Net income from financial liabilities	11,011	11,094	8,967	8,970

22D. Net fair value of financial assets and liabilities (consolidated)

	Total Carrying Amount 2015 \$,000	Aggregate Net Fair Value 2015 \$,000	Total Carrying Amount 2014 \$,000	Aggregate Net Fair Value 2014 \$,000
Financial Assets				
Cash	17,105	17,105	15,157	15,157
Receivables	9,949	9,949	11,938	11,938
Other deposits	4,372	4,372	2,246	2,246
Term deposits	37,000	37,000	34,000	34,000
Repayable grants / advances	93	93	327	327
Total financial assets	68,519	68,519	63,668	63,668
Financial Liabilities				
Suppliers	13,725	13,725	14,102	14,102
Other payables	22,487	22,487	19,323	19,323
Interest bearing loans	198,000	203,337	198,000	206,940
Total financial liabilities	234,212	239,549	231,425	240,365

The net fair values of cash, deposits on call and non-interest bearing monetary financial assets approximate their carrying amount.

The net fair values of loans receivable and other deposits are based on discounted cash flows using current interest rates.

Repayable grants / advances are carried at amortised cost, which estimates their net fair value, because it is intended to hold them to maturity.

The net fair value of guarantees are based on discounted cash flows using current interest rates for the liabilities.

The net fair value for supplier and other payables are approximated by their carrying amounts.

All financial liabilities are level 1 and have their fair value determined based on quoted prices in active markets.

22E. Financial risk management objectives and policies

The Corporation's principal financial instruments comprise receivables, payables, repayable grants, cash and short term deposits.

The Corporation manages its exposure to financial risks, in accordance with written policies. The objective of the policies are to maximise the income to the ILC whilst minimising the downside risk.

The Corporation's activities expose it to normal commercial financial risk. The main risks arising from the Corporation's financial instruments are market risk, interest rate risk, price risk, credit risk and liquidity risk. Risks are considered to be low.

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 2015	Equity 2015	Profit or loss 2014	Equity 2014
Consolidated			\$,000	\$,000	\$,000	\$,000
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.)

Credit risk

Credit risk arises from the financial assets of the Corporation, which comprise cash, deposits, trade and other receivables and repayable grants. The exposure to credit risk arises from the potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. Exposure at balance date is addressed in each applicable note.

The Corporation has a significant concentration to credit risk through its cash and deposits. The concentration is with major banks in Australia. The Corporation ensures that this concentration is managed by the exposure not all being with one particular bank and by utilising banks with high credit ratings.

Receivables and repayable grant balances are monitored on an ongoing basis with the result that the Corporation's exposure to bad debts is not significant.

Credit risk of receivables and repayable grants not past due or individually determined as impaired:

	Not Past Due or Impaired 2015 \$,000	Not Past Due or Impaired 2014 \$,000	Past Due or Impaired 2015 \$,000	Past Due or Impaired 2014 \$,000
Consolidated				
Receivables	7,006	10,352	3,127	1,891
Repayable grants / advances	93	327	326	182
	<u>7,099</u>	<u>10,679</u>	<u>3,453</u>	<u>2,073</u>
ILC				
Receivables	1,533	6,178	2,586	-
Repayable grants / advances	337,342	321,744	326	182
	<u>338,875</u>	<u>327,922</u>	<u>2,912</u>	<u>182</u>

Repayable grants that are past due but not impaired nil (2013: nil).

Ageing of receivables and repayable grants/ advances that are past due but not impaired for 2015

	0-30 Days \$,000	31-60 days \$,000	61-90 days \$,000	90+ days \$,000	Total \$,000
Receivables and repayable grants/advances	1,754	1,164	3	22	2,943

Ageing of receivables that are past due but not impaired for 2014

	0-30 Days \$,000	31-60 days \$,000	61-90 days \$,000	90+ days \$,000	Total \$,000
Receivables and repayable grants/advances	805	495	236	50	1,586

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

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

23. Reporting of outcomes

The Corporation is structured to meet one outcome as described in Note 1.

Only one program is defined for the outcome.

23A. Net cost of outcome delivery

	Outcome 1 2015 \$,000	Outcome 1 2014 \$,000	Total 2015 \$,000	Total 2014 \$,000
Expenses				
Departmental	207,061	237,066	207,061	237,066
Total expenses	207,061	237,066	207,061	237,066
Other own-source income				
Departmental				
Grants	2,174	3,739	2,174	3,739
Interest	2,151	2,248	2,151	2,248
Sales of goods and rendering of services	131,758	115,819	131,758	115,819
Other revenues	13,286	13,373	13,286	13,373
Net gain in the net market value of livestock	21,647	10,377	21,647	10,377
Net market value of agricultural produce	444	423	444	423
Other net (loss) gain		125		125
Total own-source income	171,460	146,104	171,460	146,104
Net cost of outcome delivery	35,601	(90,962)	35,601	(90,962)

23B. Major classes of Expenses, Income, Assets and Liabilities by Outcome

As the ILC has only one Outcome major classes of expenses, income, assets and liabilities by outcome are disclosed in the Statement of Comprehensive Income and Statement of Financial Position.



Appendices

Appendix 1

Functions and powers

Functions

The *Aboriginal and Torres Strait Islander Act 2005* provides that the ILC has the following functions (191C):

- a) The land acquisition functions referred to in section 191D;
- b) The land management functions referred to in section 191E;
- c) Such other functions as are conferred on the ILC by this Act;
- d) to do anything incidental to or conducive to the performance of any of the preceding functions.

Powers

Section 191H (1) of the Act provides that the ILC has the power to do all things necessary or convenient for, or in connection with, the performance of its functions. Section 191H (2) provides that the powers of the ILC under section 191H (1) include, but are not limited to, the following powers:

- a) to enter into contracts and agreements;
- b) to invest money of the ILC;
- c) to appoint agents and attorneys and act as an agent for other persons;
- d) to form, and participate in the formation of, companies;
- e) to subscribe for and purchase shares in, and debentures and securities of, companies;
- f) to enter into partnerships;
- g) to participate in joint ventures and arrangements for the sharing of profits;
- h) Accept gifts, grants, bequests and devises made to it;
- i) to act as a trustee of money and other property vested in it on trust;
- j) to charge for the provision of services by it.

The ILC has the power to form subsidiaries to perform functions corresponding to the ILC's functions (s. 191G).

Section 4(2) of the Act defines a subsidiary in the same manner as subsidiary is determined under the *Corporations Act 2001*.

191D (1)

The land acquisition functions of the ILC are:

- a) to grant interests in land to Aboriginal or Torres Strait Islander corporations;
- b) to acquire by agreement interests in land for the purpose of making grants under paragraph (a);
- c) to make grants of money to Aboriginal or Torres Strait Islander corporations for the acquisition of interests in land;
- d) to guarantee loans made to Aboriginal or Torres Strait Islander corporations for the acquisition of interests in land.

191E (1)

The land management functions of the ILC are:

- a) to carry on or arrange land management activities in relation to Indigenous-held land under the agreements with holders of the land;
- b) to carry on or arrange land management activities in relation to land held by the ILC;
- c) to carry on other land management activities in relation to Indigenous-held land;
- d) to make grants of money for land management activities in relation to Indigenous-held land;
- e) to make loans of money (whether secured or unsecured) for the purpose of carrying on land management activities in relation to Indigenous-held land;
- f) to guarantee loans made for carrying on land management activities in relation to Indigenous-held land.

Under section 191F (3), the functions of the ILC are additional to, and not instead of, any function conferred on a body or person by or under:

- a) Any other law of the Commonwealth, or
- b) A law of a State or Territory.

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	Roeback 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	

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Meeting No	Date	Location	Attendees	Absent
184	03.02.15	Teleconference	Dr Dawn Casey PSM FAHA (Chair) Mr Ian Trust Mr Graham Atkinson Ms Lisa Gay Ms Alison Page Mr Neil Westbury PSM	Ms Olga Havnen
185	25.02.15	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	
186	09.04.15	Teleconference	Dr Dawn Casey PSM FAHA (Chair) Ms Lisa Gay Ms Alison Page Mr Neil Westbury PSM	Mr Ian Trust Mr Graham Atkinson Ms Olga Havnen
187	22.04.15	Murrayfield Station, Bruny Island Tas	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	
188	12.05.15	Melbourne	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
189	24.06.15	Ayers Rock Resort, Yulara, NT	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

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

Remuneration and Nomination Committee

Date	Location	Attendees	Absent
01.09.14	Broome WA	Dr Dawn Casey PSM FAHA (Chair) Ms Lisa Gay Mr Ian Trust	
28.10.14	Adelaide	Dr Dawn Casey PSM FAHA (Chair) Ms Lisa Gay Mr Ian Trust	
16.12.14	Canberra	Dr Dawn Casey PSM FAHA (Chair) Mr Ian Trust	Ms Lisa Gay
22.06.15	Ayers Rock Resort, Yulara NT	Dr Dawn Casey PSM FAHA (Chair) Mr Ian Trust	

Appendix 4

Training participants on ILC-operated businesses in 2014-15

Course name/type	Accreditation	Indigenous participants	Property
Agriculture			
Certificate II in Agriculture	Accredited	9	Bulimba
Certificate II in Agriculture	Accredited	5	Merepah
Certificate II in Agriculture	Accredited	10	Crocodile
Certificate II in Agriculture	Accredited	28	Merriman
Certificate II in Rural Operations	Accredited	15	Merriman
Certificate II in Agriculture	Accredited	8	Gunbalanya Pastoral
Certificate II in Agriculture (Meat Processing)	Accredited	6	Gunbalanya Meats
Certificate II in Agriculture	Accredited	6	Warrigundu (Hodgson Downs)
Certificate II in Agriculture	Accredited	21	Myroodah
Certificate II in Agriculture	Accredited	25	Roebuck Plains
Certificate II in Agriculture (Sheep Production)	Accredited	1	Murrayfield
Certificate III in Agriculture	Accredited	2	Bulimba
Certificate III in Agriculture	Accredited	2	Crocodile
Certificate III in Agriculture	Accredited	1	Merepah
Certificate III in Agriculture	Accredited	4	Roebuck Plains
Certificate III in Agriculture	Accredited	1	Warrigundu (Hodgson Downs)
Certificate III in Agriculture	Accredited	4	Myroodah
Certificate III in Agriculture (Meat Processing)	Accredited	2	Gunbalanya Meats
Certificate III in Agriculture (Sheep Production)	Accredited	2	Murrayfield
Certificate IV in Agriculture	Accredited	1	Crocodile
Certificate IV in Agriculture	Accredited	1	Myroodah
Horsemanship School	Non-accredited	3	Merepah

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 5

Indigenous trainees hosted on ILC-operated properties for 2014-15

Property	Trainees hosted 2014-15	Trainees in host employment (at 30 June 2015)
Roebuck Plains	26	8
Myroodah	21	6
Crocodile / Welcome	10	2
Bulimba	9	4
Merepah	5	3
Gunbalanya	18	8
Warrigundu	10	1
Murrayfield	3	2
Merriman	30	14
Home Valley*	17	10
Mossman Gorge*	48	26
Ayers Rock Resort*	173	73
Total	370	157

**Trainees on Voyages properties are directly employed by Voyages while undertaking training with the exception of 3 apprentices hosted at Home Valley Station.*

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).

Acronyms and Abbreviations

AAC	Audit and Assurance Committee	KPI	key performance indicator
AASB	Australian Accounting Standards Board	Land Account	Aboriginal and Torres Strait Islander Land Account
ABN	Australian Business Number	Mabo judgment	Mabo v Queensland [No 2] (1992) 175 CLR 1
AC	Aboriginal Corporation	NAIDOC	National Aborigines' and Islanders' Day Observance Committee
ALRC	Australian Law Reform Commission	NAISMA	North Australia Indigenous Land and Sea Management Alliance
APY Lands	Anangu Pitjantjatjara Yankunytjatjara Lands (SA)	NASCA	National Aboriginal Sporting Chance Academy
ATSI Act	<i>Aboriginal and Torres Strait Islander Act 2005</i>	Native Title Act	<i>Native Title Act 1993</i>
BMAP	Business Management Advisory Project	NCIE	National Centre of Indigenous Excellence
CAC Act	<i>Commonwealth Authorities and Companies Act 1997</i>	NILS	National Indigenous Land Strategy
CEO	Chief Executive Officer	NIPE	National Indigenous Pastoral Enterprises
CFI	Carbon Farming Initiative	NITA	National Indigenous Training Academy (Ayers Rock Resort, NT)
CGU	cash generating unit	NITV/SBS	National Indigenous Television Service/ Special Broadcasting Service
consol	consolidated	NSW	New South Wales
DPIPWE	Department of Primary Industry, Parks, Water and the Environment (Tas.)	NT	Northern Territory
EA	Enterprise Agreement	OTC	overseas telecommunications (block on Dampier Peninsula, WA)
EAP	Employee Assistance Programme	PBS	Portfolio Budget Statements
EBITDA	Earnings Before Interest, Taxation, Depreciation and Amortisation	PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
EL	Executive Level	PSM	Public Service Medal
EPBC Act	<i>Environmental Protection and Biodiversity Conservation Act 1999</i>	Qld	Queensland
ERF	Emissions Reduction Fund	QYAC	Quandamooka Yoolooburrabee Aboriginal Corporation
ESRM	Ecologically Sustainable Rangeland Management	RILS	Regional Indigenous Land Strategies
FAHA	Fellow of the Australian Academy of the Humanities	RJP	Real Jobs Programme (NT)
FRR	Financial Reporting Rule	RNTB(C)	Registered Native Title Body (Corporate)
FTE	full-time equivalent (staff)	SA	South Australia
FVPLS	Family Violence Prevention and Legal Service	SACE	South Australian Certificate of Education
GIS	Geographical Information Systems	SE	Senior Executive
GLM	Grazing Land Management	Stronger Land Account Bill	Aboriginal and Torres Strait Islander Amendment (A Stronger Land Account) Bill 2014
GST	Goods and Services Tax	TAFE	Technical and Further Education
ha	hectare	Tas.	Tasmania
HEMP	Heritage and Environment Management Plan	the Act	<i>Aboriginal and Torres Strait Islander Act 2005</i>
IBA	Indigenous Business Australia	Vic.	Victoria
ICG	Indigenous Consultative Group	Voyages	Voyages Indigenous Tourism Australia
IES	Indigenous Employment Strategy	WA	Western Australia
ILC	Indigenous Land Corporation	WHS	Work Health and Safety
ILC Group	ILC + three subsidiary companies		
IPP	Indigenous Pastoral Programme (NT)		
IT	information technology		

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

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DOCUMENT 20



MINISTER FOR INDIGENOUS AFFAIRS

Reference: B15/2035

Mr Eddie Fry
Chairperson
Indigenous Land Corporation
PO Box 586
CURTIN ACT 2606

Dear Mr Fry

I am writing in response to your letter of 22 January 2016 providing the Indigenous Land Corporation 2014-15 Annual Report.

I am pleased to advise you that I have agreed to table the report in both Houses of Parliament. I acknowledge the efforts of the Indigenous Land Corporation in preparing a high quality and timely annual report. Please convey my appreciation to all staff involved.

The contact officer on this matter in my Department is Dr Kamlesh Sharma, Assistant Secretary, Financial Governance Projects and Indigenous Portfolio Bodies Branch. Dr Sharma can be contacted on 02 6152 3653, or email Kamlesh.Sharma@pmc.gov.au.

Yours sincerely

NIGEL SCULLION

11/2/2016

DOCUMENT 21

Petty, Barry

From: Gumley, Kate
Sent: Tuesday, 23 February 2016 5:48 PM
To: Petty, Barry
Subject: FW: CHAIRPERSON to Minister18 Jan Board meeting (2) (3).doc
Attachments: Letter to Minister Scullion 020216.doc

Follow Up Flag: Follow up
Flag Status: Flagged

And another thanks

Kate Gumley
Executive Director, Strategy
Indigenous Land Corporation

Redacted s 47F

w: www.ilc.gov.au

From: Saunderson, Kristen
Sent: Tuesday, 2 February 2016 4:53 PM
To: Eddie Fry (BigPond)
Cc: Fiedler, Beth; Bator, Leo
Subject: FW: CHAIRPERSON to Minister18 Jan Board meeting (2) (3).doc

Good afternoon Eddie

Please find attached a draft letter for your consideration to the Minister following the 18 January Board teleconference.

Apologies for the delay in sending through this was inadvertently waylaid in the emails.

Beth will also bring a hard copy with her on Thursday when you are both in Sydney together.

Kind regards
Kristen

Kristen Saunderson
Executive Assistant to Leo Bator, Acting Chief Executive Officer
Indigenous Land Corporation

Redacted s 47F

From: Bator, Leo
Sent: Tuesday, 2 February 2016 4:42 PM
To: Saunderson, Kristen
Subject: CHAIRPERSON to Minister18 Jan Board meeting (2) (3).doc

Please send to Chair for signature.

Leo.

February 2016

Senator the Hon Nigel Scullion
Minister for Indigenous Affairs
Parliament House
CANBERRA ACT 2600

Dear Minister

I am writing to inform you that the ILC Board met on 18 January 2016 by teleconference to discuss a number of matters.

The primary focus of the meeting was refinancing the Ayers Rock Resort debt. As you know, the ILC has been exploring commercial refinancing options since December 2014. It has also recently been in discussion with the Departments of Prime Minister and Cabinet (PM&C), Finance and the Treasury on development of an alternative refinancing option that, with Government support, would minimise the ILC's interest-payment obligations.

As previously advised, the ILC has been progressing refinancing arrangements with the ILC's existing financiers, ANZ and GPT. At its October 2015 meeting the Board formally accepted refinancing offers from both parties, with finalisation of the arrangements subject to the preparation and execution of legal documentation by 19 January 2016 (being expiration of ANZ's offer). This course of action was endorsed at the first meeting of the new Board in November 2015. This work has now been completed and the Board authorised the execution of the required legal documentation at its 18 January meeting.

The Board considered the risks of delaying finalising of these documents, but as there is an expiry date on the ANZ offer and given the approaching maturity of the GPT facility (May 2016), and an alternative option with Government support is still under development, it is the Board's firm view that it is prudent to proceed to finalise and execute legal documentation with ANZ and GPT for the commercial refinancing of the ARR debt to avoid any risk of default.

It is noted that executing the documents does not oblige the ILC or its subsidiary, Voyages Indigenous Tourism Australia, to proceed with these refinancing arrangements should an alternative Government solution be achieved before 19 April 2016 and the ILC has been careful to ensure that we will be able to exit the arrangement at minimal cost if we do proceed with this refinancing option.

At the meeting, the Board also considered matters in relation to public positions taken by the previous Board.

DOCUMENT 22

Petty, Barry

From: Roberts, Eric
Sent: Monday, 15 February 2016 10:43 AM
To: Petty, Barry
Subject: FW: Annual Report [SEC=UNOFFICIAL]

Importance: High

Follow Up Flag: Follow up
Flag Status: Completed

From: Taylor, Glen [Redacted s 47F]
Sent: Monday, 1 February 2016 3:54 PM
To: Roberts, Eric
Cc: Patterson, Anne; Draper, Kathleen
Subject: RE: Annual Report [SEC=UNOFFICIAL]
Importance: High

Unofficial

Hi Eric

As discussed the MO has given the OK to table the AR. No changes have been requested. We will send you a copy of the signed letter to the ILC Chair shortly.

Regards

Glen Taylor | Advisor
Indigenous Portfolio Bodies Section
Financial Governance Projects and Indigenous Portfolio Bodies Branch
Financial Services Division | Department of the Prime Minister and Cabinet

[Redacted s 47F]

PO Box 6500 CANBERRA ACT 2600

The Department acknowledges the traditional owners of country throughout Australia and their continuing connection to land, sea and community. We pay our respects to them and their cultures and to their elders both past and present.

From: Roberts, Eric [Redacted s 47F]
Sent: Monday, 1 February 2016 1:45 PM
To: Taylor, Glen
Cc: Patterson, Anne
Subject: RE: Annual Report [SEC=UNOFFICIAL]

Thank you both – much appreciated.

Cheers Eric

From: Taylor, Glen [Redacted s 47F]
Sent: Monday, 1 February 2016 12:03 PM
To: Roberts, Eric

party or take action in reliance of any material contained within it. If you have received this message in error, please notify the sender immediately by return email informing them of the mistake and delete all copies of the message from your computer system.

DOCUMENT 23

Petty, Barry

From: Roberts, Eric
Sent: Monday, 15 February 2016 10:46 AM
To: Petty, Barry
Subject: FW: Delivery details for 20 copies of annual reports [SEC=UNCLASSIFIED]

Follow Up Flag: Follow up
Flag Status: Completed

From: Draper, Kathleen [Redacted s 47F]
Sent: Tuesday, 2 February 2016 12:06 PM
To: Roberts, Eric
Cc: Taylor, Glen
Subject: Delivery details for 20 copies of annual reports [SEC=UNCLASSIFIED]

UNCLASSIFIED

Hi Eric

As discussed, the delivery of 20 copies of the annual report be sent attention to me at:

Department of Prime Minister and Cabinet
CentraPlaza
16 Bowes Place
WODEN ACT 2606

Contact phone: 02 6152 3728

I will accept delivery of the reports and then deliver them to Parliament House. Could you please let me know an estimated delivery time as I will ensure that the security desk is aware of the delivery as well.

Please use the same details for the delivery of the copies of the annual report and I will also organise the delivery of the reports when they arrive later next week.

Regards
Kath

Kathleen Draper | Adviser
Indigenous Portfolio Bodies
Financial Governance Projects and Indigenous Portfolio Bodies Branch
Financial Services Division | Department of the Prime Minister and Cabinet

[Redacted s 47F]

PO Box 6500 CANBERRA ACT 2600

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DOCUMENT 24

Petty, Barry

From: Roberts, Eric
Sent: Monday, 15 February 2016 10:48 AM
To: Petty, Barry
Subject: FW: Annual Report copy numbers [SEC=UNCLASSIFIED]
Attachments: Tabling Circular No 1 2016 - PPS Stock.docx

Follow Up Flag: Follow up
Flag Status: Completed

From: Draper, Kathleen [Redacted s 47F]
Sent: Friday, 5 February 2016 10:21 AM
To: Roberts, Eric
Cc: Patterson, Anne; Taylor, Glen
Subject: Annual Report copy numbers [SEC=UNCLASSIFIED]

UNCLASSIFIED

Hi Eric

As discussed below is the table of the number of annual report copies required. With the 20 copies delivered we no longer require the 5 for the Tabling Officer or for the President of the Senate and the numbers have been amended accordingly.

Please note that there has just been a change to the Parliamentary Paper Series number and label and I have attached the Tabling Circular with the new details for your reference.

Destination	No. of copies	Additional Instructions
1. House of Representatives Table Office	30	Please refer to attachment for new instructions
2. Senate Table Office	40	
3. Parliamentary Press Gallery	40	
4. Parliamentary Library	9	
5. PM&C Tabling Office	5	
6. PM&C Offices	16	
7. Parliamentary Papers Series (PPS)	30	
8. Commonwealth Library Deposit and Free Issue Schemes (LDS)	28	
TOTAL	198	

Delivery address for all the copies above:

Department of the Prime Minister & Cabinet
Level 2, Centraplaza
16 Bowes Place
Woden ACT 2606
Attention: Kath Draper

DEPARTMENT OF THE PRIME MINISTER AND CABINET

TABLING CIRCULAR NO. 1/2016

Attention: Parliamentary Liaison Officers and Tabling Officers

This information should be circulated to all officers in your department and portfolio entities who are involved in presenting documents to the Parliament.

PROVISION OF PARLIAMENTARY PAPER SERIES STOCK

PURPOSE

The purpose of this circular is to advise of changes in the arrangements for the provision of copies of documents included in the Parliamentary Paper Series (PPS). The PPS stock should be delivered at the same time as the other bulk copies for Parliament House.

1. New delivery address.
2. Reduction of the copy requirements for the PPS.

1. NEW DELIVERY ADDRESS

The new address for the delivery of printed PPS stock when parliament is sitting is:

Parliamentary Paper Series
House of Representatives Basement Document Store
Point 3
Parliament House Loading Dock
Brisbane Avenue
CANBERRA ACT 2600

NOTE: For documents that are presented out of sitting, the PPS stock should be delivered to the House of Representatives Table Office in RG 89.

Copies should be packaged, clearly labelled and delivered using the attached cover sheet (see Attachment A).

Packages **must not** weigh more than **16 kilograms**.

Documents which fail to comply with labelling, weight and delivery requirements will be rejected and must be retrieved and repackaged by the originating department/entity.

2. REDUCTION OF THE COPY REQUIREMENTS FOR THE PPS

The quantity of PPS stock required has been reduced from 40 copies to **30 copies**.

Tim Moore

PM&C Tabling Officer | Department of the Prime Minister and Cabinet

Redacted s 47F

22 January 2016

DOCUMENT 25

Petty, Barry

From: Roberts, Eric
Sent: Monday, 15 February 2016 10:50 AM
To: Petty, Barry
Subject: FW: ILC Annual Report - tabled [SEC=UNCLASSIFIED]

Follow Up Flag: Follow up
Flag Status: Completed

From: Draper, Kathleen [Redacted s 47F]
Sent: Wednesday, 10 February 2016 2:51 PM
To: Roberts, Eric
Cc: Taylor, Glen
Subject: ILC Annual Report - tabled [SEC=UNCLASSIFIED]

UNCLASSIFIED

Hi Eric

The ILC annual report has been tabled in the House of Reps as per the live minutes at 3.19pm
[http://www.aph.gov.au/Parliamentary Business/Chamber documents/Live Minutes?autorefresh=&track=0&scrollto=newest](http://www.aph.gov.au/Parliamentary_Business/Chamber_documents/Live_Minutes?autorefresh=&track=0&scrollto=newest)

25 DOCUMENTS

The following documents were presented:
Indigenous Land Corporation—Report for 2014-15.

Regards
Kath

Kathleen Draper | Adviser
Indigenous Portfolio Bodies
Financial Governance Projects and Indigenous Portfolio Bodies Branch
Financial Services Division | Department of the Prime Minister and Cabinet

[Redacted s 47F]

PO Box 6500 CANBERRA ACT 2600

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Petty, Barry

From: Roberts, Eric
Sent: Monday, 15 February 2016 10:51 AM
To: Petty, Barry
Subject: FW: ILC Annual Report - tabled [SEC=UNCLASSIFIED]

Follow Up Flag: Follow up
Flag Status: Completed

From: Roberts, Eric
Sent: Wednesday, 10 February 2016 3:49 PM
To: 'Draper, Kathleen'
Cc: Taylor, Glen
Subject: RE: ILC Annual Report - tabled [SEC=UNCLASSIFIED]

Dear Glen and Kath -- Confirming that the ILC Annual report is now live on the ILC website. I would like to take this opportunity to thank you both for all your help in getting this important job completed following today's tabling by the Minister. Your advice and support has been much appreciated. 200 copies of the report were airfreighted to PM&C/Attention Kath this afternoon and should arrive in Canberra tomorrow morning.

Cheers Eric

ERIC ROBERTS
Manager, Public Affairs
Indigenous Land Corporation

Redacted s 47F

From: Draper, Kathleen Redacted s 47F
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DOCUMENT 26

February 2016

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Minister for Indigenous Affairs
Parliament House
CANBERRA ACT 2600

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The primary focus of the meeting was refinancing the Ayers Rock Resort debt. As you know, the ILC has been exploring commercial refinancing options since December 2014. It has also recently been in discussion with the Departments of Prime Minister and Cabinet (PM&C), Finance and the Treasury on development of an alternative refinancing option that, with Government support, would minimise the ILC's interest-payment obligations.

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