

Document 10



Australian Government
Indigenous Land Corporation

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*Approval to negotiate lease with
NSWICC + Tribal Warriors
Tricia Button*

Ground Floor and Level 1 Black Theatre Building, Redfern NSW - Lease

PURPOSE

To recommend the:

1. Leasing of the Ground Floor, Black Theatre Building, Redfern NSW to **Tribal Warrior Aboriginal Corporation**; and
2. Leasing of Level 1, Black Theatre Building, Redfern NSW to **NSW Indigenous Chamber of Commerce Incorporated**.

BACKGROUND

The Black Theatre site was transferred to the ILC from the Aboriginal and Torres Strait Islander Commission (ATSIC) by Ministerial Declaration on 24 March 2005. At the time of transfer, the 965m² block of vacant land was valued at \$1.8 million. The site was once home to the first Aboriginal theatre in Sydney, and is of significance to the local community. The original building burnt down in the 1980's.

Upon transfer to the ILC, there was significant interest within the Redfern and wider Indigenous community about the proposed future use of the site. As a result the ILC undertook an extensive community consultation process. Various community views were captured from the consultation process with 85% of community views favouring commercial development of the site and all indicated their support for Gadigal Information Services (Gadigal) to be accommodated in any future building.

In 2007, the ILC invested \$7.5 million to redevelop the site and construct the Black Theatre Building. This included \$1.8 million previously approved from the Regional Land Fund (an ATSIC-based land acquisition mechanism) to assist Gadigal to acquire a property in Sydney. Construction was completed in 2008, creating a three story commercial building.

In November 2007 prior to the completion of construction, the ILC conducted a formal Expression of Interest process seeking to identify Indigenous organisations and businesses that may be interested in leasing office and/or retail space on the Ground Floor and/or Level 1 of the Black Theatre Building. However, no suitable lessees were identified.

In September 2008, the ILC entered into a lease agreement with Gadigal for Level 2 of the property.

Following several unsuccessful attempts between 2007 and 2010 to identify an Indigenous lessee for the Ground Floor and Level 1, the ILC entered into a four-year commercial lease for

Level 1 with the National Congress of Australia's First Peoples (Congress) on 2 September 2010. The lease ended on 3 September 2014.

In October 2011, negotiations began between the ILC and [REDACTED] relating to a proposed lease over the Ground Floor of the property. However, negotiations for the vacant space did not proceed beyond December 2011 as [REDACTED] did not submit a formal proposal to the ILC.

In February 2012, a strata title application was approved by the NSW Land and Property Management Authority, separating the three floors of the building, along with the provision of separate Certificate of Titles.

In February 2013, a decision to grant Level 2 to Gadigal was approved by the ILC board, and after significant delays, the transfer of Level 2 was effected on 22 January 2015.

In April 2013, the ILC received a request from Congress to lease the Ground Floor of the Black Theatre building in addition to its current lease over Level 1. It was stated by Congress that it had experienced significant growth in its policy and advocacy activities, which required additional staff as well as office and meeting space. In June 2013, the ILC's CEO approved the lease of the Ground floor to Congress. However, following lengthy delays, Congress advised that it was not in a position to execute a new lease agreement over Level 1 at that time because the outcome of future funding from the Commonwealth Government was unknown.

In July 2014, the ILC received a request from Congress to renew its lease for Level 1. In September, 2014, the ILC's CEO approved the renewal of lease of Level 1 to Congress for a further 2 years with a 2 year option. This lease is currently in a holding over period.

The Ground Floor remains vacant, despite some interest over the years. The cost of the commercial rents sought by the ILC, outgoings and the requirement to fit it out are the main reasons that have restricted Indigenous organisations taking up a lease.

ISSUES

Expression of Interest Process (Eol) - 2016

To progress the divestment strategy for the Ground floor and Level 1, at its June 2016 Board meeting, the ILC Board endorsed a recommendation for the ILC to seek Expressions of Interest (Eol) submissions from Indigenous corporations that have the capacity to use and manage the properties to generate benefits for Indigenous people, including members of the local Redfern Indigenous community, with a view to becoming the future land owner.

Notifications seeking Eol's were placed in the Koori Mail and the Central Courier and invitations were sent directly to organisations that had previously shown an interest in the property. The closing date for initial receipt of the Eol's was 9 September 2016.

Ten organisations submitted an Eol. At that time, two organisations - [REDACTED] and [REDACTED] were advised by the ILC that their proposals did not satisfy ILC's primary criteria of (i) being Indigenous controlled; or (ii) aspiring to be a landowner.

On 19 September 2016, the ILC invited the remaining eight organisations to submit more detailed proposals. From these, six organisations submitted further proposals.

Detailed Eol proposal overviews:

1. NSW Indigenous Chamber of Commerce Incorporated. (NSWICC)

- The proposal seeks to utilise the Ground Floor and Level 1 to establish a business hub providing space to existing Indigenous business as well as networking, advocacy and advice services. Level one is proposed to house the head office for both the NSWICC and First Australians Chamber of Commerce and Industry (FACCI), with longer term desk or office lease opportunities for Indigenous business owners. Other features are proposed to include reception and concierge; virtual concierge, phone answering and mail handling services.

2. Tribal Warrior Aboriginal Corporation (Tribal Warrior)

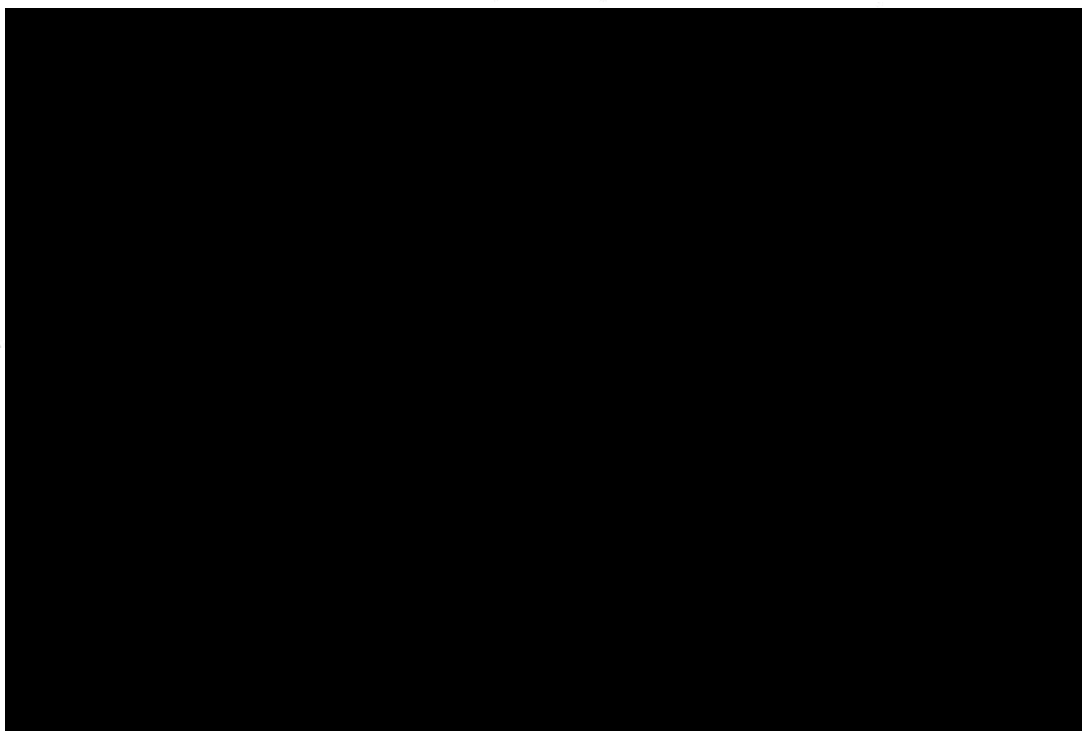
- The proposal seeks to utilise the Ground Floor to operate Tribal Warrior's mentoring program; to provide administration space for the maritime training and tourism activities and provide a gallery to display photos, artwork and posters of the maritime training and other community work undertaken by both Tribal Warrior and the local Redfern community.

3.

4.

5.

6.



The six Eols were assessed against the following criteria:

- Proposed Land Use will maximise the use of the building/s to deliver Indigenous benefits;
- Capacity of the organisation to deliver the proposed land use, including its track-record in delivering services to Indigenous people;
- Viability and sustainability of the land use; and
- Representative of the Gadigal of the Eora Nation or a local indigenous community organisation or high benefit delivery to local Indigenous community.

An assessment panel was assembled consisting of the ILC's Central Divisional Manager, Eastern Division Operations Manager, and an independent Indigenous Business Australia-nominated property specialist.

Undertaking the assessments independently and then collaborating to form a final position, the panel was able to develop a recommendation that looked to deliver the highest and best use for the Black Theatre Building. While a number of the organisations were assessed favourably across different criteria, it was unanimous amongst the panel that **NSWICC** provided the strongest proposal in meeting the ILC's future objectives for both the use of the building and Indigenous people.

In further assessing the proposals, it was also an ILC priority to consider the options to maximise the available space, including multiple tenancies and co-habitation of Indigenous organisations. In meeting this deliverable, while also achieving an occupancy outcome for a Redfern community based organisation, a final recommendation was developed that determined **Tribal Warrior** and **NSWICC** as best meeting the ILC's overall criteria.

The panel determined that two separate leases for; (i) Tribal Warrior (Ground Floor); and (ii) NSWICC (Level 1) would maximise the use of the available space and achieve greater benefits to Indigenous people of both the Redfern area and the wider community. Both organisations' proposals demonstrated consistency with the current ILC Benefit Framework by providing the following Socio-economic benefits:

- Employment participation;
- Training participation;
- Access to education;
- Generation of new and/or increased income;
- Indigenous business creation and development; and
- Access to a social service.

In addition to the socio-economic outcomes of the two preferred organisations, the dual tenancy will also look to meet future priorities associated with the ILC's pending Urban Investment Strategy. These priorities will primarily be achieved by developing higher and better uses of property assets and by looking to grow social and cultural assets in urban areas. Further to these priorities for investment in urban development was the clear demonstration of a land need by the preferred organisations in the Redfern area.

LEASE RECOMMENDATIONS

Ground Floor - Tribal Warrior Aboriginal Corporation

Tribal Warrior is an Indigenous community organisation associated with Redfern. It was initially formed as a Maritime training body, teaching Aboriginal people skills which enabled them to attain professional qualifications. It has a long history of working with disadvantaged Indigenous youth, providing mentoring and training leading to self-esteem, empowerment and employment outcomes. Tribal Warrior currently operates from the ILC owned NCIE and other accommodation located in Redfern and other parts of Sydney.

Tribal Warrior was previously incorporated as an Association with NSW Fair Trading from 31 March 1999 and on 29 April 2016 became incorporated as a Corporation registered under the *Corporations (Aboriginal and Torres Strait Islander) Act 2006*¹. It is currently compliant with its regulatory responsibilities². Membership of the corporation is open to any person provided that a majority of the members are Aboriginal persons. A member must be at least 15 years

¹ File LH/001171-25, Folio 184

² File LH/001171-25, Folio 182

old. It is governed by six Directors, all of whom are Indigenous. The Directors also comprise the members of the corporation.

Tribal Warrior was registered as a charity with the Australian Charities and Not-for-profits Commission (ACNC) on 3 December 2012³.

Tribal Warrior operates three separate programs - Mentoring; Maritime Training; and Aboriginal Tourism.

Mentoring Program

Tribal Warrior operates two primary mentoring programs:

1) Clean Slate Without Prejudice (CSWP): is a police-community engagement program based within the Redfern Local Area Command. It has been running since 2009 and is designed to reduce crime by developing strong working relationships between community members and police. The program is based on using routine and discipline, targeting vulnerable and influential young Aboriginal children.

The program consists of a three times weekly boxing and fitness program run out of the gymnasium at the National Indigenous Centre of Excellence (NCIE) in Redfern. Community leaders and police officers from the Redfern Local Area Command also participate; and

2) The Never Going Back Program (NGB): which targets Aboriginal inmates who are nearing the completion of their custodial sentences. They are collected from Long Bay Correctional Centre three times a week to attend boxing with the Clean Slate attendees. The inmates then receive training for employment. Upon their release they have a strong Aboriginal support network, employment and accommodation obtained through Housing NSW.

Maritime Training

Tribal Warrior is the only Indigenous Maritime Training Company operating within Australia. Tribal Warrior has developed a customised training program which is specifically tailored to meet the needs of Indigenous learners. It provides hands on training aboard its training vessel "Tribal Warrior" by qualified TAFE teachers and qualified Indigenous maritime captains.

The program provides for a General Purpose Hand (GPH / Deckhand) qualification which is a short course that teaches survival, firefighting, safety, seamanship, communication skills and first aid and then progresses through to a Coxswain qualification which allows for the skippering of a vessel up to 12 metres in length.

Aboriginal Tourism

Tribal Warrior uses its vessels to generate income via Cultural Tourism Cruises and Charters on Sydney Harbour. It also serves to supplement the Maritime Training by providing ongoing real-time training in hospitality and deck-hand experience.

Through regular cultural harbour tours that highlight the Aboriginal history and traditions of the extensive waterways and foreshores of Sydney, Tribal Warrior also helps forge a vital link of appreciation, respect and understanding between Aboriginal and non-Aboriginal people.

³ File LH/001171-24, Folio 144

Proposed Land Use and Indigenous Benefits

The ground floor is currently a bare open area without any fit-out. This level comprises a small foyer area providing access to the building lift and stairwell and includes male, female and disabled amenities. The total lettable area of this level is 321m², and comes with a single open car space of 15m². Additionally, the floor comprises a vacant retail/commercial suite which could be separated into three separate shopfronts.

Tribal Warrior proposes to utilise the Ground floor to administer the three areas of its operations (Mentoring program, Maritime training and Aboriginal tourism programs) to house and more effectively showcase its activities to the community and public.

Tribal Warrior will use the three separate shopfront areas as follows:

1. Administration Centre for Mentoring Programs - Administration Hub and meeting place for the current participants in the mentoring programs and educational activities;
2. Office space to accommodate Maritime Training and Aboriginal tourism administration - The shopfront will present a walk-in opportunity that will develop into retail business as well as a place to meet prospective commercial and corporate clients. Having all of Tribal Warrior's initiatives in the one place will also enable the mentees to have greater exposure to and a greater connection with the organisation's commercial activities. This exposure will further reinforce the benefits and importance of work to its mentees.
3. Gallery - to display photos, artwork and posters of the Maritime training and other community work undertaken by both Tribal Warrior and the local Redfern community. Also proposed at a later stage is the future development of a Café that may provide a training place for Tribal Warrior program participants and value add to their catering services for the Aboriginal tourism venture.

Any new fit out of the space would require a development application to be lodged with the Sydney City Council. Tribal Warrior has estimated that the fit-out (including the cost of the development application) will cost approximately [REDACTED]. The cost of the fit out and required development application will be met by Tribal Warrior.

In 2015/16 Tribal Warrior employed 20 Aboriginal persons to run its three programs: 6 full-time, 2 part-time and 12 contractors and provided Maritime training to 60 students. Previous years' employment and training numbers are demonstrated below:

Table 1: Achieved Employment Outcomes⁴

		No. Indigenous jobs	No. Non-Indigenous jobs
2013/14	Full time	0	9
	Part time	0	0
	Contractor	9	20
	TOTAL	9	29
2014/15	Full time	0	9
	Part time	0	8
	Contractor	10	16
	TOTAL	10	33

⁴ File LH/001171-25, Folio 190

2015/16	Full time	6	10
	Part time	2	4
	Contractor	12	7
	TOTAL	20	21

Table 2: Achieved training outcomes⁵

Year	2013/14	2014/15	2015/16
Maritime students	38	55	60
CSWP Mentees	27	30	50

The proposed benefits over the next three years are outlined below:

Table 3: Projected Employment Outcomes for Indigenous people:⁶

Program	2016/17	2017/18	2018/19
<u>Admin</u>			
Part Time			
Full Time	1	1	1
Contractor			
Sub TOTAL	1	1	1
<u>Maritime</u>			
Part Time			
Full Time	1	2	3
Contractor			
Sub TOTAL	1	2	3
Program	2016/17	2017/18	2018/19
<u>Mentoring</u>			
Part Time	2	2	2
Full Time	5	7	7
Contractor	2	2	3
Sub TOTAL	9	11	12
<u>Tourism</u>			
Part Time			1
Full Time	1	1	1
Contractor	12	15	20
Sub TOTAL	13	16	22
TOTAL	23	30	38

Tribal Warrior's mentoring program currently mentors over 50 children who undertake a variety of activities. Approximately 40 of these children are categorised to "be at risk" - those who have committed a crime but have not yet been sentenced, those incarcerated in Juvenile Justice Centres, and young offenders who have been released back into the community. The Ground Floor will enhance educational participation and access for 25-30 children per year over the next three years.

⁵ File LH/001171-25, Folio 190

⁶ File LH/001171-26, Folio 30

The Ground Floor will significantly improve the educational outcomes of the mentoring program by enabling the creation of an environment for continual mentee/mentor contact as there will be a space for mentees to “drop-in” and meet after school. Tribal Warrior has partnered with volunteer organisation Augustinians, which has enlisted academic historians to recreate the local Indigenous language. The Ground Floor will provide for classroom space for approximately 30 children to attend cultural and language classes.

It is forecast that in the next three years Tribal Warrior will assist 20 CSWP mentees to successfully gain employment in various industries. In addition, it is forecast that the NGB program will expand and offer mentoring to 15 inmates per year over the next three years, with projected employment for 25 persons, allowing for the fact that some of the inmates are engaged in the NGB program for more than one year.

Table 4: Projected training outcomes⁷

Year	2016/17	2017/18	2018/19
Maritime students	60	75	90
CSWP Mentees	50	65	65

In addition, the families of Tribal Warrior mentees require significant support from other agencies. Ongoing collaboration between mentors and other agencies is central to delivering outcomes. The ground floor space will provide for a comfortable meeting place and create a hub which will allow collaboration with other social services.

Financial Situation

Tribal Warrior currently receives grant funding from Commonwealth Department of Prime Minister and Cabinet (PM&C) to run its mentoring programs. The current agreement for \$1,200,000 is valid from 1 July 2015 until 30 June 2017⁸.

Tribal Warrior has submitted a new proposal to PM&C for funding of \$1,400,000 for a further two years post 2017. Tribal Warrior states that the submission has received a very favourable response from PM&C. An outcome relating to the funding application is expected to be confirmed by 31 January 2017.

Tribal Warrior’s tourism program provides income from charters, cruises and cultural performances. From 1 July 2015 – 31 December 2016, Tribal Warrior will have operated 88 Educational Tourism Charters and 99 Recreational Charters. In 2017, it is forecasted that it will operate at least 75 Educational Tourism Charters and 70 Recreational Charters⁹. Tribal Warrior also has consistently received income in the form of donations from private individuals and corporations such as Redfern Foundation, Macquarie Bank and City Tattersalls¹⁰.

Audited financial statements were provided for years 2013/14 and 2014/15. The Audited financials for 2015/16 have not been finalised by KPMG, Tribal Warrior’s accountants at the time of writing. However, a Statement of Financial position has been provided for the previous three years 2013/14 to 2015/16. Refer to Table 6 below, which indicates an increase in net assets.

⁷ File LH/001171-25, Folio 190; File LH/001171-26, Folio 46

⁸ File LH/001171-25, Folio 186

⁹ File LH/001171-26, Folio 47

¹⁰ File LH/001171-26, Folio 30

The following tables summarises Tribal Warrior’s financial situation.

Table 5: Details of funding received by Tribal Warrior in years 2014/15 and 2013/14¹¹

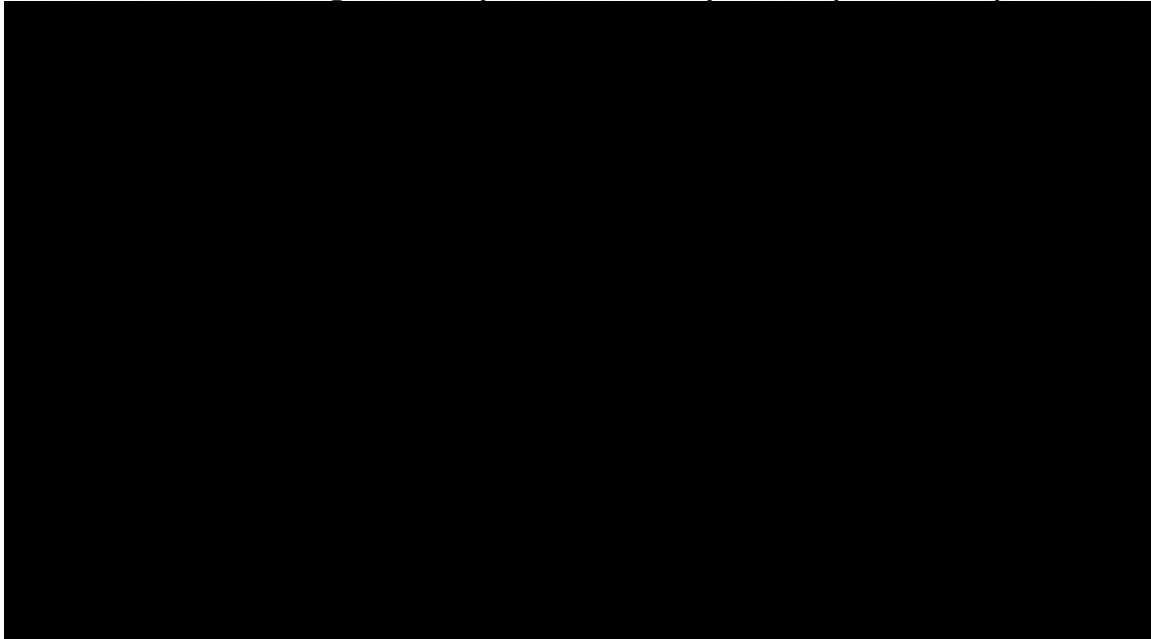
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Table 6: Balance Sheet for past three years¹²

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In addition a cash flow forecast for the next three years relating to the projected revenue and operating costs for Tribal Warrior’s operations was also provided and a summary is detailed below¹³. Tribal Warrior engaged the services of Gibbon Hamor & Associates; a Sydney based company to assist them to develop this cash flow forecast. The forecast was based on Tribal Warrior’s previous year’s operations and future occupation of the Ground Floor of the Black Theatre Building.

The forecast includes conservative assumptions relating to outgoings, wages, charter, catering and administration costs.

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¹¹ File LH/001171-24, Folio 151-158

¹² File LH/001171-24, Folio 149 and File LH/001171-26, Folio 51

¹³ File LH/001171-25, Folio 187

Table 7: Detailed Cash flow forecasts for the next three financial years

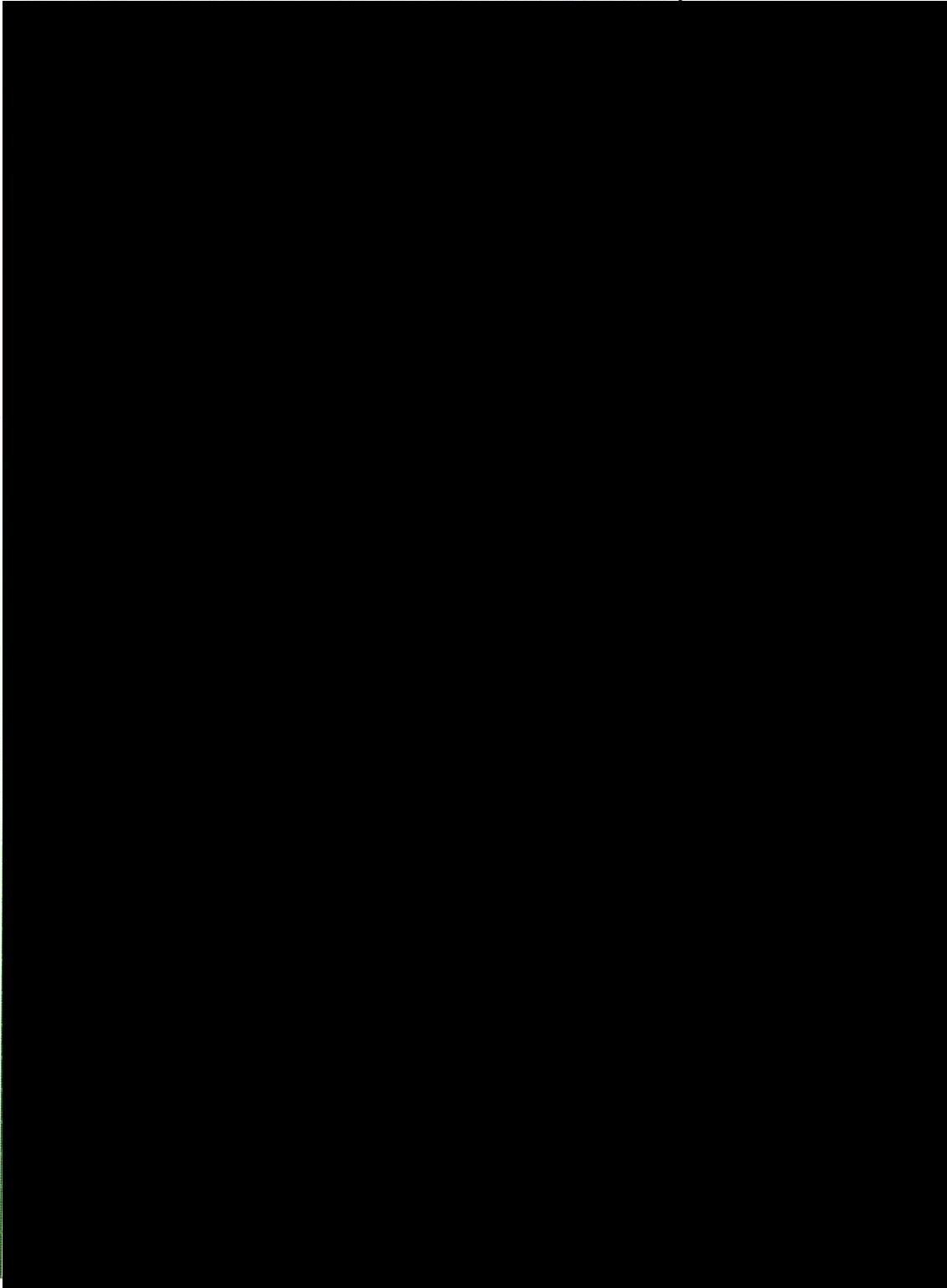
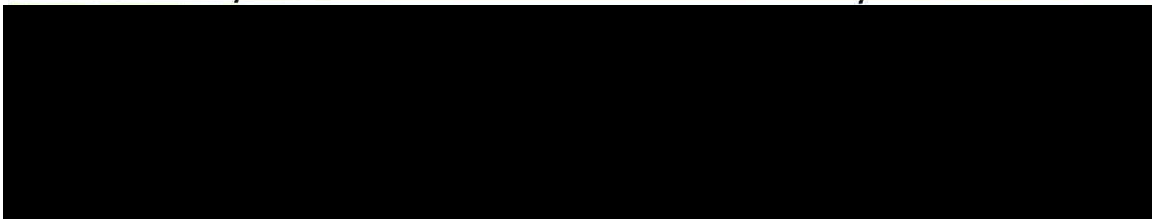


Table 8: Summary of Cash flow forecasts for the next three financial years



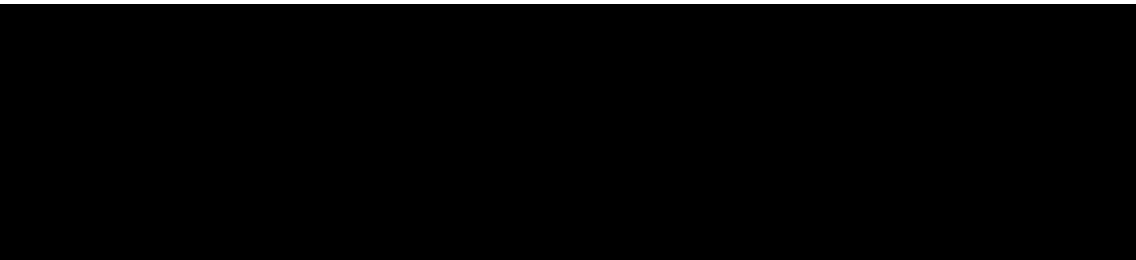
Level 1 - NSW Indigenous Chamber of Commerce Incorporated

NSWICC is an independent representative body that aims to support and enhance the employment, economic and social prosperity of Indigenous people across NSW. The NSWICC works with Indigenous businesses and social enterprises to support and increase their access and participation in the mainstream economy. NSWICC has been successfully established as the Peak Body for Indigenous Business in NSW.

NSWICC was incorporated as an Association on 28 October 2009¹⁴. It is governed by NSW Office of Fair Trading and is compliant with its regulatory responsibilities¹⁵. NSWICC is a not for profit association, however is not registered with the Australian Charities and Not-for-profits Commission (ACNC).

It is governed by a Board of twelve Indigenous members who have combined qualifications and backgrounds in the areas of Indigenous business, employment, education, training, law, finance, corporate and cultural governance. All board members are experienced business owners themselves.

Upon advice from the ILC during the assessment process, the NSWICC board has recently met to adopt proposed changes to its constitution to ensure that NSWICC is appropriately Indigenous-controlled and, in the future is eligible to receive a grant of land from the ILC¹⁶.



NSWICC collaborated with and co-delivered on a number of government and non-government projects. In 2016, acknowledged the growing footprint of NSWICC and the increasing demand from Indigenous businesses, previous clients and potential clients for services to be delivered through a State body, being the NSWICC. In particular, the NSW Government and large companies such as Sydney City Council are increasingly seeking to work with the NSWICC to support their aim to grow Indigenous jobs and Indigenous businesses in NSW.

As NSWICC has matured in membership, and the majority of contract opportunities and memberships seek State representation and coverage, the and NSWICC made a decision to change operations, responsibilities and structure. As of Financial Year 2016/17, NSWICC now operates independently. In addition to growing its own business portfolio, it has assumed responsibility for all contracts and projects, and also employs its entire staff.

NSWICC has a number of partnership arrangements with government and private sector organisations such as NSW Government; NSW Minerals Council; NSW Law Society; NSW Aboriginal Land Council; Sydney City Council; Work Cover NSW; Indigenous Business Australia; National Disability Services; TAFE NSW and Department of Disability and Aged Care.

¹⁴ File LH/001171-25, Folio 160

¹⁵ File LH/001171-25, Folio 158

¹⁶ File LH/001171-25, Folio 138

Given the growth of the organisation combined with its predominately Sydney based partnership arrangements outlined above, NSWICC now seeks a permanent Sydney base to best support Indigenous businesses.

Proposed Land Use and Indigenous Benefits

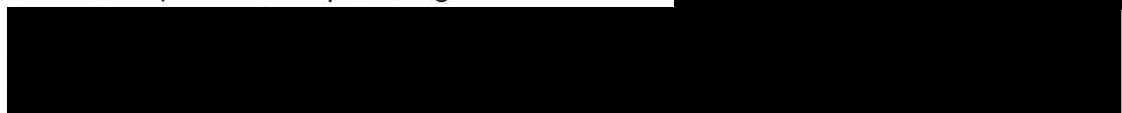
NSWICC's initial proposal related to the use of both the Ground Floor and Level 1 of the Black Theatre Building. As discussed above, it was determined during the assessment process that to maximise the use of the Black Theatre Building, only Level 1 should be prioritised for use by the NSWICC.

As such, the ILC wrote to NSWICC stating that it was considering all land use options and requested advice as to whether NSWICC was willing to accept this alternative arrangement to its original proposal for the use of both floors. In response, NSWICC advised that it was amenable and able to deliver its proposed services from Level 1.

Level 1 comprises a predominately open plan layout which currently consists of six executive offices, reception area, boardroom, meeting rooms, kitchenette and male and female amenities including showers and toilets. This lot has a lettable area of 511m² and includes a single open car space of 15m².

In addition to providing office accommodation for NSWICC, another peak body, the First Australians Chamber of Commerce and Industry (FACCI) will be afforded office space on Level 1. FACCI was established in April 2015 as the National body providing a national and global voice for the First Australian's business sector. It is currently representing 3,367 Indigenous businesses throughout Australia. Separately, NSWICC has built a respected brand as being the peak body for NSW Aboriginal businesses. Given the profile of both organisations, it was considered beneficial for a strategic alliance to be formed between the two to further deliver Indigenous economic benefits.

An example of one direct benefit from the alliance, FACCI has formed a strategic alliance with multi-national company Coca Cola. This arrangement will see the installation of vending machines in public and corporate high traffic locations.



In addition, it is proposed that Level 1 will provide for casual and long term desk and/or office lease opportunities for Indigenous business owners, including meeting rooms and boardroom facilities as well as the provision of virtual support such as administrative services. NSWICC's proposed land use of Level 1 will be compliant with the current approved and permitted use by Sydney City Council.

Indigenous Business Support

NSWICC currently supports a membership base of 270 Aboriginal-owned businesses in NSW that have access to a full range of capacity building programs; resources and business tools; contract opportunities; networking and events. It is expected that NSWICC's membership will increase in the future.

In demonstration of NSWICC services, in January 2017 NSWICC will directly engage with 10 Business owners to assist them to transform their businesses. NSWICC will provide accredited training over a 12 month period to these businesses. The modules offered include Business

Readiness; Buyer Risk Management; Product to Market Fit; Digital Disruption; Partner Governance and Pitch to Win. This program has been funded by the City of Sydney.

Other benefits proposed in the next three years include¹⁷:

- 36 Regional based Indigenous businesses supported with daily office space;
- 28 Indigenous businesses supported with permanent office space;
- 24 Indigenous businesses supported with casual office space;
- 104 potential Indigenous employment outcomes from supporting Indigenous businesses with office space as detailed in Table 7 above;
- 500 Indigenous business owners in urban, regional and remote NSW supported with virtual office support;
- 10 Indigenous business start ups with 15 potential Indigenous employment outcomes created through business start ups as detailed in Table 7 above;
- 50 new employment outcomes created through NSWICC partners;
- 3,600 Indigenous people with access to courses in corporate governance; social media; business planning; budgeting; workcover legislation compliance; procurement; taxation and record keeping and many others;
- 250 government and 50 private sector participants to undertake Aboriginal Cultural Awareness Training.

In 2015/16, NSWICC provided employment for five people – four Indigenous and one non-Indigenous. In previous years any work undertaken by NSWICC was done by staff of Mandurah HIBC, Indigenous contractors, volunteers and board members.

Table 9: Achieved Employment Outcomes¹⁸

		No. Indigenous jobs	No. Non-Indigenous jobs
2015/16	Full time	3	0
	Part time	1	1
	Contractor	0	0
	TOTAL	4	1

The proposed benefits over the next three years are described as follows:

Table 10: Projected Employment Outcomes¹⁹

		<i>No. of Indigenous jobs directly employed by NSWICC</i>	<i>No. Non-Indigenous jobs directly employed by NSWICC</i>	<i>No. of new Indigenous jobs created by new business hub</i>	<i>No. of new Indigenous jobs created through Business Start Ups</i>	<i>No. of new Indigenous jobs created by Tier One Companies and Govt Partners</i>
2016/17	Full time	3	1	8	5	15
	Part time	1	0	8	0	0

¹⁷ File LH/001171-25, Folio 174

¹⁸ File LH/001171-25, Folio 190

¹⁹ File LH/001171-26, Folio 29

	Contractor	1	0	0	0	0
	Sub total	5	1	16	5	15
2017/18	Full time	5	0	16	5	15
	Part time	1	0	26	0	0
	Contractor	1	0	0	0	0
	Sub total	7	0	42	5	15
2018/19	Full time	6	0	20	5	20
	Part time	2	0	26	0	0
	Contractor	2	0	0	0	0
	Sub total	10	0	46	5	20
	TOTAL	10	1	104	15	50

Financial Situation



The following table summarises NSWICC's financial situation over the previous three years²⁰.

Table 11: Details of funding received by NSWICC for the past three financial years

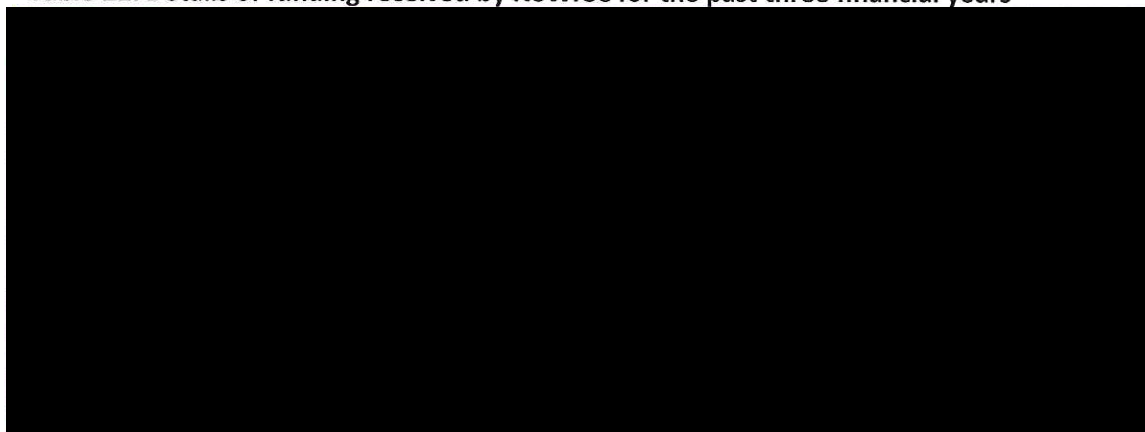


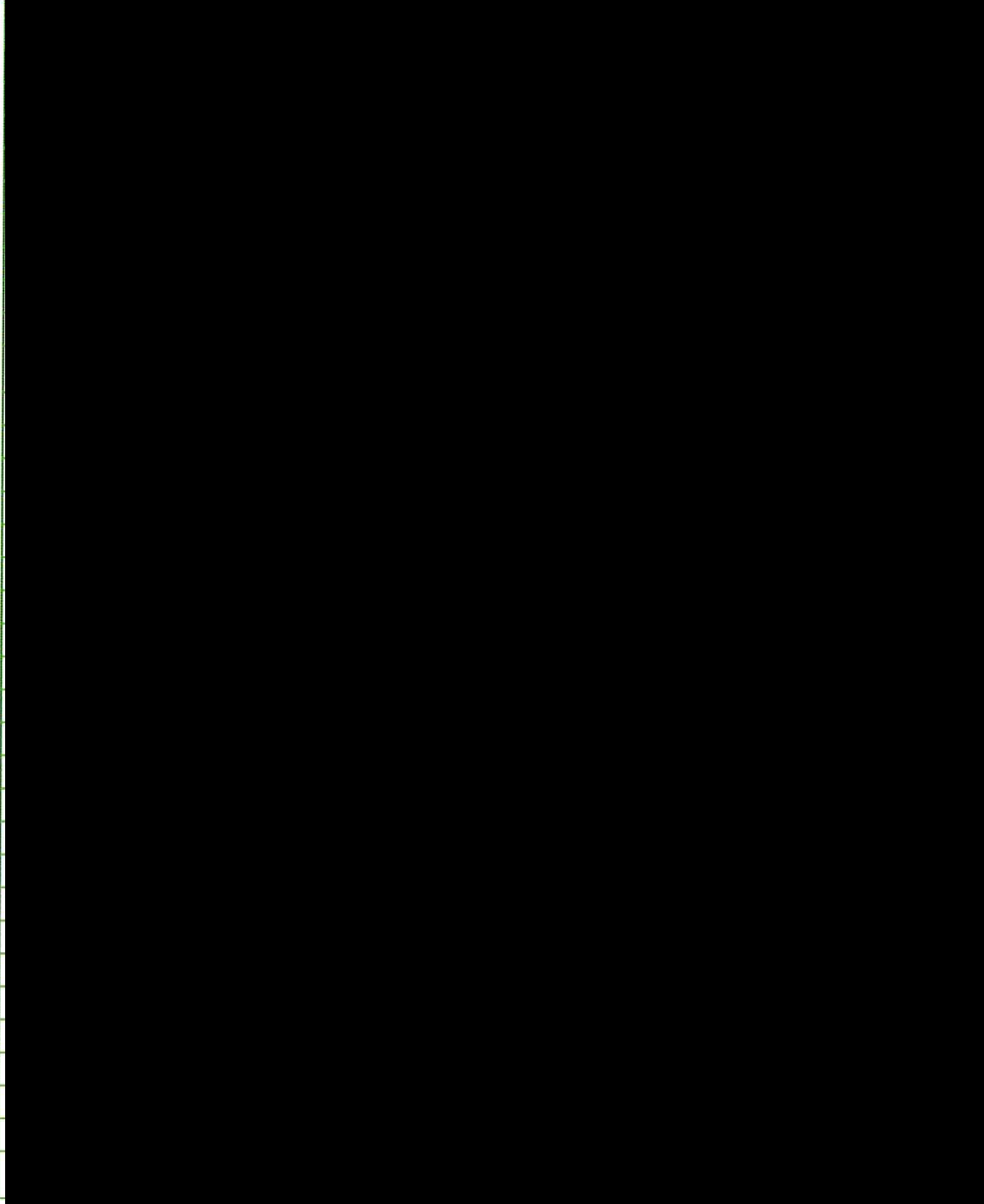
Table 12: Financial Analysis for the past three financial years



²⁰ File LH/001171-25, Folios 46 and 51; File LH/001171-26, Folio 21

NSWICC has provided a cash flow forecast for the next three years relating to the projected revenue and operating costs for all of its operations.²¹ Information supporting its income forecast for the next three years was also provided.²² . As NSWICC is a not for profit organisation, any surplus at the end of the financial year will be utilised towards NSWICC's future operations. Detailed information relating to future income sources and expenditure is outlined below in Table 13.

Table 13: Cash flow forecasts for the next three years



²¹ File LH/001171-25, Folios 172 and 174

²² File LH/001171-26, Folio 15

Table 14: Operating Budget for Level 1 Black Theatre Building for next three years

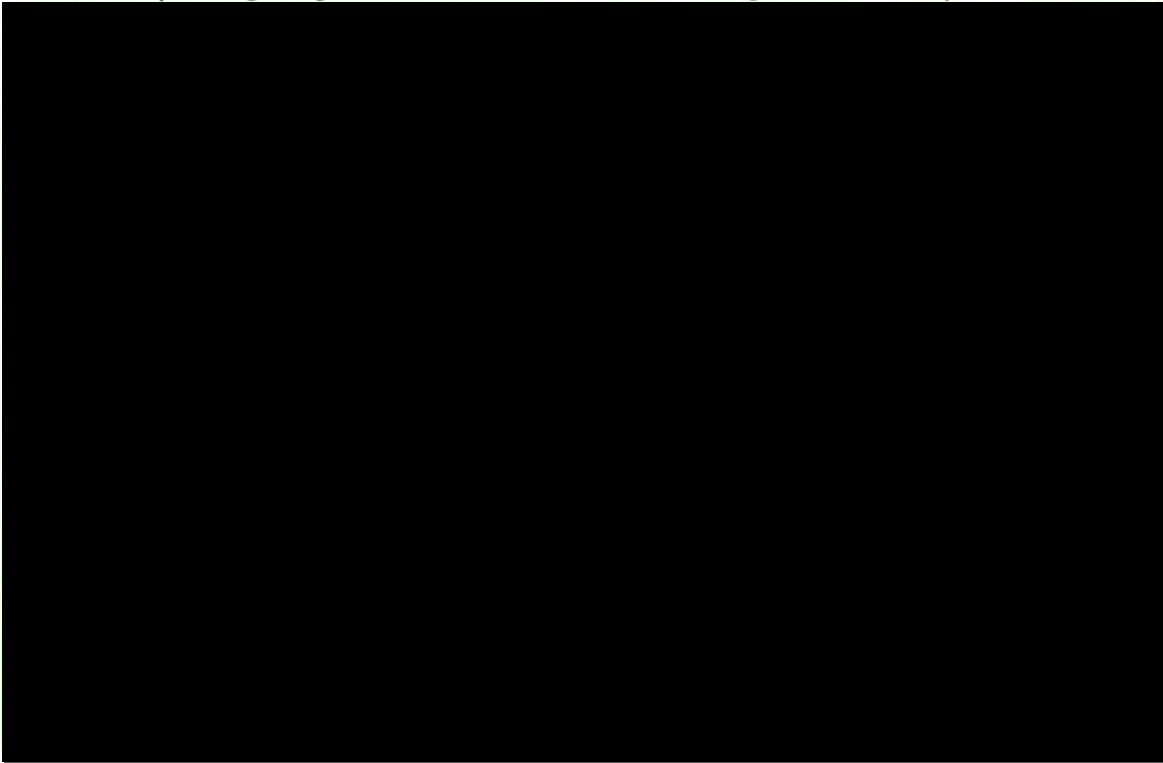


Table 15: Risk Identification and Treatment Plan

Risks and level of risk in the absence of controls			Risk treatments and their expected effectiveness						
Risk	Untreated Risk Rating		Proposed risk treatments	Responsible party	Timeframe for completion	Revised Risk Rating after treatments			
	Consequence	Likelihood				Level of Risk	Consequence	Likelihood	Level of Risk
PROPOSED TITLE HOLDING BODY									
Loss of key personnel	2	C	Low	<ul style="list-style-type: none"> Ensure that all staff are skilled to a level where day to day operations can continue and losses can be covered, at least in the short term, until recruitment 	NSWICC TRIBAL WARRIOR	Ongoing	2	C	Low
NSWICC and TRIBAL WARRIOR do not remain compliant with their regulatory body	3	C	Moderate	<ul style="list-style-type: none"> ILC to monitor NSWICC and TRIBAL WARRIOR's compliance Include the requirement to remain compliant in the Lease and monitor compliance 	ILC NSWICC TRIBAL WARRIOR	Ongoing	2	D	Low
Indigenous membership potentially falls below 50% therefore does not meet ILC criteria for divestment.	2	E	Low	<ul style="list-style-type: none"> ILC monitor the membership to ensure the continuation of Indigenous control 	ILC NSWICC TRIBAL WARRIOR	Ongoing	2	E	Low
BENEFITS									
Funding from other agencies is reduced or unavailable which will have a direct impact on the delivery of benefits	3	E	Low	<ul style="list-style-type: none"> NSWICC and TRIBAL WARRIOR responsible for achieving all program funding KPI's. NSWICC and TRIBAL WARRIOR maintain good relationships with funding agencies and ensure their funding requirements are met. 	NSWICC TRIBAL WARRIOR	Ongoing	2	E	Low

Risks and level of risk in the absence of controls			Risk treatments and their expected effectiveness						
Risk	Untreated Risk Rating			Proposed risk treatments	Responsible party	Timeframe for completion	Revised Risk Rating after treatments		
	Consequence	Likelihood	Level of Risk				Consequence	Likelihood	Level of Risk
Benefits projections do not meet intended targets	3	E	Low	<ul style="list-style-type: none"> Monitored through benefit reporting and property visits. 	ILC NSWICC TRIBAL WARRIOR	Ongoing	2	E	Low
SUSTAINABILITY									
The ongoing operation of the programs run at the property is at risk due to being dependent upon government grant funding as the principal source of income.	3	C	Low	<ul style="list-style-type: none"> NSWICC and TRIBAL WARRIOR's service delivery and funding situation will be monitored through lease period. 	ILC NSWICC TRIBAL WARRIOR	Ongoing	Minor	Unlikely	Low
PROPERTY									
NSWICC and TRIBAL WARRIOR are unable to meet payments of required landholding costs	2	C	Low	<ul style="list-style-type: none"> ILC to monitor NSWICC and TRIBAL WARRIOR's financial situation, including the payment of Land Holding costs. 	ILC NSWICC TRIBAL WARRIOR	Ongoing	2	D	Low
Significant and unforeseen property costs	2	D	Low	<ul style="list-style-type: none"> Building inspections to be carried out quarterly in the first year, annual inspections to be carried out thereafter. 	ILC	Ongoing	2	D	Low

Likelihood		Consequence		Risk Treatment	
A – Almost Certain	1 – Insignificant	Extreme – Demands immediate attention – treatment plan is required			
B – Likely	2 – Minor	High – Demands attention - treatment plan is required			
C – Possible	3 – Moderate	Moderate – Manage by specific monitoring - treatment plan is required			
D – Unlikely	4 – Major	Low – Control using standard procedures			
E – Rare	5 – Catastrophic				



Australian Government
Indigenous Land Corporation

Proposed Lease Agreements

It is proposed that the ILC enter into three-year lease agreements with:

1. **Tribal Warrior** for the Ground Floor of the Black Theatre building. Under this lease agreement, Tribal Warrior will be responsible for the payment of the fit out and outgoings for the property (estimated outgoings are \$31,779 per annum); and
2. **NSW Indigenous Chamber of Commerce Incorporated** for Level 1 of the Black Theatre Building. Under this lease agreement, NSWICC will be responsible for the payment of outgoings for the property, (estimated outgoings are \$50,655 per annum).

Both Tribal Warrior and NSWICC will be required to provide six-monthly reports to the ILC during the lease period, demonstrating the Indigenous benefits that have been derived from the use of the property. Quarterly ILC inspections will occur in the first year and, if satisfactory, will be followed by annual inspections. These monitoring visits will examine whether the property is being maintained and used for the purposes as agreed under the three-year lease agreement.

Under the lease agreements, the ILC will be monitoring Tribal Warrior and NSWICC as a future potential landowner/s.

RECOMMENDATION

That the A/Executive Director of Program Delivery agrees to enter into three-year peppercorn lease agreements with:

1. **Tribal Warrior Aboriginal Corporation** for the Ground Floor, Black Theatre Building, Redfern NSW; and
2. **NSW Indigenous Chamber of Commerce Incorporated** for Level 1, Black Theatre Building, Redfern NSW.

Recommended by	Sonia Hayes, Project Advisor, EDO _____ Date
Supported/Not Supported	Callum Howell, Operations Manager, EDO _____ Date
Supported/Not Supported	Mark Denning, A/Divisional Manager, EDO <i>m. denning</i> _____ Date <i>15-12-16</i>
Approved/Not Approved	Tricia Button, A/Executive Director Program Delivery <i>Tricia Button</i> _____ Date <i>19/12/16</i>