Australian Government

Indigenous Land Corporation

ANNUAL REPORT

2015 | 2016

The bark painting Wak Wak (above) is by leading Northern Territory Indigenous artist Irenie Nagalinba. She has kindly let the ILC feature elements of her painting throughout this annual report.

FRONT COVER: Graham Attenborough learning to use cattle tracking technology during a skills development workshop at NIPE's Warrigundu Station in the Northern Territory.

BACK COVER: Katlyn Yeeda participating in a 2016 pastoral industry skills development workshop held at NIPE's Crocodile Welcome Station in northern Queensland.

INDIGENOUS LAND CORPORATION ANNUAL REPORT 2015–16

ILC SEPTEMBER 2016

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The ILC's Annual Reports are available electronically on the Publications page of the ILC's website.

The ILC respects Indigenous cultures and has taken all reasonable steps to ensure that the contents of this publication do not offend Aboriginal and Torres Strait Islander people.

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people land opportunity

Australian Government
Indigenous Land Corporation

15 September 2016

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

Dear Minister

I am pleased to present the Annual Report of the Indigenous Land Corporation covering the period 1 July 2015 to 30 June 2016.

The report is prepared and given to you in accordance with a resolution of Directors dated 24 August, 2016 in accordance with section 46 of the *Public Governance, Performance and Accountability Act 2013* ('PGPA Act').

The report includes the ILC's annual performance statements in accordance with paragraph 39(1)(b) of the PGPA Act and section 16F of the *Public Governance, Performance and Accountability Rule 2014.*

It includes a report of operations and audited consolidated financial statements for the reporting period in accordance with the Finance Minister's Orders.

Yours sincerely

Edward Fry

Chairperson

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CHAIRPERSON'S REPORT

In 2015–16 the ILC began a substantial transition, with a new Chairperson and substantially refreshed Board from October 2015 and a new Chief Executive Officer from 1 June 2016.

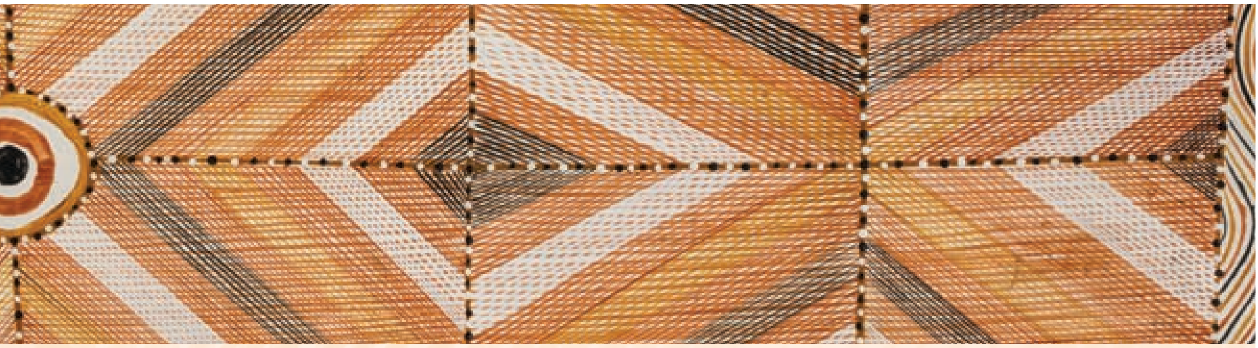
From the outset the incoming Board signalled its commitment to working closely with the Australian Government, providing strong support to government priorities in accordance with the ILC's legislative purpose—which is to assist Indigenous Australians to acquire and manage land to achieve economic, environmental, social or cultural benefits.

A productive working relationship with the Government has enabled us to progress two issues related to the ILC's future resourcing.

The first was achieving Commonwealth assistance to refinance part of the debt incurred in the ILC's 2010–11 acquisition of Ayers Rock Resort. The 2016 Federal Budget provided a concessional Commonwealth loan over seven years from 1 July 2016, allowing the ILC to retire one of the former lenders. Access to this loan will save an estimated $26 million in interest payments in comparison to previous commercial arrangements.

The ILC Board has also been talking with the Australian Government about mechanisms to increase revenue from, and secure the capital base of, the Aboriginal and Torres Strait Islander Land Account, the ILC's primary source of income. In the current low-interest-rate environment, the Land Account is unlikely to meet its benchmark return of CPI + 2.6 per cent. If the Land Account does not meet this benchmark, the legislated need to provide minimum payments to the ILC may erode the capital base of the Land Account. To help inform discussions with the Government and Indigenous people, the ILC Board has convened a Land Account Expert Advisory Panel to provide advice on potential changes to the Land Account's investment parameters and/or management. The panel held its first meeting in June 2016 and is due to report back to the Board in December 2016.

More resources are essential to help position the ILC to achieve the Board's Statement of Strategic Intent, agreed in March 2016 after a Board planning day in February. The Board wants the ILC to 'step up', to work more strategically and add greater value to the Indigenous Estate.



It is estimated that Indigenous people now own, under some form of title, up to 40 per cent of the Australian land mass. Added to this, the Indigenous population is growing at a much faster rate and is much younger than the general Australian population. The challenge my people face is to take advantage of current and emerging opportunities—including a potential agricultural boom fed by growing demands from Asia—to achieve greater economic returns from the assets we hold. At present the Indigenous Estate is a largely disconnected set of holdings with little common purpose. With more strategic management, it could become an important contributor to the prosperity of Indigenous Australians and to Australia's national life. This is necessarily a long-term aim—achieving it will likely take decades and require contributions from across the community, government, non-government and private sectors.

Given its legislative purpose, the ILC should be a central institution in helping to define, enhance and potentially extend the Indigenous Estate. So it has greater capacity to undertake this role, the Statement of Strategic Intent sets five challenges to guide the ILC into the future:

1. To reposition the ILC to meet changing Indigenous aspirations and land-related needs, so that it is a partner of choice for the public, private and non-government sectors in maximising the value of the Indigenous Estate
2. To have more resources to invest in the future
3. To become a high-performing agency
4. To take advantage of emerging markets and vertical integration
5. To create the capability and culture to drive a more ambitious agenda for Indigenous Australians.

To underpin more detailed planning, the Board has commissioned a series of 'baseline reviews' to be completed in 2016–17. They will examine the ILC Group's governance, the assets of the ILC core and the ILC's three wholly-owned subsidiaries, and the ILC's performance reporting framework. The final review will attempt to get to grips with the extent and composition of the wider Indigenous Estate.

The reviews may recommend changes to the ILC Group's structure and how we perform our functions. The ILC and the other agency I chair, Indigenous Business Australia (IBA), are currently considering a shared services model to combine functions such as finance, human resources and IT. This would not be a merger but a way to achieve savings and efficiencies and free up working capital for each entity's core purposes and enable more joint projects providing benefit to Indigenous Australians.

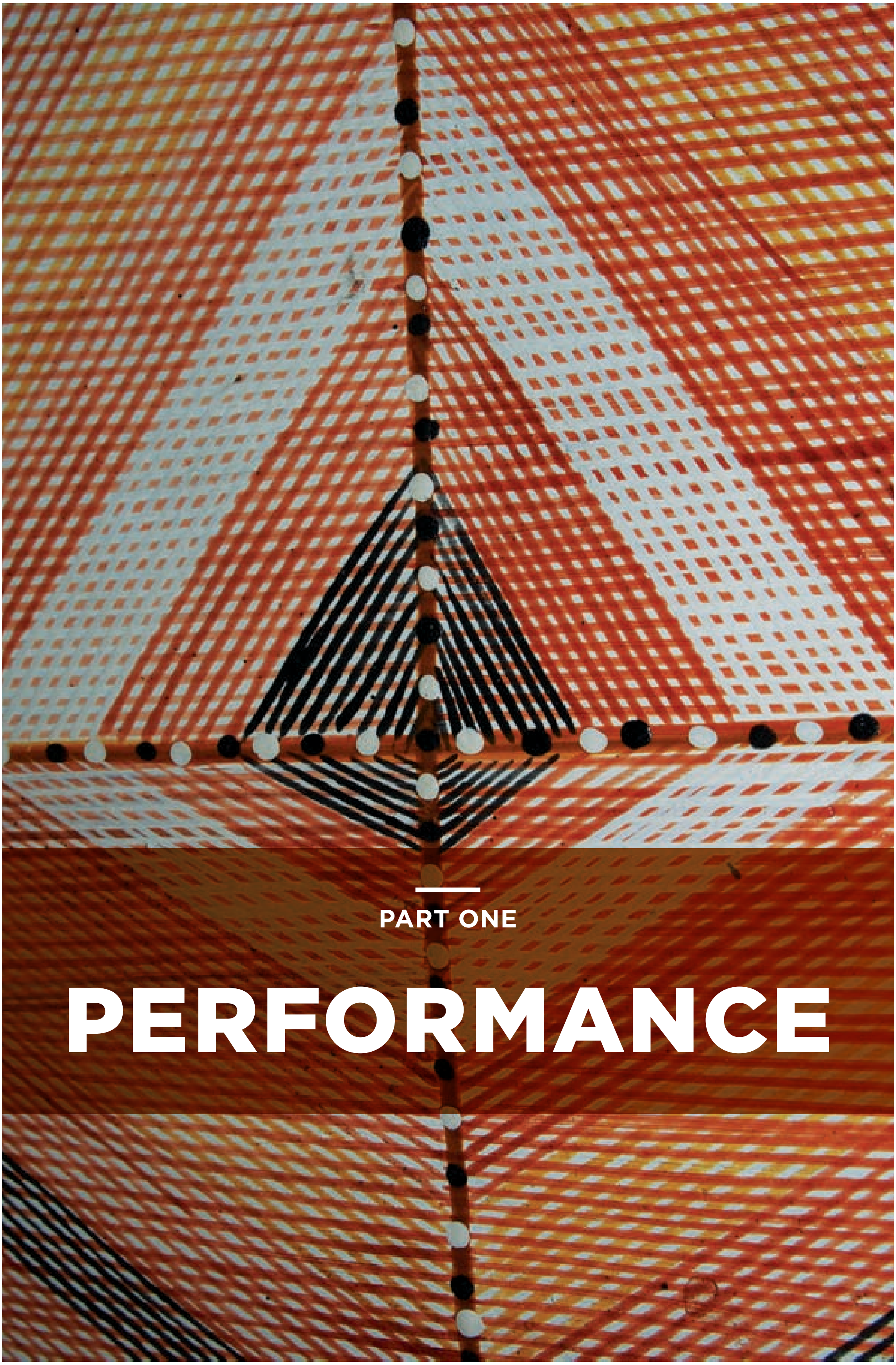
The ILC's new directions are consistent with the Australian Government's *Closing the Gap* priorities of increasing Indigenous employment and achieving better economic outcomes on Indigenous-held land. The latter goal is basic to the development of northern Australia where the Government has a comprehensive policy framework and is making major investments flowing from the White Paper, *Our North Our Future*. The ILC Group is already a significant employer of Indigenous Australians and this year initiated an Indigenous Executive Development Program to help create an Indigenous executive cohort able to fill roles in the ILC, IBA and more widely.

I am excited by the prospect of helping to deliver a more commercially-oriented and higher performing Indigenous Estate. I hope that other Indigenous leaders, organisations and land holders are persuaded by the Board's vision and able to collaborate with the ILC's emerging agenda. I believe that my people's future wellbeing depends on it.

Eddie Fry

Edward Fry

Chairperson
September 2016



PART ONE

PERFORMANCE

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Annual Performance Statement 2015–16

INTRODUCTORY STATEMENT

I, Eddie Fry, as Chairperson of the Board of the Indigenous Land Corporation (ILC) (the Accountable Authority) present the 2015–16 Annual Performance Statement for the ILC as required under paragraph 39(1)(a) of the *Public Governance, Performance of Accountability Act 2013* (PGPA Act).

In my opinion, this Annual Performance Statement accurately presents the corporation's performance in the reporting period and complies with subsection 39(2) of the PGPA Act.

Eddie Fry

Eddie Fry
Chairperson

15th September 2016

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2015 – 2016

ANNUAL PERFORMANCE STATEMENT

ENTITY PURPOSE

The ILC's purpose, as defined in section 191B of the *Aboriginal and Torres Strait Islander Act 2005 (ATSI Act)*, is:

(a) To assist Aboriginal persons and Torres Strait Islanders to acquire land; and
(b) To assist Aboriginal persons and Torres Strait Islanders to manage Indigenous-held land.

so as to provide economic, environmental, social or cultural benefits for Aboriginal persons and Torres Strait Islanders.

The ILC's purpose, as set out in the ILC Group Corporate Plan 2015–16 is *To assist Indigenous people to acquire and manage land to achieve economic, environmental, social and cultural benefits*.

The ILC's land management function relates to all Indigenous-held land, however it was acquired. The Australian Government estimates that Indigenous-held land now covers up to 40 per cent of the Australian land mass*, though this percentage counts areas subject to native title rights which vary in content and may not extend to full beneficial ownership or 'bankable' rights.

Based on the ILC's purpose, the corporation has one outcome in the ILC Budget Statements 2015–16 (Prime Minister and Cabinet Portfolio Budget Statements) and one Program.

AUSTRALIAN GOVERNMENT PRIORITIES

The ILC has committed to perform its functions to support Australian Government priorities in Indigenous Affairs including Closing the Gap between Indigenous and other Australians. Through its land acquisition and land management activities, the ILC complements the Indigenous Advancement Strategy, administered by the Department of the Prime Minister and Cabinet (PM&C). The ILC provides training and jobs for Indigenous Australians, fosters Indigenous businesses, and assists Indigenous people to achieve economic and social benefits from management of their land and native title rights.

** The Investigation into Indigenous Land Administration and Use, Report to the Council of Australian Governments, December 2015 found that 'Indigenous Australians rights and interests in land are formally recognised over around 40 per cent of the land area of Australia. A further 37 per cent of Australia is subject to application for recognition of native title rights', p.1. Data was sourced from the National Native Title Tribunal, current at 30 June 2015, and included both determinations of native title and statutory Indigenous land rights regimes.*

OUTCOME 1

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

PROGRAM 1.1

Assistance in the acquisition and management of an Indigenous land base

The ILC sets out its strategies for achieving this outcome in the National Indigenous Land Strategy (NILS), a three-to-five year policy framework, required by section 191N of the ATSI Act. The NILS is tabled in Parliament and the ILC must have regard to it in performing its functions. The ILC also tables an annual Corporate Plan, as required by the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

The NILS 2013–17 defines two Priority Outcomes (reflecting the four categories of Indigenous benefit in the ATSI Act) and four Key Priority Areas.

PRIORITY OUTCOMES

- Access to and protection of cultural and environmental values
- Socio-economic development

KEY PRIORITY AREAS

- Creating training and sustainable employment for Indigenous people
- Increasing the capacity of Indigenous land owners to sustainably manage their land
- Engaging Indigenous people in viable, land-based enterprises including tourism
- Collaborating with partners to leverage greater outcomes

The ILC achieves its purpose through three activity streams and the operation of three wholly-owned subsidiary companies.

Our Land Our Future

The *Our Land Our Future* Program is the main vehicle for developing and delivering new land acquisition and land management proposals with Indigenous groups. The program assists Indigenous people in urban, regional and remote areas to manage, use, care for, acquire and improve land to achieve economic, environmental, social and cultural benefits.

Environment, Carbon and Heritage

As part of *Our Land Our Future*, a distinct Environment, Carbon and Heritage stream actively engages with Indigenous land holders and other project partners in developing income streams for Indigenous owners in areas such as carbon farming, environmental services and heritage management.

Our Land Our Jobs

The *Our Land Our Jobs* Program makes major investments in Indigenous training and employment across the ILC's tourism and agribusiness subsidiaries and the Merriman Shearing School. It is funded by the ILC, its subsidiaries and the Australian Government's Indigenous Advancement Strategy.

With the ILC, the following subsidiaries form the ILC Group:

- **Voyages Indigenous Tourism Australia (Voyages) Pty Ltd**, which owns and manages Ayers Rock Resort, NT, and manages two other tourism enterprises developed by the ILC
- **National Indigenous Pastoral Enterprises (NIPE) Pty Ltd**, which manages 14 ILC-developed agribusinesses, 13 in the northern Australian beef industry running a herd of around 77,000 cattle at 30 June 2016, and one wool and lamb meat enterprise in Tasmania
- **National Centre of Indigenous Excellence (NCIE) Ltd**, which manages the ILC-developed social enterprise of the same name in Redfern, Sydney, NSW. NCIE Ltd aims to build capability and create opportunity with and for young Indigenous Australians.

ILC subsidiaries are governed by Part 4A of the ATSI Act and by the *Corporations Act 2001*. Pursuant to section 86 of the PGPA Act, subsidiaries can perform only the functions of the ILC itself, in all cases the management of land owned by the ILC Group or leased from Indigenous owners. Utilising subsidiary companies allows the ILC to perform its functions on a more flexible and commercial basis. The ILC Board appoints the directors to all subsidiary boards and all subsidiary boards are chaired by an ILC Director.

RESULTS IN 2015–16

The Budget Statements 2015–16 and Corporate Plan 2015–16 committed the ILC to achieving the following five Deliverables and seven Key Performance Indicators.

TABLE 1: ILC DELIVERABLES, 2015–16

		2015–16 Budget	2015–16 Actual
Deliverable 1:	Properties acquired for socioeconomic development and cultural and environmental heritage protection	3	1
Deliverable 2:	Properties granted	10	6
Deliverable 3:	Employment and training projects implemented on ILC agricultural and tourism businesses	11	12
Deliverable 4:	Regional land management projects implemented	12	10*
Deliverable 5:	Property-based, property planning land management projects assisted	60	139*

** These Deliverables count the number of projects in implementation in the financial year, at any stage of the program process from initial approval to evaluation. Projects typically span more than one year; some span multiple years.*

TABLE 2: ILC KEY PERFORMANCE INDICATORS, 2015–16

		2015–16 Budget	2015–16 Actual
KPI 1:	Total number of Indigenous staff employed directly through ILC agricultural and tourism businesses	450	601
KPI 2:	Total number of Indigenous trainees employed* through ILC agricultural and tourism businesses	200	287
KPI 3:	Total number of Indigenous employment outcomes enabled through ILC land acquisition and land management projects	500	1096
KPI 4:	Total number of Indigenous training outcomes enabled through ILC land acquisition and land management projects	1000	2745 completions 3014 participations
KPI 5:	Total number of Indigenous-held properties with improved land management	130	132
KPI 6:	Proportion of ILC-assisted projects that protect cultural and environmental heritage values or maintained culture	50%	38%
KPI 7:	Proportion of projects that were collaborative with and leveraged funding from other agencies	66%	53%

Note: In reporting performance against indicators, the ILC relies on both data from ILC systems and records and data from reports provided by recipients of ILC assistance. ILC internal data is very reliable. Where data is collated from third-party sources, every effort is made to verify the data; however, exactness cannot be guaranteed.

** All trainees were employed in 2015–16 by the subsidiaries; in previous years some had been 'hosted' in subsidiary businesses and trained by third-party providers. This is a change from the wording in the PBS 2015–16.*

STRUCTURE OF THIS STATEMENT

The following report divides these Deliverables and KPIs into two streams:

- the first relating to land acquisition and management (*Our Land Our Future*)
- the second to the ILC's training-to-employment program (*Our Land Our Jobs*), based at ILC subsidiaries.

The third section of this Annual Performance Statement covers the business performance of ILC subsidiaries.

The fourth section provides a short analysis of the ILC's overall performance in 2015–16.

OUR LAND OUR FUTURE

The ILC provides land acquisition and land management assistance to Indigenous groups through the *Our Land Our Future* Program; the program was launched in March 2015 and incorporated what had been two separate programs (acquisition and management) that had set application and assessment rounds. *Our Land Our Future* was designed to move the ILC away from its historical role as a passive grant funder. It introduced a more open, flexible and considered process, with ILC officers working through project ideas with Indigenous groups based on a range of criteria. Project proponents are encouraged to contact the ILC at any time to discuss their ideas; each prospective project is assessed on its merits, relative to other proposed projects in the project 'pipeline' and in the context of the resources available to the ILC. *Our Land Our Future* is focused on longer term investment and capacity building in the development of successful projects.

Our Land Our Future operates under a spectrum of assistance which defines a range of roles for the ILC, based on the size or complexity of projects. The ILC can be:

- a direct grant funder for projects valued under $100,000
- a co-investor for projects with an indicative project value of more than $100,000
- party to a formal commercial partnership for projects with an indicative project value of more than $1 million, or
- the owner/operator of a business on Indigenous-held land through an ILC subsidiary.

The 2015–16 year was the first full year of operation of *Our Land Our Future*. At 30 June 2016, 29 land-based projects had been approved for funding, including one land acquisition. Proposals under development and in assessment represent prospective ILC funding of approximately $15 million. The ILC had notionally leveraged $36 million from other partners and investors for both approved and prospective projects.

Most projects within the scope of this report were initiated under former program arrangements. ILC projects are typically in implementation over at least two financial years, sometimes longer depending on the nature and complexity of the project.

LAND ACQUISITION

Deliverable 1: Properties acquired for socio-economic development and cultural and environmental heritage protection

Target	**3**
Achieved	**1**
Next year's target	**3**

As in 2014–15, the ILC provided funds to assist in the purchase of one property in 2015–16. Panatana was acquired under the 'access to and protection of cultural and environmental values' priority (see page 6).

Over its 20-year history the balance between the ILC's land acquisition and land management functions has shifted, with land management taking precedence over acquisition. This can be attributed to the increasing extent of the Indigenous estate, the increasing price of land in Australia, and more considered approaches to acquisition that take into account the capacity of the land and of future land holding bodies. The ILC Board to October 2015 actively prioritised land management over acquisition. The impact on the ILC's resources of the acquisition of Ayers Rock Resort in 2010–11 also needs to be taken into account, though that acquisition has reaped considerable Indigenous benefits and the financial performance of the resort has in recent years been steadily improving under Voyages' stewardship.

At 30 June 2016 there were a number of land acquisition proposals (seeking co-investment) under development through *Our Land Our Future*. These projects were subject to viability assessment and due diligence investigations.

A map of all ILC land acquisitions and grants is at Appendix 4.

CASE STUDY: LAND ACQUISITION

PANATANA

TASMANIA

Panatana foreshore on the Rubicon Estuary east of Devonport in Tasmania.

In November 2015 the ILC purchased two of three allotments of Panatana, a culturally and environmentally significant property on the Rubicon estuary, 20 kilometres east of Devonport, through the *Our Land Our Future* Program. This 178-hectare acquisition was a collaboration with the Tasmanian Nature Conservancy which purchased the third lot of 53 hectares. The ILC's holdings have been leased to the Six Rivers Aboriginal Corporation, pending grant.

The area around Panatana was home to the 'North' nation of Tasmanian Aboriginal people (Palawa) who lived off the rich natural resources of the estuary, including oysters, abalone and scallops. Numerous shell middens are evidence of Panatana's links to traditional Palawa life.

The property comprises dry coastal forest and eucalypt woodland and provides habitat to several threatened and endangered species, including the Tasmanian devil, Tasmanian wedge-tailed eagle and white-bellied sea eagle. The Panatana foreshore is an important refuge for a number of migratory wetland bird species.

The acquisition of Panatana has added to the Indigenous estate, provides for Indigenous access to traditional country, and enables Six Rivers Aboriginal Corporation to protect and manage the property's significant cultural and environmental values. During its lease of the property, Six Rivers will develop a management plan aimed at keeping Panatana accessible, free of pest plants and animals, and safe for visitors.

LAND GRANT

Deliverable 2: Properties granted	
Target	**10**
Achieved	**6**
Next year's target	**8***

** Note: The ILC Board approved a total of 11 divestments for 2016–17 in June 2016.*

The ILC has a statutory obligation to divest the properties it acquires to Indigenous corporations 'within a reasonable time after ... acquisition' (s191D[3][b], ATSI Act). In recent years, following a policy of the former Board, the ILC has been accelerating the divestment of properties, including those that have been developed by the ILC as a base for businesses.

Land grants assist local Indigenous communities to derive a host of land-based benefits in remote, regional and urban Australia. These benefits encompass developing an economic base for future generations, providing training and jobs, looking after culturally and/or environmentally significant country, or securing or expanding the delivery of Indigenous services.

In 2015–16 the ILC formally transferred six properties to Indigenous ownership (Table 3). Another three properties (Table 4) were awaiting transfer of legal ownership at 30 June 2016. One property (Murrayfield) scheduled for divestment this year has not yet been granted only because of legal technicalities.

Though the ILC's preference is to divest properties acquired as soon as possible, the ILC Divestment Policy recognises the need in many cases for a land-holding-to-grant phase (typically of three years) to build the capacity of potential land holding corporations. A divestment plan is developed in partnership with the prospective land holder; this may include a lease period to assist the corporation to build its skills and expertise in areas of property ownership (as is currently the case with the Panatana acquisition).

Significant grants this year included Mawonga Station (see page 9) and Roebuck Export Depot, near Broome, WA. The export depot was developed by the ILC adjacent to Roebuck Plains Station which was divested to Nyamba Buru Yawuru Pty Ltd in September 2014. Both the station and export depot are leased back to ILC subsidiary NIPE.

Three grants facilitated Indigenous access to service delivery: Bramall Street (family violence counselling and cultural healing), Doriemus House (medical services) and Rothesay Circle (services for women and families). Eurool is a former grazing and cropping property that provides opportunities for business development as well as access to traditional country.

Though legal formalities have not been completed, a divestment ceremony was held at Murrayfield on Bruny Island off the south-east coast of Tasmania in November 2015. Acquired by the ILC in 2001, Murrayfield is a significant property in the Indigenous estate, combining rich traditional connections, habitat for endangered species and an ILC-developed commercial sheep enterprise that produces around 40,000 kilograms of fine wool and 2000 prime lambs a year. weetapoona Aboriginal Corporation will take ownership once the transfer is completed, with the agribusiness leased to NIPE. Under the terms of the decision to grant, weetapoona will increase its involvement in the pastoral business.

During the year the ILC reacquired the previously granted property Weilmoringle and Orana in western New South Wales, due to the liquidation of its land holding body.

The ILC held 48 properties at 30 June 2016 (including ILC-owned properties managed by ILC subsidiaries and Ayers Rock Resort, owned by Voyages). Many are in the land holding to grant phase, with active divestment plans. The ILC retains ownership of properties for a longer period in circumstances where there is no obvious land holding body, where the prospective land holding group lacks capacity, or where the land itself (quality or scale) is unable to meet its operational costs or support sustainable activities. Where possible, the ILC partners with prospective land holding corporations to work up strategies for viability.

The ILC Board's baseline reviews (see Chairperson's report) will consider the ILC's entire property portfolio.

Since 1996 the ILC has disposed of 13 properties where Indigenous benefits were no longer achievable; none were sold this year.

TABLE 3: PROPERTIES GRANTED, 2015–16

Property	Location	State	Size (ha)	Title holding body
Cultural and/or environmental values				
Mawonga Station	Hillston	NSW	22,257.71	Winangakirri AC
Socio-economic development				
Eurool	Collarenabri	NSW	4,518	Eurool Traditional Owners AC
Bramall Street	East Perth	WA	0.0491	Yorgum AC
Doriemus House	Kalgoorlie	WA	0.05	Bega Garnbirringu Health Services Inc
Roebuck Export Depot	Broome	WA	100.14	Nyamba Buru Yawuru Pty Ltd
Rothesay Circle Reserve	Goodwood	Tas.	0.494	Karadi AC

AC = Aboriginal Corporation

TABLE 4: PROPERTIES APPROVED FOR GRANT AND AWAITING SETTLEMENT, 2015–16

Property	Location	State	Size	Board approval date	Title holding body
88 Renwick Street	Redfern	NSW	0.0185	7.10.2015	Aboriginal Dance Theatre Redfern Inc
Talaroo Station	Mount Surprise	Qld	31,500	26.8.2015	Ewamian AC
Murrayfield	North Bruny Island	Tas.	4,097	24.6.2015	weetapoona AC

TABLE 5: NUMBER OF PROPERTIES ACQUIRED AND GRANTED TO 30 JUNE 2016, BY FINANCIAL YEAR

Financial year	Acquired	Granted
95–96	–	–
96–97	15	4
97–98	30	10
98–99	54	26
99–00	30	30
00–01	18	16
01–02	9	15
02–03	10	2
03–04	8	4
04–05	21 (15 from ATSIC)	1

Financial year	Acquired	Granted
05–06	8	4
06–07	13	3
07–08	7	7
08–09	8	10
09–10	2	14
10–11	5	12
11–12	4	4
12–13	4	5
13–14	4	4
14–15	1	14
15–16	1	6

CASE STUDY: LAND GRANT

MAWONGA STATION

NEW SOUTH WALES

(From left) ILC Eastern Division Manager Trish Button, Winangakirri Aboriginal Corporation Chairman Lawrence Clarke and National Program Delivery Executive Director Craig North at the Mawonga divestment ceremony.

An important cultural and environmental landscape became an Indigenous Protected Area (IPA) following the ILC's grant of Mawonga Station in western New South Wales to Traditional Owners in September 2015.

The ILC purchased Mawonga, north of Hillston, in 2011 in conjunction with the Department of the Environment. Mawonga lies in the Cobar Peneplain bioregion, an under-represented bioregion in Australia's National Reserve System. The property has many important Indigenous rock-art sites, scarred trees and the remains of traditional camp sites, as well as providing habitat for endangered plant and animal species.

The grant to Winangakirri Aboriginal Corporation secures ownership of Ngiyampaa Wangaaypuwan traditional land and contributes to cultural revival and reconnection, while helping to preserve the property's environmental values for future generations.

Indigenous training outcomes will be generated with Winangakirri employing one full-time Indigenous manager and engaging more than 30 part-time volunteers each year to assist with conservation monitoring and land management. Previous training programs have resulted in 12 Indigenous people completing a Certificate II in Conservation and Land Management

In September 2014, the Australian Government approved four years of funding for the conservation and land management of Mawonga as an IPA.

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 ATSI Act sets out that a grantee cannot dispose of or mortgage a property without the ILC's consent. The caveats placed on the titles of properties granted help to ensure that the land continues to deliver benefits for Indigenous people, remains in Indigenous control and is used for the purposes for which it was 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 on its merit. Table 6 shows the requests from Indigenous land owners approved in 2015–16.

TABLE 6: OTHER DEALINGS IN LAND APPROVED, 2015–16

Approval date	Group	State	Request
23 July 2014 (lease executed)	Nyamba Buru Yawuru Ltd	WA	Roebuck Export Depot leased to NIPE for 7 years with the option of further 8 years
27 October 2015	ILC	Vic.	Consent to grazing licence on Falbala Farm
4 December 2015	Gunumu AC (GAC)	NT	Consent to lease property at Timber Creek to GAC subsidiary for 10 years to operate 'Outback Store'
22 January 2016	ILC	SA	Consent to Commissioner of Highways to occupy part of Lot 707, Bedford Park ('Warriparinga') to support roadwork project undertaken by SA Department of Planning, Transport and Infrastructure
1 April 2016	Wonnarua Nation AC	NSW	Consent to amendment for right of carriageway
7 April 2016	Cape York Partnerships Welfare Reform Pty Ltd	Qld	Consent to amalgamation of 3 existing titles and an easement
28 April 2016	Walhallow Murri Enterprise AC	NSW	Consent to 5-year lease for portion of the Coburn property to Alpha Partnership
17 May 2016	Flinders Island AC	Tas.	Licence portion of 'Thule' to Hydro Tasmania for creation of access road
26 May 2016	Poonko-Strathgordon AC	Qld	Consent to 10-year agistment agreement (with the option of further 3 x 5 yrs) over portion of Strathgordon property to Carpentaria Cattle Co.
28 May 2016 (transfer date)	Weilmoringle Land Holding Company (WLHC)		Land voluntarily transferred and reacquired by the ILC following liquidation of WLHC
30 June 2016	Gippsland East Aboriginal Cooperative Ltd	Vic.	Consent to Vegetation Offset Management Plan on 'Boole Boole' (registered on property title)

AC = Aboriginal Corporation

REGIONAL LAND MANAGEMENT

Deliverable 4: Regional land management projects implemented	
Target	**12**
Achieved	**10**
Next year's target	**12**

Note: The Kimberley Ranger Program is included in the above total because it was still technically in implementation; however, all on-ground activities had ceased before 1 July 2015.

The ILC funds regional land management projects, typically multi-year and involving larger tracts of land, in collaboration with other agencies and partners. Regional projects may provide advice, mentoring, extension services and other assistance; they are a key vehicle through which the ILC supports capacity building for Indigenous land holders. Regional projects are also a vehicle for developing a knowledge base in emerging industries such as carbon farming.

Though the ILC did not achieve the target of 12 projects, two other regional projects were under development this financial year through *Our Land Our Future*.

Active projects in 2015–16 include the Australian Government-funded Real Jobs Program, involving 15 sub-projects, aimed at creating Indigenous jobs in the land management, pastoral and tourism sectors in the Northern Territory (see map of Land Management projects at Appendix Five).

The ILC continued its support for five new edible gardens attached to community schools and associated horticulture training/nutrition education in the Kimberley, WA. The gardens are part of the wider EON Thriving Communities project which is addressing the challenges of preventable disease and food insecurity in remote Indigenous communities in Western Australia.

The ILC also contributed $2 million in funding to a multi-year project to build a new office precinct in Broome, WA, for the Kimberley Land Council; major contributions also came from PM&C, Regional Development Australia, the WA Regional Development Council and LotteryWest.

Two long-running pastoral extension projects were this year managed by ILC subsidiary National Indigenous Pastoral Enterprises (NIPE). Information on performance of the Indigenous Pastoral Program, operating in the Northern Territory, in 2015–16 is provided in the NIPE report on pages 30–34. The Indigenous Landholder Service (ILS), delivered by the WA Department of Food and Agriculture (DAFWA) with co-funding from the ILC, concluded on 30 June 2016 when the funding agreement ceased. During 2015–16 the ILS served around 34 Indigenous land holders across the state.

With support from the ILS and DAFWA, Lamboo Station hosted the first low-stress stock handling workshop for Indigenous pastoral workers in the Kimberley. Indigenous stockmen and women from Lamboo, Millijiddee and Noonkanbah Stations and the East Kimberley Cattle Company gathered at Lamboo, near Halls Creek, in May 2016 to undertake training and then conduct a muster of around 750 cattle. Low-stress stock handling techniques improve both meat standards and worker safety.

In addition, 14 individual projects flowing from the ILS have been in implementation over recent financial years. These are providing property upgrades—including fencing, water points, equipment, herd improvement—to improve the production capacity and profitability of Indigenous-held pastoral land. Three of these projects were managed by NIPE in 2015–16: Yallalie Downs infrastructure development, Louisa Downs Station refurbishment of dams, and East Kimberley Cattle Pty Ltd (across four stations). These and other ILS sub-projects are counted under Deliverable 5 on page 14.

NIPE is assisting East Kimberley Cattle Pty Ltd (EKC) to realise its vision to manage its own cattle enterprise and build a high-quality herd that will be competitive in the live export market. EKC properties are located close to the Wyndham port enabling EKC to transport cattle year round. EKC has installed industry-standard infrastructure such as water points, cattle handling facilities and fencing. Approximately 125,000 hectares of cattle grazing country have been brought back into production. This has enabled EKC to enter into an agistment agreement securing financial returns in the short term. EKC is also focused on managing its land for other values. Fencing installed on the EKC properties directs cattle to strategically located water points away from five environmentally sensitive river systems, preventing environmental degradation and water pollution. The project has provided important learning and employment opportunities for 21 Indigenous trainees in 2015–16.

In future years NIPE's developing National Indigenous Advisory Services arm will provide services similar to the ILS, operating widely across northern Australia.

In South Australia, a regional project developed over the last two years through *Our Land Our Future* will assist in establishing sustainable Indigenous grazing businesses in the North West Pastoral district of the state. The South Australian Department of Primary Industries and Regions is providing matching funding for this major project.

ILC regional land management projects have been investing in the development of new technologies for savanna burning to enable Indigenous landholders to participate in the Australian Government's Emissions Reduction Fund (ERF). Since 2012, the ILC has been working with the North Australia Indigenous Land and Sea Management Alliance (NAILSMA) to investigate methodologies for savanna-fire-management biosequestration and lower-rainfall abatement. This project is co-funded by The Nature Conservancy and Australian Government Department of the Environment.

From 2014, the ILC has also been co-funding with the Department of the Environment and the WA Department of Parks and Wildlife a feasibility assessment for a carbon farming methodology related to fire management in landscapes dominated by mulga vegetation. This would essentially extend the lower rainfall savanna-fire-management methodology to regions with less than 600mm average annual rainfall. In 2015–16, the ILC is also collaborating with the Department of the Environment and The Nature Conservancy to support field work and data collection to update the existing savanna-fire-management methodology to include the pindan vegetation type in the western Kimberley. All of these projects are aimed at enabling broader Indigenous participation in the ERF and improving the viability of Indigenous carbon enterprises.

A map of all ILC land management projects is at Appendix 5.

Mustering cattle as part of the North West Pastoral Project.

CASE STUDY: REGIONAL LAND MANAGEMENT

PRESCRIBED EARLY DRY-SEASON BURNING FOR SAVANNA FIRE MANAGEMENT

Nyaliga Aboriginal Corporation rangers took part in aerial fire management activities on the Karunjie-Durack properties in the Kimberley, WA.

The ILC has continued to develop the capacity of Traditional Owners in savanna fire management on ILC properties and across Indigenous-held land in northern Australia.

The northern fire season in early 2016 was challenging for land managers after successive poor wet seasons, record-breaking heat, early curing of grass fuel and severe fire weather affecting parts of the Kimberley and Top End. Despite these abnormal conditions the ILC's registered savanna burning projects, on ILC-held properties at Fish River Station, NT, and Merepah Station, Qld, performed well in 2016 and are on track to achieve high levels of carbon abatement and project income. In November 2015 the ILC was successful in the Australian Government's Emissions Reduction Fund auction to sell carbon credits from these two fire projects over a five-year period.

The Fish River rangers have implemented a strategic network of early dry season prescribed burning on Fish River, and completed a fee-for-service contract for aerial prescribed burning over 2100 square kilometres of the adjoining Upper Daly River Aboriginal Land Trust and Fish River Gorge Block. This included parts of the recently registered Western Top End savanna fire management project, which will enable neighboring Indigenous groups to generate income.

After a poor fire season in 2015, the Merepah Fire Project has performed strongly in 2016. The project completed a network of aerial and on-ground prescribed burning using state-of-the-art Geographic Information System navigation to locate fire history, fuel loads, habitat type and pasture management. The project trained and employed Traditional Owners in aerial prescribed burning. The ILC provided assistance to the neighbouring Oyala Thumotang Aboriginal Land Trust on its plan to register a savanna fire management project in 2016.

The Karunjie-Durack River Fire Project in the Kimberley, WA, completed a network of aerial and ground prescribed burning through the casual employment of Nyaliga rangers. Any income earned from the 2016 fire management work will support the management of these properties and help provide a sustainable economic base to facilitate the properties' grant to the Nyaliga Aboriginal Corporation. The project, co-funded by The Nature Conservancy, is developing towards registration in late 2016.

In the Kija Fire Project area, the ILC supervised and planned burning to assist Indigenous pastoralists and Traditional Owners. The Kija Fire Project consists of Doon Doon, Bow River, Violet Valley and Glen Hill Stations, 8200 square kilometres of Indigenous-held land in the East Kimberley. This project is also on track to register a savanna fire management project in 2016. The ILC is supporting project governance and registration. The Nature Conservancy is providing co-funding and other support.

OTHER LAND MANAGEMENT

Deliverable 5: Property-based, property management planning land management projects assisted	
Target	**60**
Achieved	**139**
Next year's target	**60**

Note: Measures the number of land management projects (excluding regional projects above) in implementation across the ILC's three divisions in 2015–16. It does not include projects managed by ILC subsidiaries with the exception of three land management projects transferred to NIPE in 2015–16.

These projects are typically based on one property (though some involve several) and provide funding for a range of purposes including property management or economic development plans, feasibility studies, infrastructure, equipment, property refurbishments/upgrades, landscaping, training and capacity building.

Table 7 sets out the seven major *Our Land Our Future* projects approved in 2015–16 and Table 8 the 22 smaller, grant-funded (less than $100,000) projects approved. These tables do not include all projects in implementation, given that many projects initiated in former financial years remained active in 2015–16.

TABLE 7: OUR LAND OUR FUTURE PROJECTS APPROVED IN 2015–16, GREATER THAN $100,000

Project	Vision	ILC role	Co-investors (beyond project proponent)
East Trinity ecotourism, via Cairns, Qld	Assist Mandingalbay Yidinji AC to establish a low-impact tourism enterprise on native title land	Funder for pre-development schedule of work (social, economic and environmental impact statements)	DATSIP IBA – in kind
Nyaliga AC enterprise development, Kimberley, WA	Establish sustainable land-based enterprises (tourism, carbon, pastoral) on the Karunjie and Durack River pastoral leases (ILC-held) to generate revenue for proposed title-holding body, Nyaliga AC.	Funder/facilitator for burning works, carbon feasibility audit, 4WD track survey, tourism market research, fencing materials, workshops/meetings	PM&C Tourism WA The Nature Conservancy KLC – in kind
Yakabindie Aggregation pastoral sublease, Goldfields, WA	Diversification of Bundarra Contracting Pty Ltd business through sublease of four pastoral properties (see CASE STUDY)	Funding contribution to purchase essential plant and equipment for pastoral operations	PM&C Commercial loans
APY Lands pastoral operations, SA	Assist development and expansion of the existing APY cattle business	Partner/facilitator; funder for plant, equipment, infrastructure	Alinytjara Wilurara Natural Resource Management Skillhire – in kind
Kokatha pastoral operations, SA	Assist Kokatha to secure leases over BHP Billiton properties Roxby Downs, Purple Downs and Andamooka Station to enable development of pastoral enterprise providing training and employment	Partner; funder for due diligence planning, heritage management planning, plant and equipment, training	BHP Billiton PM&C PIRSA jobactive
North West Pastoral, SA	(see REGIONAL LAND MANAGEMENT)		
Panatana acquisition, Tas.	(see LAND ACQUISITION)		

AC = Aboriginal Corporation
PM&C = Department of the Prime Minister and Cabinet (Indigenous Advancement Strategy)
IBA = Indigenous Business Australia
DATSIP = Department of Aboriginal and Torres Strait Islander Partnerships, Queensland Government
KLC = Kimberley Land Council
APY = Anangu Pitjantjatjara Yankunytjatjara
PIRSA = Primary Industries and Regions SA

TABLE 8: OUR LAND OUR FUTURE, SMALLER (LESS THAN $100,000) PROJECTS APPROVED IN 2015–16

Project	Funded activity
Boomalli Aboriginal Artists Cooperative fire safety, Leichhardt, NSW	Upgrade premises to fire safety standards
Dorodong AC ecotourism feasibility, near Coffs Harbour, NSW	Feasibility/initial development of scoping study for ecotourism enterprise across 3 properties
Mutawintji Visitor Centre upgrade, via Wilcannia, NSW*	Refurbish existing visitor centre and erect signage to assist in restarting a cultural tourism enterprise at Mutawintji National Park (with NSW Aboriginal Land Council)
Ngulingah Local Aboriginal Land Council, via Nimbin, NSW*	Purchase excavator and attachments for land management over 4 properties
Corranderrk water infrastructure, via Healesville, Vic.*	Contribute to upgrade of grazing infrastructure and environmental management
Carson River pastoral lease, Kalumburu, WA*	Economic development plan
Decca Station infrastructure, via Roebourne, WA	Infrastructure for development of compost and vermiculture social enterprise; upgrade of accommodation facilities to support 'Family Cultural Health Station' program; landscaping and establishment of nursery for nature-based healing
Dowrene Farm, Cranbrook, WA*	Purchase equipment for weed control and regular maintenance of firebreaks
Ngaanyatjarra Lands camel enterprise, WA	Fencing material and water points for construction of holding paddocks for mustered camels
Pindan vegetation carbon methodology development, WA (see REGIONAL LAND MANAGEMENT)	
Wunan House expansion, Kununurra, WA*	Fit out and furnish two units recently purchased by Wunan Foundation to provide additional accommodation for visitors wanting Indigenous cultural experiences
Yirriman wild harvest project, Kimberley, WA*	Business plan to guide future commercial growth of Yiriman women's sustainable wild harvest enterprise
Cotabena Swamp bore upgrades, via Hawker, SA	Rehabilitation of two existing bores; drilling new bore; solar pumping system; 2 x 5000L water tanks.
Johns Nest air seeder, Borrika, SA	Air seeder to facilitate farming/mitigate environmental damage
Ostrich Farm pastoral development, via Port Augusta, SA	Pastoral infrastructure
Vokes Road processing plant, Virginia, SA	Harvester and salads greens washing and processing plant for sale of product under newly developed brand 'Top Cat Fresh'
Dhimirru skid steer, north-east Arnhem Land, NT	Earth-moving equipment for management of roads across the Dhimurru Indigenous Protected Area (IPA)
Ininti One Cafe and Souvenirs, Uluru Kata Tjuta National Park, NT*	Upgrade premises
Mimal ranger base, Bulman, NT	Urgent health and safety: Repair septic system
Njanjma rangers plant and equipment, Gunbalanya, NT*	Plant and equipment to carry out land and cultural-heritage management in East Alligator catchment, western Arnhem Land (Arnhem Aboriginal Land Trust)
Waanyi Garawa fire management, NT*	Equipment including satellite connection to enable rangers to better manage fire on Ganalanga-Mindibirrina IPA, which sits on entire Waanyi Garawa Aboriginal Land Trust.
Yirrkala arts centre solar infrastructure, NT*	Install cyclone-rated solar photovoltaic system at Buku-Larrnggay Mulka Centre

** Funds to be released in 2016–17 after project approval in 2015–16*

CASE STUDY: LAND MANAGEMENT

YAKABINDIE AGGREGATION PASTORAL SUBLEASE

WESTERN AUSTRALIA

ILC support is helping Bundarra Contracting to expand business opportunities through the integration of pastoral activities with its civil contracting business.

The ILC provided land management investment through *Our land Our Future* to assist Bundarra Contracting Pty Ltd (Bundarra) to obtain a sublease over the Yakabindie pastoral aggregation in the northern Goldfields area of Western Australia. The aggregation comprises four pastoral leases: Albion Downs, Mount Keith, Yakabindie and Leinster, covering an area of 577,101 hectares.

Bundarra is a successful, 100 per cent Indigenous-owned mining construction and civil works contracting business operating in the Goldfields region since 2001. Brett Lewis, co-owner of the business with his wife, Patricia, is a Traditional Owner of the area in which the Yakabindie Aggregation sublease is located. In 2014 Bundarra won the 'Outstanding Aboriginal Business of the Year' award from the Kalgoorlie Chambers of Commerce.

ILC support assisted Bundarra to buy a grader, tractor and stock-management equipment which were requirements to obtain the sublease for a 10-year term with a further 10-year option. Bundarra is now able to focus on diversifying its business and building on its strong track record in providing training and employment opportunities for local Indigenous people.

ILC support will help to deliver a wide range of Indigenous benefits including:

- more than 570,000 hectares of land being brought under Indigenous management
- improved land management on four properties
- expanded business opportunities through the integration of pastoral operations with the contracting business
- generation of new income for Bundarra
- five new full-time Indigenous pastoral jobs
- 32 registered Indigenous sites coming under Traditional Owner protection.

A further 18 Indigenous employment outcomes will be enabled through the relocation of the Bundarra mining construction and civil works business to the Yakabindie Aggregation sublease.

OTHER LAND MANAGEMENT (CONTINUED)

In 2015–16, 139 projects were at various stages of implementation, from initial project approval to final assessment; three pastoral-based projects in Western Australia counted in this total were managed by NIPE in this financial year.

Tables 7 and 8 (*Our Land Our Future* projects approved in 2015–16) give a picture of the types of projects supported by the ILC, ranging from significant commercial developments to small grants for health and safety remediation.

In the East Trinity project, the ILC has been working with Mandingalbay Yidinji Aboriginal Corporation in a long-term project to realise the corporation's goal of establishing an ecotourism enterprise on the eastern bank of the Trinity Inlet, opposite the Cairns CBD. The group wants to provide activities for tourists as well as construct a boardwalk interspersed with interactive hubs. The ILC is currently assisting the corporation to secure development approval, and brokering support from a range of other parties.

On the Karunjie and Durack River pastoral leases, owned by the ILC in the East Kimberley, WA, the ILC is working to generate a range of alternative income streams (carbon farming, tourism), with project partners, so the properties can be divested to the Nyaliga Aboriginal Corporation, representing Traditional Owners. The properties are not viable as pure pastoral enterprises.

Land management funding provided to Ngaanyatjarra Council Aboriginal Corporation to construct holding paddocks for mustered camels is assisting the development of a viable camel enterprise as well as helping to manage the feral camel population on the Ngaanyatjarra Lands.

In the Warriparinga project in Adelaide, SA, the ILC is working with two Indigenous organisations to facilitate the rezoning and subdivision of ILC-owned land to allow construction of an independent living Elders Village via the sale of allotments of the remaining land.

At Johns Nest, an Indigenous-owned cropping enterprise in South Australia, the ILC's investment in an air seeder will improve the efficiency of the business and enable expansion by reducing the direct costs of sowing crops. Transition to 'no-till' farming methods will also improve soil structure, increase soil moisture retention and reduce reliance on fertilisers. The long-term goal of the business is to provide seasonal employment opportunities to Indigenous family members.

MEASURING INDIGENOUS BENEFITS

The ATSI Act requires that the ILC operate its land acquisition and management functions to achieve economic, environmental, social or cultural benefits for Indigenous Australians. The ILC has to perform the complex task of balancing these various types of benefit, which are both interconnected and at times in tension.

The ILC Benefits Framework (June 2013) sets out how the ILC defines, captures, measures and reports on the achievement of these benefits.

The report on KPIs 3–6 is based on the collation of benefits achieved, as recorded in internal systems for capturing data reported by funding recipients, for land management projects in implementation in 2015–16 and active land acquisition projects. The latter projects encompass acquisitions in this and the previous three financial years and include longer term acquisitions that have benefited in recent years from significant investment of land management funds.

Benefits recorded from 14 land acquisition projects and 149 land management projects underpin this report (noting that not all active projects will be recording benefits in 2015–16 including those recently approved). The land acquisition projects in scope are set out below.

Acquired for access to and protection of cultural and environmental values: 2012–16	Acquired for socio-economic development: 2012–16	Longer-term acquisitions with active projects
Panatana, Tas.	Hoddle Street, Abbotsford, Vic.	Menera, NSW
Mount Barker, Vic.	Southgate Avenue, Cannon Hill, Qld	Kooreelah, Vic.
Gowan Brae, Tas.	Sheridan Street, Cairns, Qld	Roelands Mission, Bunbury, WA
	Bramall Street, East Perth, WA	Fish River, NT
	Mertin Street, Burke, NSW	
	Clontarf Campus, Perth, WA	
	Mella Road, Smithton (Trawmanna), Tas.	

Mustering cattle on NIPE's Crocodile Welcome property in northern Queensland.

Progress indicators set out in the Benefits Framework (and in the ILC Group Corporate Plan 2015–16) are used to measure progress in meeting the ILC's Priority Outcomes. Some Progress Indicators relate to PBS targets; reporting against the others is provided below.

- **Employment participation**
- **Training participation**

See reports on KPIs 1–4 for both direct and enabled Indigenous training and employment.

- **Expansion of the Indigenous Estate**

The Panatana acquisition expanded the Indigenous estate by 178 hectares. (It should be noted that ILC acquisitions have made a less significant contribution to this goal—in terms of the extent of land—than processes under the *Native Title Act 1993* and other land rights legislation.)

- **Generation of new and/or increased income**
- **Indigenous business creation and development**

The ILC continues to assist the development of land-based Indigenous businesses; the majority of ILC projects approved in 2015–16 had this focus. For this year 41 Indigenous businesses reported an increase in income, and 29 reported expansion. The two pastoral extension services managed by NIPE (Indigenous Landholder Service, WA, and Indigenous Pastoral Program, NT) expanded operations at 15 Indigenous-owned enterprises. ILC-supported enterprises and the operation of businesses by ILC subsidiaries provide opportunities for increased income to Indigenous individuals.

- **Participation in social and community activities**

Around 2800 Indigenous people participated in social and community activities as a result of land acquisition and land management projects active in this financial year.

- **Access to a social service**

Most ILC urban acquisitions and many urban land management projects relate to providing better, larger or more secure premises for Indigenous service delivery. In 2015–16 more than 7000 Indigenous people accessed social services provided by organisations benefiting from active ILC land acquisition and management projects. Contributing to this total were:

- Indigenous Wellbeing Centre, Bundaberg, Qld – 2454 people accessing services
- Aboriginal Family Violence Prevention and Legal Service Victoria (Hoddle Street) – 1800
- Gallang Place Indigenous Counselling Service (Southgate Avenue), Qld – 1052
- Yorgum Aboriginal Corporation (Bramall Street), WA – 1075.

- **Improved management of Indigenous land**

See KPI 5 on page 21.

- **Access to country**
- **Maintenance or revitalisation of culture**
- **Access to or protection of culturally significant sites**
- **Protection of environmental heritage values**

See KPI 6 on page 21.

ENABLED INDIGENOUS EMPLOYMENT AND TRAINING

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

The shared commitment of the ILC, Indigenous land holders and other project collaborators resulted in employment figures more than double the target set. Of these employment outcomes, 23.5 per cent represented new Indigenous jobs.

The Real Jobs Program operating in the Northern Territory (see case study on page 20) was a major contributor to this total. So too were strategic projects funded by the ILC, often in collaboration with other parties:

- construction of a commercial office building at 302–310 Sheridan Street, Cairns, Qld, for Cape York Partnerships to expand its services – 137 positions in 2015–16
- the Hopevale, Qld, banana plantation and processing plant – 22 full-time jobs in 2015–16
- development of the Kimberley Land Council office precinct, Broome, WA – 51 positions in 2015–16
- Ngaanyatjarra Lands camel enterprise, WA – 42 casual positions in 2015–16.

In 2015–16, active ILC projects supported 3014 training participants including 2745 completions. Regional and multi-site projects accounted for a significant proportion of training outcomes, including the Real Jobs Program and Indigenous Pastoral Program, NT. The edible gardens horticulture project across five communities in the Kimberley, WA achieved 1038 training completions.

Other projects contributing significantly to training outcomes included:

- Clontarf Campus, Perth, WA – 385 training participants
- Roelands Mission, Bunbury, WA – 275 training completions
- Indigenous Wellbeing Centre, Bundaberg, Qld – 98 training completions
- Tauondi College horticulture, Adelaide, SA – 61 training participants
- North West Pastoral Program, SA – 32 training participants, in addition to 36 employment outcomes.

KPI 3: Total number of Indigenous employment outcomes enabled through ILC land acquisition and land management projects

Target	**500**
Achieved	**1096**
Next year's target	**500**

Note: Data collated from recipients of ILC assistance for projects in implementation (excluding ILC subsidiaries). Includes all employment types: full-time, part-time, casual/seasonal, contract, apprenticeships and traineeships, of whatever duration, at any time during the financial year

TABLE 9: EMPLOYMENT OUTCOMES ENABLED, BY EMPLOYMENT CATEGORY, 2015–16

Category	Number
Full-time	502
Part-time	60
Casual	393
Contract	49
Apprentice	4
Trainee	88
TOTAL	1096

KPI 4: Total number of Indigenous training outcomes enabled through ILC land acquisition and land management projects

Target	**1000**
Achieved	**2745 completions** **3014 participations**
Next year's target	**1000**

Note: Data collated from recipients of ILC assistance for projects in implementation (excluding ILC subsidiaries). Training participants undertook a variety of accredited and non-accredited courses, of varying durations, in areas including land management, natural resource management, agriculture, horticulture, horsemanship, pest control, construction, mechanics, hospitality and catering, corporate governance, business and financial management, and work health and safety.

CASE STUDY: ENABLED EMPLOYMENT AND TRAINING

REAL JOBS PROGRAM

NORTHERN TERRITORY

Since 2007 the ILC has received an appropriation from the Australian Government under the Real Jobs Program (RJP) to provide full-time equivalent positions for 150 unemployed Indigenous people in the Northern Territory with a view to transitioning them into jobs in the land management, tourism and agribusiness sectors. The ILC contracts 15 service providers to host the positions, and provides funding for wages, training, coordination and mentoring. The aim is to build the capacity of individuals to take up employment outside the RJP.

In 2015–16 the RJP provided $7.57 million to support the employment of 193 individuals and the completion of 409 training courses. RJP employees have a high retention rate of 81 per cent, which compares favourably to the average retention rate of 66 per cent for Indigenous rangers in Working on Country projects. The RJP has been promoting gender equity throughout its projects, with 25 per cent of all RJP participants being female.

The support, mentoring and training provided by the RJP results in participants feeling confident to apply new skills. This financial year 22 participants moved into external employment. Two rangers, one from the Northern Land Council (NLC) and one from Larrakia Nation Aboriginal Corporation, secured employment with the NT Parks and Wildlife Commission to continue their career development in land management. In addition, two RJP staff from Ayers Rock Resort working in the technical service team transitioned into housing-maintenance jobs with Mutitjulu Community Aboriginal Corporation.

Through the RJP, the ILC supports 64 ranger positions within 11 ranger groups. This includes larger ranger programs operated by the NLC and Central Land Council (CLC) and smaller community-based groups such as those operated by Larrakia and the Laynhapuy Homelands Aboriginal Corporation, as well as the ILC-managed Fish River rangers. The ranger groups undertake biodiversity monitoring, fire management, weed and feral-animal control, cultural-heritage management and community activities.

The ILC works with the NT Cattlemen's Association, NIPE and the CLC to develop a workforce of skilled Indigenous people for the pastoral industry. In addition to imparting technical skills, the program is developing future leaders, building the aspirations of young participants.

The RJP is contributing to Indigenous enterprise development with 11 of the 15 service providers undertaking fee-for-service activities. Julalikari Community Aboriginal Corporation and Tiwi Enterprises are supported to develop nurseries on Indigenous-held land. The Tiwi rangers undertook mine rehabilitation by planting trees propagated in their own nursery. Kalano Farm, operated by Kalano Community Association near Katherine (an emerging enterprise that has separately benefited from ILC land management funding) planted 28,000 tomato plants this year to fulfil its Woolworths contract. The RJP provided wages for four employees in 2015–16, decreasing to three employees in 2016–17 and two in 2017–18.

In the tourism sector, 17 full-time positions are supported through collaboration with Voyages, Nitmiluk Tours and Lirrwi Tourism. Employees work in various capacities in the enterprises and undertake related training.

At the community level, 52 community events engaged 268 individuals, with emphasis placed on the involvement of youth and elders to support the maintenance and revitalisation of culture through access to country.

PROPERTIES WITH IMPROVED LAND MANAGEMENT

KPI 5: Total number of Indigenous-held properties with improved land management	
Target	**130**
Achieved	**132**
Next year's target	**130**

Note: Counts all properties related to projects where improved land management benefits are recorded for active land acquisition and land management projects in implementation this year (115 properties), plus all properties managed by ILC subsidiary businesses (17). Not all land management projects result in 'improved land management', most notably the projects generating business or property-management plans.

PROTECTING CULTURE, HERITAGE AND THE ENVIRONMENT

KPI 6: Proportion of ILC-assisted projects that protected cultural and environmental heritage values and maintained culture	
Target	**50%**
Achieved	**38%**
Next year's target	**50%**

KPI 6 reflects the emphasis placed on culture and the environment in the NILS 2013–17. The ILC's Heritage Strategy informs the ILC's work to protect environmental and cultural values across the Indigenous estate.

This year ILC projects:

- enabled more than 6200 Indigenous people to participate in cultural maintenance and revitalisation activities such as cultural events, back-to-country trips, traditional skills and language workshops, healing camps and art exhibitions
- helped to protect 135 culturally significant sites and 23 sites with environmental heritage values across Australia through activities including fencing, weed eradication, waterhole restoration and fire management
- enabled 4180 Indigenous people to access country.

The ILC's support for ranger and other natural-resource management activities, through the Real Jobs Program and land management projects, complements support given by the Australian Government through the Working on Country (WoC) and Indigenous Protected Area (IPA) programs. Over the past three years the ILC has provided significant investment, more than $6.65 million, towards ranger programs across the country. This investment has been provided for property infrastructure and equipment; workshop, office and accommodation facilities; healthy country planning and the protection of culturally significant sites. Fifty-five percent of ILC-supported ranger projects over the last three years have been part of the Government's WoC program; 30 per cent through declared IPAs; and 15 per cent through the Queensland Indigenous Land and Sea Ranger program. In addition, the ILC is currently assessing three ranger projects for land management funding under the *Our Land Our Future* Program.

On the agribusiness properties, NIPE continued 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, restoration of high-productivity grazing areas and rangeland condition monitoring (see the NIPE report on pages 30–34).

As ILC projects are largely proponent-driven, the ILC is not in a position to meet the target set for this KPI every year.

ILC Director Alison Page addressing the 2016 National Native Title Conference in Darwin.

COLLABORATION

KPI 7: Proportion of projects that were collaborative with and leveraged funding from other agencies

Target	**66%**
Achieved	**53%**
Next year's target	**66%**

Note: Measures the number of active land acquisition and land management projects in implementation in collaboration with partners (beyond the project proponent), not the value of the ILC's investment in collaborative projects. It measures all forms of collaboration (funding and in kind) with third-party partners: government, non-government and private-sector. Projects at ILC subsidiaries are not counted, apart from five pastoral projects transferred to NIPE for implementation in 2015–16. It should be noted that project proponents in some cases make significant contributions to projects undertaken with the ILC.

The ILC's commitment to working collaboratively was strengthened with the launch of the *Our Land Our Future* program in March 2015. The revised program-delivery 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 larger-scale projects.

The target was not achieved in 2015–16 because of the number of small (under $100,000) projects in implementation which typically do not have third-party project partners; nevertheless, slightly more than half of ILC projects active during the year involved collaborators.

NATIVE TITLE

In 2015–16, the ILC has worked with native title holders through its *Our Land Our Future* program stream. Of the projects commenced in this reporting period, eight directly involve native title holders and/or land over which there is a positive determination of native title.

In 2015–16, the ILC conducted the following native title-related activities:

- provided a major sponsorship package to the annual National Native Title Conference, held in Darwin, NT, in June 2016 at which the Chairperson made a well-received presentation, 'Unlocking the Indigenous estate'
- engaged with other Australian Government agencies in determining a policy approach to supporting Prescribed Bodies Corporate (PBCs) through the *Our North Our Future* White Paper PBC-support provisions
- joined the roundtable series exploring the challenges and opportunities of Indigenous property rights convened by the Australian Human Rights Commission
- established an ILC Board-endorsed policy position on the ILC's role as a default PBC under the *Native Title Act*.

Under its Native Title Policy (commenced 2013) the ILC reports on any approaches to assist in the full and final resolution of native title claims through (alternative) settlements*. The ILC received no such requests in the 2015–16 financial year.

**The negotiation of an out-of-court settlement of native title for a Traditional Owner group under an 'Alternative framework' (such as the Traditional Owner Settlement Act 2010 (Vic) as opposed to the Native Title Act.*

OUR LAND OUR JOBS

DIRECT INDIGENOUS EMPLOYMENT AND TRAINING

Our Land Our Jobs is an ILC Group initiative that invests in Indigenous jobs and career opportunities through ILC subsidiary businesses (Voyages and NIPE), primarily in rural and remote regions.

Operating nationally, *Our Land Our Jobs* offers around 300 new Indigenous jobs annually, which includes employment-based traineeship positions in tourism and agriculture, with a guaranteed offer of employment on an ILC or other enterprise for all traineeship graduates. *Our Land Our Jobs* is overseen by the ILC Board, with Voyages and NIPE responsible for delivery and operational strategies to meet employment and budgetary targets determined by the Board in conjunction with the subsidiaries.

The ILC notionally allocates $3.74 million annually, predicated on matching funding of around $3 million from the Australian Government and state or territory agencies, as well as funding contributions from the ILC subsidiaries themselves.

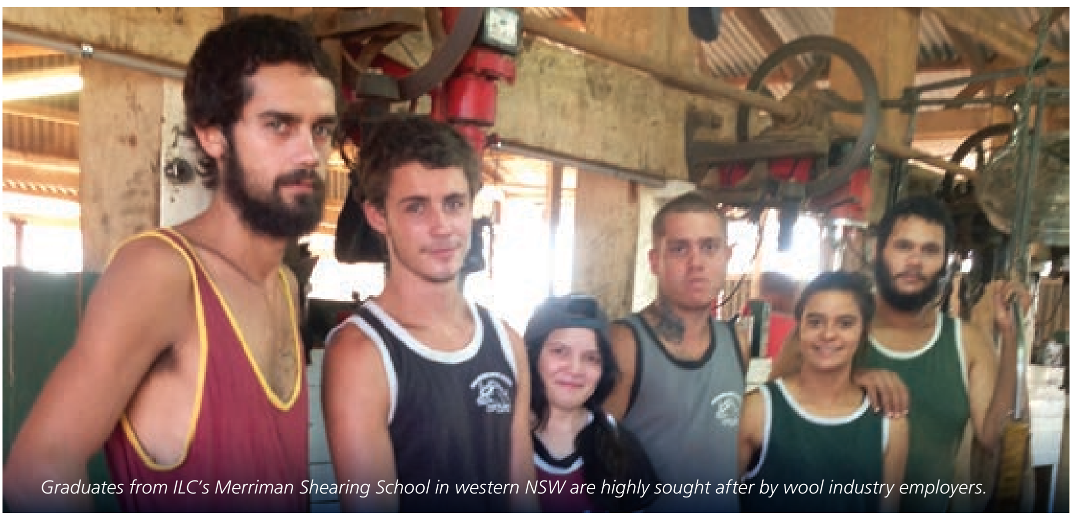
In November 2015, the Board approved $5.5 million for Voyages to deliver its Indigenous training and employment strategy from February 2016 to June 2018. This was conditional on confirmation of funding from the Indigenous Advancement Strategy, administered by the Department of the Prime Minister and Cabinet (PM&C). At year end Voyages was still in the process of negotiating a multi-year funding agreement with PM&C; in the interim its existing funding agreement was extended.

At its October 2015 meeting, the Board approved $860,750 for a period of 12 months to enable NIPE to deliver a revised and reduced employment program. PM&C has approved funding to support NIPE's employment program over two years (2016 and 2017).

The ILC also operates Merriman Shearing School on an ILC-owned property near Brewarrina, NSW, and the National Centre of Indigenous Excellence manages a JobReady program in Sydney, NSW.

EVALUATION OF THE ILC'S INVESTMENT IN INDIGENOUS EMPLOYMENT AND TRAINING

A study of the impacts of *Our Land Our Jobs* is currently in the early stages of development. The aim is to evaluate and more adequately measure the downstream impacts of participation in the program, at the individual, family and community level. The study has recruited an external reference group to oversee the process.



Graduates from ILC's Merriman Shearing School in western NSW are highly sought after by wool industry employers.

Deliverable 3: Employment and training projects implemented on ILC agricultural and tourism businesses

Target	**11**
Achieved	**12**
Next year's target	**11**

Note: The achieved total does not include Merriman Shearing School or NCIE JobReady, as these did not operate on tourism or agricultural businesses.

During 2015–16 ILC-established residential and/or training facilities were in place on the following 12 properties, operated by the ILC Group:

- Voyages Indigenous Tourism Australia: Ayers Rock Resort, NT; Mossman Gorge Centre, Qld; Home Valley Station, WA.
- National Indigenous Pastoral Enterprises: Bulimba Station, Crocodile/Welcome Stations, Merepah Station, Qld; Roebuck Plains Station, Myroodah Station, WA; Murrayfield Station, Tas.; Gunbalanya Meat Supplies, Gunbalanya Station, Warrigundu Station, NT.

Key features of the projects running at these facilities include:

- 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 up to 12-month Certificate II or III traineeships in areas such as agriculture, meat processing, horticulture, tourism and hospitality.
- mentoring, wellbeing support and training in life skills, incorporating literacy, numeracy and money management.
- close relationships with Indigenous communities to provide employment and training pathways and to share 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.

All trainees are employed by the subsidiary businesses.

KPI 1: Total number of Indigenous staff employed directly through ILC agricultural and tourism businesses

Target	**450**
Achieved	**601** **442 tourism** **159 agriculture**
Next year's target	**450**

Note: Counts all employment during the reporting period (flow data not point in time data); includes all employment measures: full-time, part-time, casual/seasonal, traineeships/apprenticeships.

KPI 2: Total number of Indigenous trainees employed* through ILC agricultural and tourism businesses

Target	**200**
Achieved	**287** **233 tourism** **54 agriculture**
Next year's target	**200**

Note: Counts all trainees employed during the reporting period (flow data not point in time data).

**The PBS 2015–16 uses the word 'hosted' instead of 'employed', as certain trainees in subsidiary businesses had previously been employed by third-party organisations. All trainees in this financial year were employed and trained by ILC subsidiary businesses; hence the change in wording.*

TABLE 10: EMPLOYMENT AND TRAINING OUTCOMES FOR VOYAGES TOURISM BUSINESSES, 2012–16

	Year	Indigenous employees	Indigenous trainees*	Total Indigenous participants	Non-Indigenous employees	Total staff and participants
Ayers Rock Resort	2012–13	167	146	329	1513	1842
	2013–14	282	165	447	863	1310
	2014–15	309	173	482	1002	1484
	2015–16	361	171	532	1056	1588
Home Valley Station	2012–13	12	17	29	63	92
	2013–14	8	9	17	57	74
	2014–15	5	17	22	67	89
	2015–16	8	18	26	65	91
Mossman Gorge Centre	2012–13	71	15	89	1	100
	2013–14	77	37	12	1	132
	2014–15	74	48	126	14	140
	2015–16	73	44	117	15	132

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.

TABLE 11: EMPLOYMENT AND TRAINING OUTCOMES FOR NIPE AGRICULTURAL BUSINESSES, 2013–16

	Indigenous employees	Indigenous trainees	Indigenous contractors	Total Indigenous participants	Non-Indigenous employees
2013–14	137	148	20	305	87
2014–15	133	132	11	276	97
2015–16	159	54	14	227	111

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.

TABLE 12: EMPLOYMENT ON OTHER ILC-HELD PROPERTIES, 2015–16

	Non-Indigenous	Indigenous	Total
Clontarf Campus, WA	1	0	1
Fish River Station, NT	0	8	8
Jumbun Farm, Qld	1	2	3
Merriman Station, NSW	0	4	4
Other	0	1	1
Total	2	15	17

EMPLOYMENT AND TRAINING IN VOYAGES

Voyages has a well-established National Indigenous Training Academy (NITA) at Ayers Rock Resort (Yulara, NT). Up to 100 Indigenous trainees undertake residential accredited enterprise-based training each year, with flexible placements across all Voyages sites for trainees and employees. Current challenges for the NITA program include the need for a new accommodation campus at Yulara to accommodate trainees as well as students from the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands, SA, undertaking work experience at the resort. Voyages' strategic focus will be continuing to build the Indigenous workforce and creating parity within the organisation through increasing representation of Indigenous employees in supervisory and leadership positions. Additionally, Voyages will continue to focus on supporting local Indigenous communities through employment, training and business development opportunities including through the Real Jobs Program (see page 20) and work experience placements for APY students.

EMPLOYMENT AND TRAINING IN NIPE

Until recently, NIPE's Indigenous employment and training program was focused on providing entry-level employment positions for Indigenous people in pastoral activities; fewer career-development positions had been offered. From 2016 NIPE has refocused its strategy on career development including career progression within NIPE itself. NIPE is employing 40 Indigenous people in 2016: 24 new jackaroos and 16 graduates from prior year courses who will transition to second-year development. The program is focusing more on recruits who see the industry as a career of first choice, with entry level commencing at Certificate III level rather than Certificate II.

TRAINING AT NCIE

See page 37.

TRAINING AT MERRIMAN SHEARING SCHOOL

Merriman Station, a 16,000-hectare sheep property on the outskirts of Brewarrina, NSW, is the venue for an ILC-operated Indigenous shearing school that trains young Indigenous people for paid jobs in the wool industry. The school is co-funded by the ILC, PM&C and Australian Wool Innovation.

Merriman Shearing School hosts a three-week pre-vocational course followed by a 13-week practical training program covering shearing skills, workplace safety, wool handling, animal husbandry, fencing and life skills. The programs are underpinned by strong industry partners. Bateman Shearing, an Indigenous shearing contractor, provides training and mentoring, MEGT provides employment services and the University of Queensland (Gatton Vocational Education Centre) provides accredited training for the school. In addition, an agreement with a local grazier ensures a supply of up to 8000 sheep and an income source to assist in meeting training costs for the school each year.

For the duration of the 16-week course the trainees work industry hours and are paid wages under the national training award. By the end of their time at Merriman, trainees are expected to be able to shear the industry minimum of 80 sheep a day. In addition, the trainees gain other rural industry skills and complete a nationally accredited Certificate II in Rural Operations (Shearing and Wool handling). Participants have the opportunity to attend and compete in shearing and wool handling competitions at agricultural shows and events in both New South Wales and Queensland.

Since 2010, the ILC has successfully delivered two 16-week courses each calendar year; 142 people have graduated from the program which has a 75 per cent completion rate. More than half the graduates are placed into ongoing employment immediately on completion.

ILC GROUP SUBSIDIARY COMPANIES

VOYAGES INDIGENOUS TOURISM AUSTRALIA PTY LTD

The ILC Board established Voyages Indigenous Tourism Australia (Voyages) to own and manage Ayers Rock Resort (acquired May 2011) and to assist in the development of Indigenous tourism across Australia. Voyages operates two other tourism enterprises developed by the ILC on ILC-owned land:

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

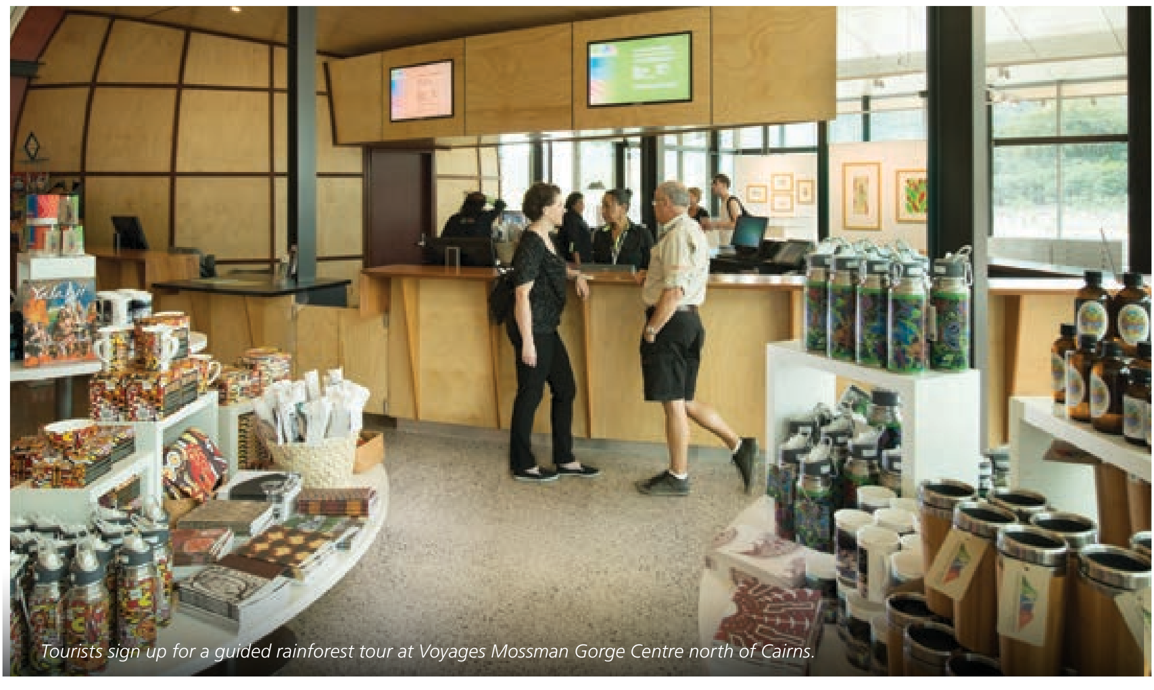
The ILC funds capital expenditure and underwrites operating shortfalls at Home Valley Station and Mossman Gorge Centre.

Voyages aims to be a leader in employment and training of Indigenous people in the tourism and hospitality industries, to support the development of Indigenous businesses, and to offer guests unique experiences of Indigenous cultures.

RESULTS IN 2015–16

BUSINESS PERFORMANCE

In the 2015–16 financial year Voyages' operations generated Earnings Before Interest, Taxation, Depreciation and Amortisation (EBITDA) of $23.1 million, up from $16.7 million in 2014–15. This reported EBITDA is after Voyages' $1.6 million contribution to its Indigenous employment and training programs. The operating cash flows generated during the year were used to fund capital expenditure at the resort totalling $13 million and Voyages' financing costs of $2.7 million. Additionally Voyages contributed $8.2 million to servicing the debt held by the ILC in relation to its acquisition of Ayers Rock Resort.



Tourists sign up for a guided rainforest tour at Voyages Mossman Gorge Centre north of Cairns.

AYERS ROCK RESORT

Ayers Rock Resort recorded hotel occupancy of 82.5 per cent for the financial year, up from 74.3 per cent the previous year, reflecting a continuing strong recovery in the inbound and domestic leisure tourism market. The lower Australian dollar has contributed to an increased demand from international markets, while also supporting domestic demand as Australians see more value in travelling within the country than overseas.

Increased demand for the destination has also been driven by improvements to the resort product through continuing refurbishment and the development of new guest experiences. In 2015–16 Voyages completed the first phase of the refurbishment of Desert Gardens Hotel at a total cost of $5.6 million. The project was completed on time and on budget and has been well received by the market. The second and final phase is scheduled for completion during 2016–17. The installation of a 1.8mw solar PV system was also completed; this is expected to deliver up to 30 per cent of the resort's peak energy demand and 15 per cent of its average demand. This project was financed through a long-term lease arrangement.

In April 2016 Ayers Rock Resort launched Bruce Munro's *Field of Light Uluru* art installation. The installation of 50,000 slender stems crowned with frosted-glass spheres gently illuminates an area within sight of Uluru. The opening was attended by domestic and international media, industry and trade partners, creating global exposure. Since its opening the exhibition has contributed significantly to increased demand at the resort. In the exhibition's first three months Field of Light tours were sold out to 98 per cent of capacity. The exhibition remains in place until March 2017.

CBRE has prepared an update of its valuation of Ayers Rock Resort at June 2016. Based on the results of this valuation, the Voyages board has determined the fair value of Ayers Rock Resort assets at 30 June 2016 is $300 million, an increase of $52 million in the resort's fair value compared to June 2015. The new valuation reflects the enhancements and improved trading performance and outlook described above.

DEBT REFINANCING

During the year, maturing debt facilities totalling $215 million secured against the assets of Ayers Rock Resort were refinanced. The ILC contributed $30 million to principal repayment, reducing the amount of debt required to be refinanced from $215 million to $185 million.

Voyages established a new term-loan facility with ANZ Bank of $120 million, refinancing the maturing $60 million ANZ facility. The new facility matures on 31 March 2021 with principal repayments totalling $20 million due over the term; the first repayment of $5 million is due in September 2017 and $2.5 million due every six months thereafter until maturity. Interest is variable at an agreed margin above the bank bill rate. Voyages has entered an interest rate swap for 75 per cent of the loan amount. The facility is secured by a mortgage over the Ayers Rock Resort property, an equitable mortgage of shares in the company and a guarantee from the ILC.

The $60 million proceeds of the additional borrowings from ANZ were used to repay the ILC's maturing debt facility with GPT. The ILC refinanced the maturing GPT loan with a new facility of $65 million repayable over a nine-year term. This loan was repaid on 1 July 2016 from proceeds of a loan to the ILC from the Commonwealth of Australia.

HOME VALLEY STATION

The tourist season at Home Valley operates from May to October each year. For the 2015 season Home Valley recorded occupancy of 38.0 per cent, compared to 2014 occupancy of 40.8 per cent. After allowing for costs associated with Indigenous engagement programs, and wet season property maintenance, Home Valley Station recorded an operating loss of $1,047,000 for the financial year compared to $832,000 for 2014–15. The loss includes management fees payable to Voyages that were introduced during 2015–16.

MOSSMAN GORGE CENTRE

Mossman Gorge Centre welcomed 321,000 visitors during the year, a 16 per cent increase from the previous year. Total revenue increased to approximately $4.4 million, up from $3.8 million in 2014–15. The centre's operating loss inclusive of costs associated with Indigenous employment and training programs was $843,000, an increase from $495,000 in 2014–15 arising from costs associated with taking over operations of the centre's trainee hostel facilities previously leased to a third party. The loss includes management fees payable to Voyages that were introduced during 2015–16.

INDIGENOUS EMPLOYMENT AND TRAINING

Voyages continued to build the Indigenous workforce in 2015–16 with 403 Indigenous employees permanently employed at end June 2016. Indigenous employees represent 37 per cent of Voyages' total workforce, an increase from the previous financial year's 35 per cent.

A key strategy for building the Indigenous workforce is Voyages' National Indigenous Training Academy offering enterprise-based, accredited traineeships with guaranteed employment on successful completion. In 2015–16, 116 Indigenous trainees commenced traineeships across the three tourism properties and an additional 10 Indigenous participants undertook accredited cookery and hospitality short courses at Mossman Gorge Centre.

In the last financial year, Voyages increased its focus on developing Indigenous employees into supervisory and leadership positions. Twenty Indigenous employees commenced supervisory and leadership programs including 10 Indigenous employees who participated in an Indigenous Leadership Program sponsored by Jetstar, undertaking accredited training at William Angliss Institute's Melbourne and Sydney campuses.

Voyages continues to support local community members into employment across all tourism properties. At Ayers Rock Resort 16 employees from local Aboriginal communities were engaged in the Real Jobs Program at end June 2016 and an additional 11 local Aboriginal contractors were regularly engaged to provide cultural activities for guests. Voyages provides work experience placements for Anangu school students from the APY Lands interested in commencing traineeships at Ayers Rock Resort. Mossman Gorge Centre and Home Valley Station also support local community employment through targeted training and work placements.

Additionally, Voyages supports Indigenous community and business development through the regular purchase of goods and services.

SHOWCASING INDIGENOUS CULTURE

Through its tourism activities, Voyages provides a wide range of Indigenous cultural experiences to domestic and international visitors. At Ayers Rock Resort guests are offered a suite of free daily cultural activities. All cultural performances at the resort are now delivered by Anangu people from surrounding communities; the Wintjiri Gallery showcases local arts and crafts. At Mossman Gorge Centre, guests can experience on-country cultural experiences with walks in the rainforest led by Kuku Yalanji guides. The centre's gallery and gift shop feature Kuku Yalanji products.

MUTITJULU FOUNDATION

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

Voyages is the sole member and trustee of the Mutitjulu Foundation and monitors its financial performance, governance, administration and strategic objectives. The foundation is chaired by Ian Ward-Ambler and other directors are Patricia Angus, Patricia Crossin and Tim Larkin.

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.

With the significant increase in visitors to Ayers Rock Resort, along with concerted fund-raising activities, donations to the foundation grew significantly this year. They totalled $422,000 including Voyages' matching donations (amounting to $132,000), up from a total of $232,000 in 2014–15.

In 2015–16 Mutitjulu Foundation projects provided health, education and child-care resources as well as the purchase of computer and music equipment for the Mutitjulu community.

LOOKING FORWARD

The outlook for the tourism market remains positive with further growth anticipated in the inbound leisure segment and continuing strong domestic demand supported by the lower Australian dollar.

Having established significantly increased business volume at Ayers Rock Resort, Voyages' strategy is to increase yield through judicious room-rate increases while maintaining value for money through ongoing product improvements. Development of staff housing at the resort will be a priority to support future business growth.

ILC GROUP SUBSIDIARY COMPANIES

NATIONAL INDIGENOUS PASTORAL ENTERPRISES PTY LTD

During 2015–16 the ILC subsidiary National Indigenous Pastoral Enterprises (NIPE) operated 14 agricultural businesses on 2,149,897 hectares of 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 the regions where the businesses operate. All but one of the agribusinesses are involved in the northern Australian beef cattle industry. The NIPE business in Tasmania produces lamb meat and fine wool.

Last financial year 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 business assets (livestock, plant and machinery) continued during 2015–16. The new structure is designed to enable greater flexibility in the management of the agribusinesses including facilitating commercial partnerships and investment opportunities with Indigenous land owners. NIPE's Agribusiness Strategy 2015–25 envisages increasing the size and scope of the business, working with Indigenous land holders across Australia.

As a subsidiary of the ILC, NIPE operates in a different way to other agribusiness investors. As well as striving to maximise business profitability, NIPE 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 (NRM) and care for environmentally sensitive country, often in collaboration with Traditional Owners and NRM organisations.

Our Land Our Jobs participants undertaking skills development during a workshop at NIPE's Crocodile Welcome property in 2016.

RESULTS IN 2015–16

BUSINESS PERFORMANCE

Agribusinesses generated $28.06 million in revenue in 2015–16; total cash operating costs were $21.9 million; and the cash operating result for all agribusinesses was a surplus of $5.7 million. Profits from the agribusinesses are invested back into infrastructure development ($1.54 million in 2016–17), Indigenous jobs and training, and NRM and heritage projects on the properties. There were two basic contributors to the strong financial result: higher cattle prices and greater throughput at Roebuck Export Depot.

At 30 June 2016 NIPE business properties carried 77,224 head of beef cattle, 10,503 sheep and 228 horses, a total of 87,955 head. During 2015–16 the value of all livestock increased by 11.1 per cent, or $5.1 million, to close on 30 June 2016 at $52 million. The gross trading profit for all livestock at 30 June 2016 was $16.9 million. These results were due to an increase in the average value of the herd during the year, from an opening of $463.88 a head to a close of $588.73 a head.

BUSINESS CONDITIONS

The 2015–16 year has again been challenging with very dry seasonal conditions and extensive bushfires at Roebuck Plains Station. While December 2015 recorded some good rainfall across northern Australia, particularly in the Northern Territory and Queensland Gulf, January and February 2016 logged average to below average precipitation. There was severe rainfall deficiency at Myroodah, Warrigundu, Merepah and Murrayfield, as well as Roebuck Plains, the most severely affected property. A drought management plan was enacted in response, the general principle of which was to sell or move as many cattle as necessary as soon as possible to ensure that: animal welfare problems did not occur; pasture was conserved and no long-term damage was done to the land; as far as possible, extra cattle sales would not adversly affect business performance over the next two years; and the physical and mental health and welfare of NIPE staff were not compromised.

Cattle sales from Roebuck Plains normally begin around the end of March when young male sale cattle (bulls and steers) are mustered off the marine plain paddocks and sold over following months to live export through Roebuck Export Depot. In 2015–16 the failed wet season following the 2015 bushfires meant there was very little pasture growth on the marine plain. These paddocks were fully destocked to preserve existing pasture and allow any future pasture growth to be used by the 2016 drop of calves as they were weaned. Around half the cattle that would normally have been sold through Broome in 2016 were sent to Gunbalanya, NT, to be grown out on the floodplain and sold later in the year through Darwin. The steers/bulls normally sent from Myroodah to Roebuck Plains in May–July were also sent to Gunbalanya. Additional water supply points and fencing subdivisions were built at Gunbalanya Station to run the cattle from Western Australia.

These challenges were compensated by very good cattle prices in 2015–16. Live export prices started the year strongly, with most indicators up more than 40 per cent year-on-year, then remained stable over most of the rest of the year. As a result most cattle were sold at prices well above budgeted prices.

NATIONAL INDIGENOUS ADVISORY SERVICES (NIAS)

In 2015–16 NIPE's Pastoral Services Unit was re-focused as National Indigenous Advisory Services (NIAS) to maintain strategic relations with land holders and program partners.

A key undertaking for NIAS this year was continuing delivery of the Indigenous Pastoral Program (IPP) in the Northern Territory which provided services to Indigenous land holders across the Northern and Central Land Council areas, mostly on Aboriginal Land Trust land. NIAS supported the continued implementation of IPP strategic and operational plans across 15 Indigenous-owned businesses managing 81,000 head of cattle on 2,423,900 hectares.

In Western Australia, the last year of the Indigenous Landholder Service (ILS) project, a collaboration between the ILC and the WA Government, provided medium to high levels of service to approximately 34 Indigenous landholders on 4,148,539 hectares across all WA agricultural regions. (Further reporting on the ILS is provided on page 11)

ENVIRONMENTAL MANAGEMENT

NIPE remains a committed custodian of the land under its care. All NIPE properties have Environment and Heritage Management Plans that identify environment and heritage values and risks that need to be monitored and managed. NIPE is commencing implementation of Healthy Country Planning with the Traditional Owners of each property. NIPE seeks collaboration from other partners, such as regional NRM bodies, to develop and implement these plans.

A number of projects have been developed for implementation in the coming year including a bilby survey and habitant-enhancement project at Banka Banka West and testing of a natural capital accounting system for savanna pastoral properties. Healthy Country Planning at Merepah Station will engage Traditional Owners in management of conservation and cultural values at the property while building their understanding of the cattle operations.

In 2015 the ILC began the process of granting Murrayfield Station to weetapoona Aboriginal Corporation (wAC), with NIPE leasing most of the property for 10 years to run the sheep business. NIPE will continue to work with wAC in managing environmentally and culturally significant areas. During the year, NIPE collaborated with wAC to establish and trial a new fire regime to protect the property's natural assets and infrastructure from wildfire.

INDIGENOUS EMPLOYMENT AND TRAINING

Indigenous people comprise around three quarters of the workforce in NIPE agribusinesses. During the year the agribusinesses directly employed 159 Indigenous people in a full range of activities associated with agricultural operations; three of the 14 station managers are Indigenous. The businesses also hosted 54 Indigenous trainees, and employed 14 Indigenous people as contractors to undertake fencing, mustering and building activities.

ANIMAL WELFARE

Though sound animal husbandry has always been central to NIPE's operations, the company has developed an improved policy to support animal welfare and embed this into NIPE's operating procedures. 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.

LOOKING FORWARD

The Australian agribusiness sector is going through a period of major transformation, with substantial opportunities on offer for players who have the capacity to bring strongly commercial and specialist knowledge to bear, and that operate on a scale that allows them to manage the environmental, climate and other risks endemic in the sector. NIPE is the only current potential vehicle to build a substantial Indigenous presence in the agribusiness sector across Australia. It has the capacity to deliver Indigenous benefits not just by operating enterprises over a number of farms or pastoral leases, but by helping other Indigenous agribusiness to build commercial (and consequently political) heft.

In 2015 the NIPE Agribusiness Strategy 2015–25 was approved by the ILC Board; it is currently being revised against the priorities of the current Board. The first iteration of the document outlined strategic priorities and related long-term goals as well as shorter term actions to achieve Indigenous benefits through NIPE's activities for 2016 and beyond. The strategy budgets for the new management support service (National Indigenous Advisory Services) to replace the ILS and IPP programs; potential development of another live export depot; and capital for joint-venture opportunities that may arise in coming years. The plan is for NIPE's core business to expand progressively to build its presence in the agribusiness sector, both horizontally through expansion into new enterprises and vertically into activities such as export yards or feedlots.

CASE STUDY

INDIGENOUS PASTORAL PROGRAM

NORTHERN TERRITORY – HIGHLIGHTS

Indigenous Cattlemen's Workshop For the past nine years, Indigenous cattlemen and women from across the Northern Territory have attended the IPP's annual Indigenous Cattlemen's Workshops. In November 2015 more than 50 Indigenous cattlemen and women, including decision-makers and key business management staff from across northern Australia, met in Katherine for the tenth annual workshop. Attendees represented the management of nearly four million hectares, 138,000 cattle and 1200 sheep. Plans for further developing Indigenous pastoral operations in the north of Australia were discussed along with financial management, genetics, and work, health and safety obligations.

Maintaining the balance Bluebush Cattle Aboriginal Corporation (BCAC) is located on the Karlantijpa North Aboriginal Land Trust, north-west of Tennant Creek. BCAC first joined the Business Management Advisory Project (BMAP) in 2014. BMAP is an initiative of the IPP, which works to enhance the professionalism and profitability of Indigenous-owned cattle businesses through supporting and educating business operators and encouraging them to meet agreed targets. Information collected in a natural resources audit confirmed that Karlantijpa North Aboriginal Land Trust is an important habitat for several threatened species including the bilby, spectacled hare-wallaby and northern nailtail wallaby. Improving pasture health and ensuring that cattle numbers are matched to carrying capacity will improve the habitat for these species. BCAC's wish to maintain a balance between a profitable business and conservation of natural resources resulted in a property-development plan that created an additional six paddocks and five water points by December 2015. The new paddocks, combined with the improvement in cattle and grazing management, meant that in 2016, despite two poor wet seasons compounded by fires in November 2015, Bluebush recorded its highest weaning rate and sold its highest turnoff ever, with the remaining breeders in optimal condition for the remainder of the 2016 dry season.

Caring for the environment In November 2015 the IPP was the recipient of the Northern Territory's Agricultural NRM Champion Award. The IPP was recognised for its outstanding achievements in sustainably managing livestock, land, water, soil and plants. The IPP has now assessed land condition (soils, pasture, woodlands and weeds) over more than 2,400,000 hectares under pastoral production, including surveying native fauna and flora to identify any significant species or sites that may need to be protected from the impacts of grazing. Property management plans have been implemented based on assessment recommendations including the construction of priority infrastructure and implementation of herd management practices that improve productivity and biodiversity.

Unlocking a career The Pastoral Futures Program (PFP) is an initiative of the IPP facilitated by the NT Department of Education to provide pathways for school students to land-based employment.

In December 2015, 34 students enrolled in Certificate I in Agrifoods with 25 completions. A further 28 students enrolled in Certificate II in Rural Operations with seven completions. Students seeking employment in the industry are given the opportunity to participate in additional PFP training and pre-employment activities.

Innovation on the land At Huckitta Station, 250 kilometres east of Alice Springs, Indigenous land holders have used IPP support to improve cattle management and increase the viability of the station. This includes trialing a Remote Livestock Management System (RLMS) for the remote collection of livestock performance data. Benefits from the installation of the RLMS include indentifying optimal sale weight, reducing livestock handling costs, reducing weight loss associated with mustering and improved livestock inventory management.

TABLE 13: STRUCTURE OF ILC/NIPE AGRICULTURAL OPERATIONS

ILC/NIPE agricultural operations			
Property	**Area in hectares**	**Status at 30 June 2016**	**Cattle numbers at 30 June 2016**
Queensland			
Bulimba, via Chillagoe	294,740	Leased	4,351
Crocodile/Welcome, via Laura	124,800	Owned	4,892
Merepah, via Coen	186,000	Owned	7,900
Mimosa, via Gayndah	3,806	Owned	1,061
Mindanao/Somerset/Tiamby, via Banana	4,409	Owned	2,186
Western Australia			
Cardabia, via Coral Bay	199,808	Leased	2,888
Myroodah, West Kimberley	401,944	Owned	17,637
Roebuck Plains, via Broome	283,493	Leased	16,040
Roebuck Export Depot	100	Leased	
Northern Territory			
Banka Banka West, via Tennant Creek	147,500	Owned	1,959
Gunbalanya Station	80,000	Leased	5,533
Gunbalanya Meats		Leased	
Warrigundu and Strangways, via Mataranka	419,200	Leased	12,612
Tasmania			
Murrayfield, Bruny Island	4,097	Owned*	10,503 sheep

** In the process of divestment*

TABLE 14: AGRICULTURAL BUSINESS PERFORMANCE, 2013–16

	2015–16	**2014–15**	**2013–14**
Number of head (all livestock) at 30 June	87,955	100,457	110,914
Value of all livestock at 30 June	$51.8m	$46.6m	$37.6m
Natural increase (number of head cattle)	19,555	22,359	28,087
Number of cattle sold	24,809	24,865	18,037
Average value of cattle sold ($/head)	$784.14	$573.38	$538.21
Gross trading profit all livestock	$16.9m	$22.1m	$10.8m
Total cash revenue	$30.2m	$21.6m	$15.9m
Cash operating costs	$19.3m	$17.8m	$15.0m
Livestock purchase costs	$0.4m	$1.2m	$1.5m
Actual cash operating result	$10.9m	$2.6m	$(0.6m)

ILC GROUP SUBSIDIARY COMPANIES

NATIONAL CENTRE OF INDIGENOUS EXCELLENCE LTD

The National Centre of Indigenous Excellence (NCIE) was established by the ILC in Redfern, Sydney, NSW, to serve generations of young Aboriginal and Torres Strait Islander people by cultivating their talents, providing enriching experiences and creating opportunities for them to excel. It was developed on the site of the former Redfern Public School, purchased from the New South Wales Government in 2006; the NCIE opened in January 2010.

The NCIE runs programs and enterprises from its Sydney premises for Indigenous people from the local community and around Australia in four pathways: learning and development, sports and recreation, arts and culture, and health and wellness. The aim is to empower Indigenous young people to pursue excellence and become the next generation of Indigenous leaders and change makers.

The centre includes a fitness and aquatics centre (gyms, sports field, basketball stadium and pool); and camp and conference facilities. It also operates after-school and vacation-care programs and the NCIE JobReady training program.

The NCIE site provides a base for other Indigenous organisations providing important services to Indigenous people: National Aboriginal Sporting Chance Academy (NASCA), Australian Indigenous Mentoring Experience (AIME) and Tribal Warrior Association. SEDA Sporting College is also based at NCIE and working towards majority Indigenous participation in its Year 11 and 12 courses.

Children enjoying school holiday activities at the National Centre of Indigenous Excellence.

RESULTS IN 2015–16

BUSINESS PERFORMANCE

The NCIE is a not-for-profit charitable enterprise. In 2015–16, it earned $5.7 million in total revenues from various sources, including its three businesses: Fitness and Aquatics (fitness memberships including a learn-to-swim program); Camp and Conferences (accommodation and venue hire); and NCIE JobReady. The NCIE also received grants and sponsorships from third parties to run programs.

The NCIE is working to reduce its subsidy from the ILC. Business plans written for NCIE enterprises have already had an impact in 2016. The NCIE fitness centre has purchased state-of-the-art equipment, encouraging increased memberships and renewals, while remaining focused on a return to the Indigenous community. Modest investments have been made in the campus and conference facilities resulting in increased bookings and positive feedback. The ILC contribution to NCIE's operations in 2015–16 of $2,349,202 represented an improvement of $145,964 (or a 5.85 per cent reduction) on the 2014–15 contribution of $2,495,166.This result was achieved despite closures for maintenance and improvements within the aquatics centre and the camp and conference centre.

ENGAGEMENT AND SOCIAL IMPACT

Community engagement is vital to the NCIE's success. More than 1500 local Aboriginal and Torres Strait Islander people participated in core programs such as fitness, aquatics, healthy lifestyles, jobs training, after-school and school-vacation programs, young leaders programs, and sports programs; around 250 children participated in the after-school and vacation-care programs. Overall, programs delivered from the NCIE site (including those delivered by resident Indigenous organisations) touched more than 10,000 Indigenous people during 2015–16. NCIE Fitness alone contributed more than $400,000 in subsidies and discounts to the Indigenous community.

NCIE programs work with community organisations, community members and corporate Australia to maximise their impact. NCIE collaborated with more than 20 pathway partners and supporting organisations during 2015–16 including the Telstra Foundation, Crown Resorts, Packer Family Foundation, Shell Australia, Salesforce, Commonwealth Bank, ING, Westpac, Count Charitable Trust, Microsoft, 2K, Lend Lease, Samsung, OzHarvest and Foodbank.

More than 165 organisations used NCIE facilities in 2015–16 including resident Indigenous organisations. Others using the accommodation, conference and sporting facilities included the Aboriginal and Torres Strait Islander Healing Foundation, Australians for Native Title and Reconciliation (ANTaR), the Cathy Freeman Foundation, the First People's Disability Network, Indigenous Literacy Foundation, Dunbar Rovers, Turbo Basketball, and Soccer Joeys.

During 2015–16 the NCIE hosted many influential guests from the political, corporate and community spheres. They included Prime Minister the Hon Malcolm Turnbull MP; the Governor-General the Hon Sir Peter Cosgrove; NSW Minister for Aboriginal Affairs the Hon Leslie Williams MP, then NSW Opposition Leader the Hon Linda Burney MP; and Indigenous leaders such as National Congress of Australia's First Peoples co-chair Jackie Huggins; Reconciliation Australia co-chair Tom Calma; chair of the Prime Minister's Indigenous Advisory Council, Warren Mundine; Lowitja Institute chair, Pat Anderson; journalist and commentator Stan Grant, Elders Aunty Millie Ingram and Aunty Dixie Link Gordon; business leaders Leah Armstrong and Natalie Walker; and sport stars Cathy Freeman, Adam Goodes and Lance Franklin.

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!! Program with Shell Australia. Friday Night Live events bring the local Indigenous community together on the last Friday of every month for a smoke-free and alcohol-free event that includes cultural activities, sporting matches and wellbeing workshops.

The Indigenous Digital Excellence (IDX) initiative, a partnership with the Telstra Foundation, is seeking to strengthen Indigenous participation and entrepreneurship in the digital economy. It is based at the IDX Hub, a collaboration and innovation space at NCIE, and runs workshops and events to engage young Indigenous people. During 2015–16, IDX successfully partnered with local organisations in Rockhampton, Qld, Wellington, NSW, and Gunbalanya and Canteen Creek, NT, to pilot the *Flint* program which engages young Aboriginal and Torres Strait Islander students in 3D printing, robotics and coding. *Flint* will expand to 10 further sites next financial year. The IDX National Summit was a huge success, with Prime Minister

Community engagement activities are an important focus for the National Centre of Indigenous Excellence at Redfern in NSW.

Malcolm Turnbull closing the event and pledging financial support for the development of an education-based app.

The *Talking About Tobacco Use* (TATU) program, funded by the Australian Government Department of Health, has developed a school-based smoking prevention program that will be piloted in the next financial year. A guide for Aboriginal and Torres Strait Islander workplaces to be smoke free has also been developed and implemented in Redfern. TATU has supported NCIE's Smoke Free NAIDOC event where more than 4000 community members gathered at the NCIE.

INDIGENOUS EMPLOYMENT AND TRAINING

Of the NCIE's 110 permanent and casual employees at 30 June 2016, 52 per cent were Indigenous people.

NCIE JobReady ran Certificate II and III programs in hospitality and construction from the Yaama Dhiyaan training facility at the Australian Technology Park in Darlington, and at the NCIE campus. The course educates participants for job placements and provides mentoring and support throughout their placements. In 2015–16, 98 Indigenous people were trained and more than 30 Indigenous participants were supported to successful employment positions. JobReady participants seek ongoing support with NCIE, over one to five years.

LOOKING FORWARD

After more than six years of foundational work, reputation building and bedding down of the Indigenous excellence agenda, NCIE's focus is now on building organisational capacity and sustainability. Core programs and activities are being strengthened to maximise outcomes and site utilisation while responding to community needs and aspirations. This will ensure a solid foundation as NCIE works towards greater independence from the ILC and, ultimately, divestment of this important part of the Indigenous estate into community hands.

ANALYSIS OF PERFORMANCE AGAINST THE ILC'S PURPOSE IN 2015–16

In 2015–16 land management continued to take precedence over land acquisition. Fewer acquisitions reflect changed conditions across the wider Indigenous estate since the ILC's establishment in 1995. As the COAG *Investigation into Indigenous Land Administration and Use* (December 2015) found : '[Indigenous land administration] systems are in a period of transition, from a focus on recognition and protection of Indigenous rights in land to being able to use those rights for economic development'. There is now a significant proportion of the Australian land mass in which Indigenous Australians hold varying interests; this is generating increasing land management needs, especially as much of this land is currently not productive in mainstream economic terms. Bringing the existing Indigenous estate into production has been, and will continue to be, an ILC priority.

The target for property divestment was not met, though significant divestments were made. The ILC considers it imprudent to grant properties in circumstances where prospective land holders do not have the capacity to manage the property and pay its recurrent costs, or where the property itself is not fit for sustainable use. The ILC works with potential land holding corporations to build their capacity and/or develop sustainable income streams from the property.

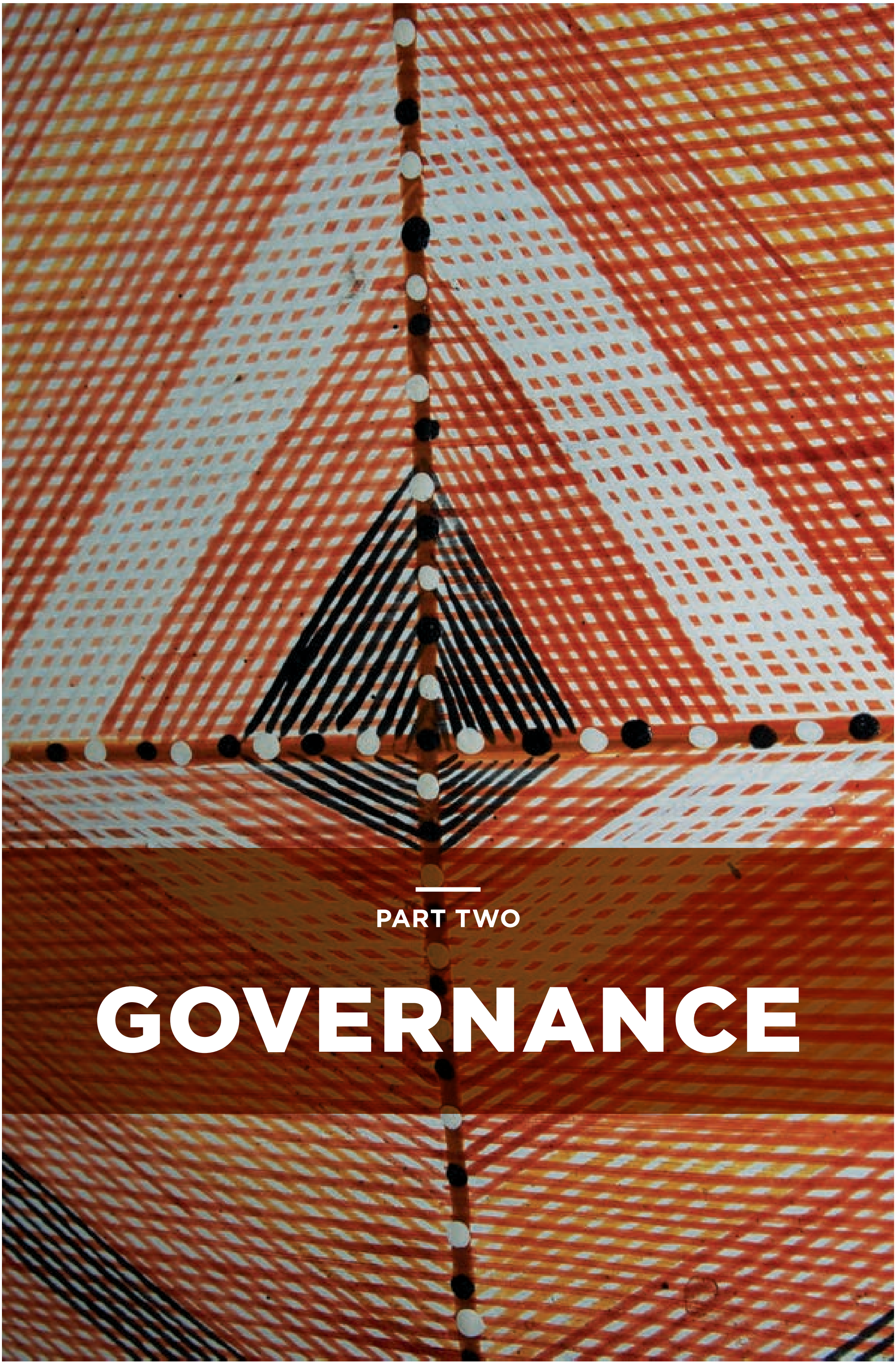
This year the number of regional land management projects was slightly lower than the target, though several projects were in development. The lower number of regional land management projects was compensated by the ILC's achieving more than double the target of other land management projects. As in 2014–15, smaller land management projects dominated in 2015–16, partly attributable to the bedding down of new *Our Land Our Future* program-delivery arrangements. *Our Land Our Future* is designed to generate more larger-scale projects based on sound assessment and co-contributions from third parties; these projects typically have a longer development and pre-approval phase. The relative number of smaller projects in 2015–16 also explains the attainment of 53 per cent collaborative projects against a target of 60 per cent, given that smaller projects are less likely to have third-party project partners.

All Deliverables and KPIs relating to Indigenous employment and training (direct through subsidiaries and enabled through projects) were exceeded, reflecting the ILC's continuing very significant contribution to real training and jobs for Indigenous people across Australia.

More than one third of active projects protected culture, heritage and the environment, against a target of 50 per cent. This KPI reflects the emphasis of the National Indigenous Land Strategy 2013–17.

ILC subsidiaries had improved results in 2015–16, an important factor in ensuring resources for the delivery of wider Indigenous benefits. The business performance of Voyages was enhanced by continuing refurbishment at Ayers Rock Resort, provision of innovative visitor experiences and favourable conditions in the domestic and international tourism markets. A major milestone for Voyages and the ILC in 2015–16 was the refinancing of the debt incurred in acquiring Ayers Rock Resort, including negotiation of a concessional loan from the Commonwealth from 1 July 2016 that will reduce interest paid on the debt. National Indigenous Pastoral Enterprises faced challenging climatic conditions, compensated by higher prices for cattle sold. It also commenced National Indigenous Advisory Services, providing enhanced agribusiness support to Indigenous land owners. The NCIE engaged in more active business planning with a view to increasing its revenue. Beyond business performance, all enterprises operated by ILC subsidiaries provided economic, environmental, social and cultural benefits for Indigenous people, either living locally or from across Australia.

In the coming year directions set by the new Board appointed in October 2015 will introduce a sharper commercial focus in the ILC's operations. The ILC Group's structure, governance and assets will be reviewed and new measures of performance developed. These aspirations are set out in the ILC Group Corporate Plan 2016–17.



PART TWO

GOVERNANCE

TABLE 15: GOVERNANCE OVERVIEW, ILC BOARD AND ADMINISTRATION, 30 JUNE 2016

ILC BOARD

Board Committees

- Audit and Assurance
- Finance, Legal and Investment
- Remuneration and Nomination
- Work Health and Safety

Chief Executive Officer

- Executive Management Team

Program Delivery

- Central Division Office: Adelaide, SA (SA, NT, Vic. and Tas.)
- Eastern Division Office: Brisbane, Qld (Qld, NSW and ACT)
- Western Division Office: Perth, WA (WA)

National Support

- Finance and administration
- Legal
- Human resources
- Information and communication services
- Public affairs
- Strategy, including policy development
- Environment, carbon and heritage
- Corporate governance
- Work health and safety

STAKEHOLDERS

- Indigenous people, communities and organisations
- Industry
- Non-government organisations
- Parliament of Australia
- Australian, state, territory and local governments
- Department of the Prime Minister and Cabinet (lead portfolio agency)
- Other Australian Government agencies

GOVERNANCE FRAMEWORK

LEGISLATION

The ILC is established under the *Aboriginal and Torres Strait Islander Act 2005* (ATSI Act), which sets out the functions and powers of the ILC.

The ILC is a corporate Commonwealth entity under *the Public Governance, Performance and Accountability Act 2013* (PGPA Act). The ILC Board is the accountable authority under the PGPA Act.

BUDGET

Though not funded from the Budget except in relation to the Real Jobs Program, NT, the ILC participates in the whole-of-government budget through the Portfolio Budget Statements (PBS) for the Prime Minister and Cabinet Portfolio.

The ILC and its subsidiaries (other than Voyages Indigenous Tourism Australia Pty Ltd) are included in the General Government Sector. Voyages is classified as a Public Non-Financial Corporation.

RESPONSIBLE MINISTER

The responsible Minister for 2015–16 is Senator the Hon Nigel Scullion, Minister for Indigenous Affairs (the Minister). The PGPA Act requires the ILC keep the Minister informed of its operations, including any events of significance, and provide both the Minister and the Minister for Finance with reports, documents and information that the Ministers may request from time to time.

The ILC Board is also required to notify the Minister of any significant non-compliance with the finance law. The ILC Board has determined that there has been no significant non-compliance with finance law during the reporting period that needed to be notified to the Minister.

GENERAL POLICIES OF THE AUSTRALIAN GOVERNMENT

The ILC must comply with any Australian Government Policy Order to the extent that it applies to the ILC. There were no Government Policy Orders that applied to the ILC during 2015–16.

ILC BOARD

The seven-member Board is the ILC's primary decision-making body. Five members including the Chairperson must be Indigenous Australians; all Directors are appointed by the Minister. The Board determines the policies of the ILC, and is responsible for the proper and efficient performance of the ILC's functions. 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 enhancing Board governance arrangements.

The ILC's legislative powers and functions rest with the Board. The Board may delegate any or all of its powers and functions, in writing, to the ILC CEO or ILC staff member. Accordingly, decision making within the ILC is governed by the Instrument of Delegations. This includes where the decision is to approve the ILC's paying for a good or service from another Commonwealth entity or company, or to provide a grant to another Commonwealth entity or company.

There were 12 Board meetings in 2015–16 at which land acquisition and land management proposals were considered and approved (or not), strategic direction and policy set, and performance and accountability monitored.

BOARD CHANGES IN 2015–16

There was a major turnover on the ILC Board during this year. Dr Dawn Casey's term as ILC Chairperson expired on 19 October 2015, as did the terms of Deputy Chairperson Ian Trust and Directors Graham Atkinson, Olga Havnen and Neil Westbury.

The Minister appointed Mr Eddie Fry as Chairperson for a three-year term from 21 October 2015. Continuing Director Lisa Gay was appointed Deputy Chairperson for one year. Ms Trish Crossin and Mr Bruce Martin were appointed Directors for four years from 21 October 2015, and Ms Tanya Hosch and Mr Anthony Ashby for three years from 21 October 2016. Ms Alison Page continued as a Director.

ILC BOARD MEMBERS, 30 JUNE 2016

The ILC Board (from left): Anthony Ashby, Alison Page, Deputy Chairperson Lisa Gay, Chairperson Eddie Fry, Tanya Hosch, Trish Crossin and Bruce Martin

MR EDWARD (EDDIE) FRY

Chairperson – Non-executive Director

Mr Fry has extensive experience within the Australian resource sector, specialising in Indigenous and native title issues. He holds a Diploma in Business Management from the University of South Australia and is a graduate of the International Lead and Zinc Study Group conducted out of Belgium on international base-metal global supply-and-demand trade.

Based in Adelaide, Mr Fry is a former director of and retained consultant to TNG Limited, an Australian resource company focused on the exploration, evaluation and development of a multi-commodity resource portfolio in the Northern Territory and Western Australia. He is an Executive Director of Gimbulki Ltd, a native title land-access company he established in 2002 that has provided consulting services to a range of Australian resource companies including Rio Tinto, Barrick Gold and Transfield Services (now Broadspectrum).

He has held senior executive roles with Normandy Mining Ltd. Having established the company's Traditional Owner policy, he later managed international logistics and marketing of Normandy's base-metal portfolio and was an investor-relations analyst. His early employment included involvement with the Aboriginal and Torres Strait Islander Commission, the Aboriginal Development Commission and the former Department of Aviation.

Mr Fry is Chairperson of Indigenous Business Australia, chair of the Indigenous Advisory Board at Transfield Services/Broadspectrum (since 2010), a deputy chair of the Aboriginal Foundation of South Australia Inc (since 2007) and member of the development team for the TNG Ltd world-class ferro/vanadium Mount Peake project in the Northern Territory.

MS LISA GAY

Deputy Chairperson – Non-executive Director

Ms Gay has chaired the Markets Disciplinary Panel of the Australian Securities and Investments Commission since 2010. She is also a member of the Council of Trustees of the National Gallery of Victoria, and a non-executive director of Koda Capital and of the Victorian Funds Management Corporation. From 1990 to 2010, Ms Gay was General Counsel and Managing Director of the Goldman Sachs Group Australia and its predecessor JBWere and Son.

Ms Gay chairs the ILC's subsidiary Voyages Indigenous Tourism Australia Pty Ltd. Ms Gay is also a non-ex-executive director of the ILC's National Indigenous Pastoral Enterprises Pty Ltd subsidiary.

MR ANTHONY ASHBY

Non-executive Director

Mr Anthony Ashby is a Gamilaraay-Yuwaalaraay man from north-western New South Wales. He is a chartered accountant and registered company auditor. Mr Ashby and his wife Vanessa have operated their own public accounting practice since 2004, providing a mix of taxation, assurance, accounting and consultancy services to their client base. He holds a Bachelor of Commerce from the University of New South Wales and a Certificate of Public Practice from Chartered Accountants Australia and New Zealand.

Mr Ashby is the Deputy Chairperson of Indigenous Business Australia. His other current board roles include directorships of ILC subsidiary National Centre of Indigenous Excellence Ltd and the NSW Aboriginal Housing Office. Mr Ashby is also an *ex-officio* member of the Supply Nation Audit and Risk Committee.

MS TRISH CROSSIN

Non-executive Director

Ms Trish Crossin is a former Senator in the Parliament of Australia. She was elected in 1998 as the first woman to represent the Northern Territory and served for 15 years. She was chair of the Senate Legal and Constitutional Committee for six years and chair of the Joint Select Committee on Constitutional Recognition of Aboriginal and Torres Strait Islander Peoples. She was a member of the Joint Statutory Committee for Native Title and the Aboriginal and Torres Strait Islander Land Account for eight years and a member of the Senate Education, Employment and Workplace Relations Committee for seven years. Trish also held the position of Deputy Whip and chair of the Federal Caucus Committee on the Status of Women for 10 years.

Ms Crossin is a current director and former president of Netball NT and chair of the Mawul Rom Course Advisory Committee at Charles Darwin University. Ms Crossin is a member of the Australian Institute of Company Directors and holds a Bachelor of Education. Her previous Board memberships include:

- Member, Beyond Blue Consultative Committee Way Back Support Program (2012–13)
- Director/vice-president, Asthma Foundation NT (2006–14)
- Founding chairperson, NT Working Women's Centre (1994–98)
- Secretary, NT Aids and Hepatitis Council (2011–13)
- Director, NT Institute of TAFE (1991–97).

Ms Crossin is a member of the Voyages board.

MS TANYA HOSCH

Non-executive Director

Tanya Hosch is the General Manager of Inclusion and Social Policy at the AFL.

Ms Hosch has a long and distinguished history in Indigenous policy, advocacy, governance and fundraising.

Before joining the AFL as the first ever Indigenous person and 2nd woman in their Executive ranks in August this year, Tanya was the joint campaign director of the Recognise movement for constitutional reform.

Under her leadership with RECOGNISE, the Campaign has achieved significant growth and progress towards recognising Aboriginal and Torres Strait Islander People in Australia's Constitution.

Tanya is tasked with the implementation of the AFL's enhanced Indigenous strategy, advising the AFL Indigenous Advisory Council, reviewing the Respect and Responsibility Policy and implementing the AFL's Gender Action Plan.

Tanya has been a board member of Bangarra Dance Theatre and the Australian Red Cross. Currently Tanya is a Director of the Indigenous Land Corporation, and sits on the Referendum Council and is the independent Chair of Price WaterhouseCoopers Indigenous Consulting.

MR BRUCE MARTIN

Non-executive Director

Mr Bruce Martin is a Wik Ngathan man from the community of Aurukun on western Cape York, Qld. Bruce has 10 years experience in the community-development sector, the last six years focusing on Cape York. He has worked for the Cape York Land Council, the Wuchopperen Aboriginal Medical Service, the Queensland Department of Families in Cairns and the Aurukun Shire Council. Mr Martin is president of the Cape York Peninsula Live Export Group and a member of Regional Development Australia Far North Queensland and Torres Strait.

Mr Martin has been instrumental in the establishment of APN (Our Ancestral Country) Cape York, a community-owned organisation focusing on the development of productive livelihoods on traditional Wik country. He is currently a director of APN which is now one of the largest employers of local Aboriginal people in Cape York. APN has developed partnerships with business, the philanthropic sector and government agencies in implementing innovative strategies aimed at social transformation, economic engagement and community development in Aurukun.

Mr Martin is a member of the Prime Minister's Indigenous Advisory Council which meets three times a year with the Prime Minister and senior ministers to inform the Australian Government's implementation of Indigenous policy. He is also deputy chair of the Indigenous Advisory Committee for the Department of the Environment.

Mr Martin chairs the ILC's subsidiary National Indigenous Pastoral Enterprises Pty Ltd.

MS ALISON PAGE

Non-executive Director

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.

Ms Page chairs the ILC's subsidiary National Centre of Indigenous Excellence Ltd.

BOARD COMMITTEES

AUDIT AND ASSURANCE COMMITTEE

Subsection 45(1) of the PGPA Act requires the establishment of an audit committee. The ILC Audit and Assurance Committee (AAC) 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 Crossin and Page. Ms Jenny Morison is the independent chair. The AAC met five times in 2015–16. During this period the committee continued monitoring the Internal Audit Program, 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; instigated a review of the performance reporting process; and reviewed the ILC Group'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 Ashby and Gay. Mr Ian Ward-Ambler is the independent chair. During 2015–16 the committee played a significant role in overseeing ILC legal issues and the refinancing of the Ayers Rock Resort debt.

REMUNERATION AND NOMINATION COMMITTEE

The Remuneration and Nomination Committee assists 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, Eddie Fry, and Director Hosch. In 2015–16 the committee made recommendations to the ILC Board on remuneration of the independent expert member of the Board's newly-created Work Health and Safety Committee. The committee also oversaw the recruitment of the current ILC CEO, Mr John Maher.

WORK HEALTH AND SAFETY COMMITTEE

Established in March 2016, this committee provides assurance and advice to the Board on work health and safety matters across the ILC Group. It is chaired by Director Crossin with Directors Martin and Page as members and one independent member (yet to be appointed).

SUBSIDIARY GOVERNANCE

The ILC's three subsidiaries each have their own boards and are managed by agreements with the ILC under section 191G of the ATSI Act. Each year, the ILC Board issues a Statement of Expectation to each subsidiary setting out the ILC's expectations including outcomes to be achieved by subsidiaries.

Nominated ILC Directors occupy some positions on subsidiary boards, with each subsidiary Board chaired by an ILC Director. The ILC Board appoints other independent Directors to subsidiary boards. Subsidiary boards establish committees, where appropriate. Voyages and NCIE have audit committees; the ILC's Audit and Assurance Committee acts as NIPE's audit committee.

All subsidiaries have their own management structures, headed by a CEO. NIPE and the NCIE receive back-office support from the ILC in areas such as human resources, information technology, finance, public affairs, risk management and legal.

TABLE 16: ILC GROUP GOVERNANCE, 30 JUNE 2016

ILC GROUP

Indigenous Land Corporation

ABN 59 912 679 254
Head Office: Adelaide, SA
Office of the CEO: Canberra, ACT

Voyages Indigenous Tourism Australia Pty Ltd	National Indigenous Pastoral Enterprises Pty Ltd	National Centre of Indigenous Excellence Ltd
ABN 82 146 482 591 Ayers Rock Resort, NT Home Valley Station, WA Mossman Gorge Centre, Qld Head office: Sydney, NSW CEO: Mr Andrew Williams **Mutitjulu Foundation** ABN 63 494 833 077	ABN 28 108 266 548 Fourteen agribusinesses across three states and the Northern Territory Main office: Canberra, ACT CEO: Mr John Maher (ILC CEO)	ABN 98 133 644 578 Office: Redfern, NSW CEO: Ms Kirstie Parker
Governance Members of the Voyages board at 30 June 2016 were: • Lisa Gay (ILC Director), chairperson • Ian Ward-Ambler, deputy chairperson • Patricia Angus • George Bedwani • Owen Cole • Patricia Crossin (ILC Director) • Peter Thomas • Bob Teasdale*, associate director.	**Governance** An expanded Board was appointed last financial year to oversee NIPE's increased responsibilities. Members at 30 June 2016 were: • Bruce Martin (ILC Director), chairperson • Mike Stephens, deputy chairperson • John Daly • Anne de Sallis • Lisa Gay (ILC Director).	**Governance** Members of the NCIE board at 30 June 2016 were: • Alison Page (ILC Director), chairperson • Terri Janke, deputy chairperson • Anthony Ashby (ILC Director) • Kelvin Kong • Timothy O'Leary • Shane Phillips • Dugald Russell • Kyle Vander-Kuyp.

** A Deed of Agreement with Wana Ungkunytja Pty Ltd (WU), a corporation based at Mutitjulu near Ayers Rock Resort, provides for WU to have two representatives on the Voyages board, one a full director, the second an associate director without voting rights. The full director position was unfilled at 30 June 2016.*

ILC ADMINISTRATION

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

The Board appointed Mr John Maher as CEO, effective 1 June 2016. Mr Michael Dillon ceased in the CEO's role, effective 28 November 2015. Mr Leo Bator acted in the role from that date until 25 May 2016.

The core ILC is a dispersed entity that works from four main office locations: Adelaide (head office), Perth, Brisbane and Canberra. For most of the year the ILC was organised into five divisions: Program Delivery; Corporate Services; Legal; Corporate Governance; and Strategy. With Executive separations, two Executive positions had been abolished by 30 June 2016, pending restructure of the ILC by the incoming CEO. The Corporate Governance and Strategy functions have been combined in the meantime.

SHARED SERVICES

The boards of both the ILC and IBA agreed during the year to explore options for establishing a shared services model to perform functions such as human resources, information technology, finance and public affairs. Proposals are being developed by a working group of four staff, two each from the ILC and IBA. The CEOs of the ILC and IBA form the steering committee. The business case will be presented to both boards in 2016–17. If agreed, the model will be implemented in stages. The ILC and IBA are also planning office co-locations in the coming year.

MANAGEMENT AND STAFF COMMITTEES

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

- Executive Committee, comprising the CEO, Executive Directors and General Counsel
- 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 Committee (see page 43)
- 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.

TABLE 17: ILC OPERATIONS, EXECUTIVE STRUCTURE AND LOCATIONS, 30 JUNE 2016

Location	Administrative unit	Responsible Senior Executive at 30 June 2016
Canberra: Office of the CEO	**Office of the CEO** Strategy Corporate Governance Policy and Program Development Work Health and Safety	**Mr John Maher** **CEO**
Adelaide: Head Office and Central Divisional Office	Environment, Carbon and Heritage* Public Affairs	
	Corporate Services Finance and Corporate Services Risk and Internal Audit Human Resources Information and Communication Systems	**Mrs Jodie Lindsay** **Chief Operating Officer**
	Legal	**Mr Barry Petty** **Acting General Counsel**
	Central Division Program Delivery (servicing SA, NT, Vic. and Tas.)	**Mr Tim Larkin** **Divisional Manager**
	National Program Delivery	**Mr Craig North** **Executive Director, Program Delivery**
Brisbane: Eastern Divisional Office	**Eastern Division Program Delivery** (servicing NSW, ACT and Qld)	**Ms Tricia Button** **Divisional Manager**
Perth: Western Divisional Office	**Western Division Program Delivery** (servicing WA)	**Ms Kate Alderton** **Divisional Manager**

** Officers also located in Brisbane.*

STRATEGIC AND OPERATIONAL PLANNING

The ILC Board appointed in October 2015 has embarked on a major strategic planning process. The Board's high-level Statement of Strategic Intent, agreed in March 2016 after a February 2016 planning day, is summarised in the Chairperson's foreword to this report.

To assist in more detailed operational planning, the Board has also commissioned a series of baseline reviews for completion in 2016–17, covering:

1. ILC Group governance
2. ILC Group assets and businesses (across the core ILC and its three subsidiaries)
3. ILC Group performance reporting framework
4. The Indigenous Estate.

The initial reviews (1 and 2 above) will look at how the ILC Group operates, examining structures, decision-making processes and assets and making recommendations on the reforms necessary to achieve the Statement of Strategic Intent. The performance reporting framework will be reviewed subsequently and adjusted. The review of the Indigenous estate will provide information more generally on the land and intellectual property assets held by Indigenous Australians.

The reviews are intended to inform more detailed operational planning, and will feed into redevelopment of a new *National Indigenous Land Strategy* (NILS) over 2017. Section 191N of the ATSI Act requires the ILC to prepare and regularly review a NILS with a three-to-five year timeframe. The NILS is the ILC's key policy document; it is tabled in Parliament, and informs stakeholders how the ILC's statutory land acquisition and land management functions will be implemented. Development of the fifth discrete NILS will proceed over 2017 including consultation with Indigenous Australians.

The current NILS 2013–17 was adopted in July 2013; it continued to guide the ILC's operations in 2015–16. Further information is provided in the Annual Performance Statement at page 3.

The Regional Indigenous Land Strategies (RILS) (also required by the ATSI Act) are seven documents aligned with the principles of the NILS. They discuss ILC activity in each region – currently the six states and the Northern Territory – and provide contextual information relating to Indigenous Australians. The RILS will be reviewed in 2017 after development of a new NILS. It is proposed to change the regions on which these strategies are based.

SERVICE STANDARDS

The ILC Service Charter sets out the standards of service the ILC strives to provide its clients through program delivery, policy development, communication and consultation. The Service Charter is available on the ILC's website or by contacting any ILC office.

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 ILC's corporate office (at 30 June 2016 the Manager, Policy and Program Development), where necessary. In 2015–16, the ILC dealt with two formal external complaints.

ASSURANCE

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 Commonwealth Risk Management Policy 2014, Better Practice Guides and relevant Australian and international good-practice guides and standards. It is reviewed regularly.

The ILC Group's commitment to effective risk management is communicated through integrated 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 are responsible for managing strategic risk, while senior management has responsibility for managing corporate and operational risk. Across the ILC Group each entity's audit committee reviews systems of risk oversight and management.

INTERNAL AUDIT PROGRAM

The ILC Group's Internal Audit Program is risk-based and provides systematic coverage across all of the ILC Group's functions and activities. The annual program is set referencing operational and financial risks identified through the Risk Management Program. Audits are conducted by a contracted consultancy company.

Each entity in the ILC Group is responsible for its own program, and maintains and monitors a register of audit findings and recommendations. The respective boards, audit committees and senior management receive regular reports on the status and implementation of audit recommendations to ensure that findings are addressed in a timely manner.

The ILC Audit and Assurance Committee oversees the group's Internal Audit Program to ensure coverage aligns with the group's key strategic and operational risks and that management's responses are timely and appropriate.

FRAUD CONTROL AND AWARENESS

The ILC maintains a rigorous Fraud Control and Awareness Program 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, as well as 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.

INSURANCE AND INDEMNITIES

The ILC Group's insurable risks are covered through Comcover. The cover comprises liability (including public, Directors' and officers' and professional indemnity); property (including plant and equipment, livestock, crops, pastures and property in transit); motor vehicles; business interruption; fraud; and aviation. The 2015–16 premium for Directors' and officers' cover was $35,820 (2014–15: $33,535), 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 Rule.

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 office holders. The indemnities do not cover liabilities arising from particular statutory breaches, breaches of the criminal law or actions involving a lack of good faith.

PROCUREMENT

The ILC Purchasing Policy is based on principles set out in the Commonwealth Procurement Rules: value for money; encouraging competition; efficient, effective, economical and ethical procurement; accountability and transparency. The policy guides the 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.

The ILC has a legislative requirement to maximise the use of goods and services from Indigenous-owned businesses (s191F[2], ATSI Act). In line with the Australian Government's commitment to Indigenous procurement, the ILC is strengthening its Indigenous procurement and reporting systems to track actions and outcomes in this area. A new Indigenous Procurement Policy has been developed during the year for launch in 2016–17.

**See Appendix 3 regarding consultants*

EXTERNAL ENGAGEMENT

EXTERNAL SCRUTINY

In 2015–16 there were no judicial decisions, decisions of administrative tribunals or decisions by the Australian Information Commissioner that had, or may have, a significant impact on the operations of the ILC. During the year there were no reports in relation to the ILC by the Commonwealth Ombudsman, the Auditor General, the Office of the Australian Information Commissioner or a committee of the Parliament of Australia.

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.

APPEARANCES BEFORE PARLIAMENTARY COMMITTEES

The ILC appeared before the Senate Estimates Committee (Finance and Public Administration) on 23 October 2015 (CEO and Executive Director, Strategy) and 5 May 2016 (Acting CEO).

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.

Over the 2015–16 year the ILC participated in the initial stages of policy development following the COAG *Investigation into Indigenous Land Administration and Use* (reported December 2015) and in forums provided by the Australian Human Rights Commission's economic development and Indigenous property rights project, initiated in May 2015. These initiatives are advancing the Australian Government's and Indigenous stakeholders' priority of economic development on Indigenous-held land.

The ILC provided advice to the Department of the Prime Minister and Cabinet on implementation of support for Prescribed Bodies Corporate after the Australian Government announced, as part of the Northern Australia White Paper process, an additional $20.4 million in funding over four years for PBC capacity building. The ILC also participated in inter-agency forums on the Australian Government's draft policy position on continuing Commonwealth rights and interests in land and building assets purchased with funds provided by ATSIC and its predecessors.

ILC Directors and/or officers attended the following forums and events in 2015–16:

- National Native Title Tribunal: Prescribed Body Corporate consortium workshop, Canberra, 22 June 2016 (Mr Leo Bator on behalf of the ILC)
- National Native Title Conference, Darwin, 1–3 June 2016 (Chairperson, Directors Crossin, Hosch and Page, CEO)
- Emissions Reduction Summit, Melbourne, 3–4 May 2016 (Directors Page and Crossin)
- Australian Human Rights Commission (AHRC) forum: The Indigenous Estate – the commercial and social potential of rights and interests in lands and waters, Canberra, 31 March 2016 (Chairperson, Acting CEO)
- COAG Investigation into Indigenous land administration and use – forum on recommendations, Canberra, February 2016 (Acting CEO)
- AHRC planning meeting on economic development and Indigenous property rights, Sydney, 9 December 2015 (Chairperson, Director Hosch).

Submissions were made in relation to:

- WA Government Draft Land Administration Bill 2016 (5 May 2016), WA Department of Lands
- NSW Legislative Council, Standing Committee on State Development – Inquiry into economic development in Aboriginal communities (March 2016); the ILC also appeared before this committee
- Draft Natural Resource Management (NRM) Strategy for Southern Tasmania 2015–20 (9 October 2015), NRM South
- Review of Australia's Biodiversity Conservation Strategy (18 September 2015), Department of the Environment
- Yawuru Conservation Park draft management plan (September 2015), WA Department of Parks and Wildlife
- COAG Investigation into Indigenous Land Administration and Use (August 2015)
- National Biosecurity Committee Secretariat, Established Pests and Diseases Discussion Paper (31 July 2015), Department of Agriculture.

Safe and correct use of machinery and vehicles is an important part of work health and safety training on NIPE-operated agricultural businesses.

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

- Emissions Reduction Fund: Safeguard Mechanism – Emissions Intensity Benchmark Guidelines (6 May 2016), Department of the Environment
- Aggregation under the Emissions Reduction Fund (19 June 2015), Department of the Environment.

FREEDOM OF INFORMATION

The ILC is subject to the *Freedom of Information Act 1982* and displays on its website a plan showing what information it publishes under that Act. The information is at www.ilc.gov.au/about-us/ilc-publication-scheme

WORK HEALTH AND SAFETY

The ILC is committed to continual improvement in work health and safety (WHS) and compliance with the *Work Health and Safety Act 2012* (WHS Act) through providing safe and healthy working environments and the development of a positive safety culture across the ILC Group. The ILC has a WHS Coordinator who oversees WHS across the ILC and its subsidiaries, reporting to the CEO. During 2015–16, several WHS reviews were undertaken (internal and external) on WHS strategic issues to provide group-wide solutions to common WHS issues. To underline the importance of this issue, the Board established a new Work Health and Safety Committee during the year.

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

WHS: NCIE

A total of 97 incidents resulted in injury or illness; there was one incident notified to Comcare. Two compensation claims were accepted. Internal and external reviews of WHS were undertaken during the year by Deloitte. The NCIE also implemented a WHS induction training program for all staff and elected WHS representatives, WHS committee members and emergency wardens.

WHS: ILC CORPORATE

Over the course of the year six incidents resulted in injury or illness; there were no notifiable incidents. There are no open and active workers' compensation claims. The ILC undertook workplace inspections of all its corporate offices and maintained WHS roles across all work groups including health and safety representatives, bullying and harassment contact officers, fire wardens and first aid officers.

The ILC updated its WHS governance documents: the WHS Policy, Health and Safety Management Arrangements and WHS Plan 2015–18. In addition, the ILC Group WHS Agreement was developed. 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 understand their overarching regulatory requirements. All documents have been finalised and endorsed. The ILC hosted mandatory local WHS committee meetings and provided staff across the ILC Group with access to an employee assistance program. The ILC commenced asbestos surveys and a review of WHS risks for ILC-owned properties.

WHS: VOYAGES

There were a total of 311 health and safety related incidents recorded during 2015–16, of which 19 incidents were notifiable. The number of incidents recorded reflects a greater awareness and understanding of the incident reporting process and a review of policies and procedures carried out during the year. During the year there were 67 workers compensation claims accepted by the company's insurer, compared to 74 claims accepted during 2014–15.

After a Comcare inspection of Ayers Rock Resort in February 2016, four improvement notices were issued. These notices were finalised in May to the satisfaction of the regulator. Following the inspection, Voyages developed a comprehensive improvement plan to help ensure its compliance with obligations under the WHS Act and Regulations. This plan has been designed to address systematic compliance, while at the same time increasing safety awareness and assisting cultural change.

Voyages invested in the services of health and wellbeing counsellors to provide counselling to employees as well as developing proactive wellbeing programs at Ayers Rock Resort. Voyages continues to engage Max Solutions as its employee assistance provider.

A wide range of WHS training has been conducted during the year including WHS legislative compliance awareness, workplace bullying, chemical management and hazardous manual tasks. Additional training has been developed to assist managers in incident reporting and investigation.

Voyages WHS consultative processes are performed through internal and external committees. A WHS taskforce consisting of senior managers and specialist consultants was established during the year to drive the company's WHS improvement strategy. The objective of the taskforce is to guide the necessary shift from reactive to proactive management of health and safety across the business, as well as overseeing management of critical WHS risks and monitoring of emerging risks.

WHS: NIPE

During 2015–16 35 WHS incidents were reported; six involved no injury or illness to workers. There were two notifiable incidents. Six workers' compensation claims were accepted. NIPE engaged external assistance to investigate one incident involving an eye injury to a trainee while fencing.

During 2015–16 NIPE implemented an improved Workplace Health and Safety Management System (WHSMS) with the employment of a full-time WHS officer in July 2015. To ensure that station managers were properly trained in understanding and implementing their WHS responsibilities, a conference dedicated to WHS awareness was held in Adelaide in August 2015. This was followed up with another session on WHS implementation at the annual NIPE Managers' Conference in Adelaide in February 2016. In addition, all station managers undertook an assessment to verify their competencies during February 2016. This training and assessment was followed up by property visits to the 14 NIPE businesses to roll out the NIPE Farm Safety Pack during April to June 2016.

Throughout the year NIPE staff members conducted a WHSMS review and developed a WHS action plan for 2016–17 and participated in trainee induction in February 2016. NIPE now has two workers qualified in the Incident Cause Analysis Method of incident investigation.

There were three Comcare inspectors' reports received, in relation to Cardabia Station WA, Gunbalanya Station and Meats, NT, and Roebuck Plains Station, WA, respectively. Feedback from Comcare in relation to these inspections was positive as NIPE demonstrated a willingness to cooperate and address recommendations.

ENVIRONMENTAL PERFORMANCE

ENVIRONMENT AND HERITAGE FRAMEWORK

In 2015–16, the ILC pursued sound land and environmental practices and appropriate management of cultural and sacred-site matters across its programs and operations in accordance with the ATSI Act, the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) and the ILC's National Indigenous Land Strategy 2013–17.

The EPBC Act 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, including those properties where ILC subsidiaries conduct business operations.

ENVIRONMENTAL MONITORING AND REPORTING

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 EPBC Act.

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.

ELECTRICITY

ILC offices are located in buildings with multiple tenancies, so a component of electricity use (e.g. lift operation, foyer lighting) is managed by building managers. The ILC-controlled component is separately metered. Table 18 reports ILC-metered electricity use. In 2015–16 the ILC's overall electricity use decreased by 8 per cent over the previous year. The associated carbon footprint fell by 9.5 per cent, using 2014 national grid emissions factors, and may be lower due to likely falling grid emissions since then. All ILC offices use a number of energy-saving measures identified in the Environmental Management Plans.

Looking after country – a waterhole on the Banka Banka property in the Northern Territory.

TRAVEL

Most ILC travel is by air, hire car and taxi. In 2015–16 staff travel by taxi and hire car decreased over the previous year in terms of distance travelled. This may be attributable in part to increasing use of video conferencing that better facilitates meetings among staff in multiple locations. Air travel increased slightly from the previous year.

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 2015–16 paper use by employee decreased by 25 per cent over the previous year; however, this may reflect purchase and storage cycles rather than a significant change in paper use, as a 20 per cent increase was identified in the previous annual report. 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 2015–16 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 readily monitored climate impacts from ILC activities. Emissions fell across all measured areas compared with the previous financial year (except for air travel), reflecting the reduced overall travel, increased use of carbon-neutral paper and reduced power consumption.

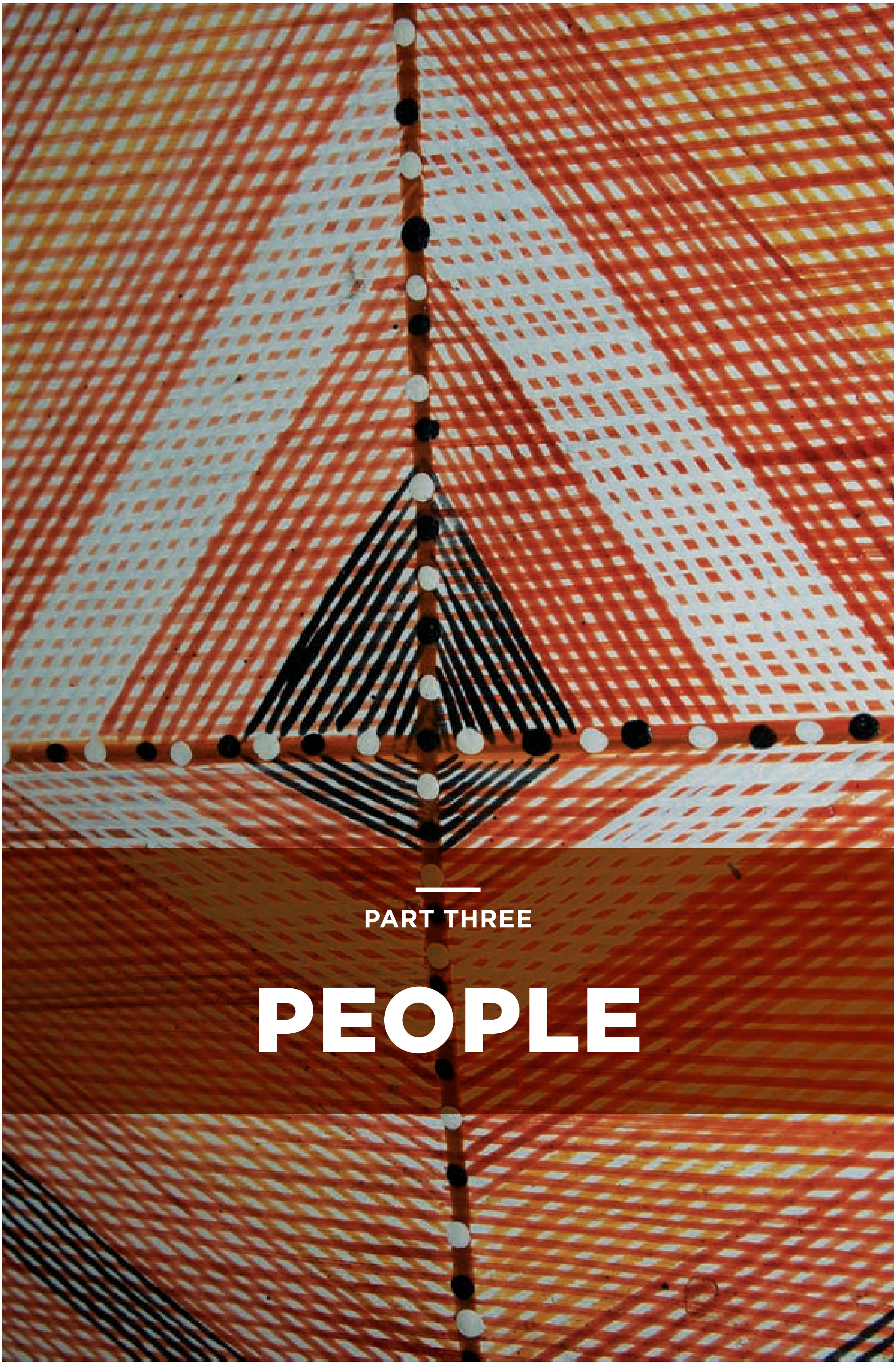
Cattle on the marine flood plains at Roebuck Plains Station near Broome.

TABLE 18: ECOLOGICALLY SUSTAINABLE DEVELOPMENT PERFORMANCE INDICATORS FOR ILC ACTIVITIES

Theme	Performance measure	Indicator	2014–15*	2015–16	Percent change
Energy use	Energy consumption	Electricity purchased (kWh)	267,395.00	247,304.00	–8.1
Energy use	Relative energy use	Electricity purchased (kWh) / FTE	7.42	8.06	7.9
Travel	Use of taxis for business travel	Taxi bookings (number)	2,154.00	2,343.00	8.1
Travel	Use of taxis for business travel	Taxi distance travelled (km)	27,308.28	25,836.74	–5.7
Travel	Use of hire cars for business travel	Hire car bookings (number)	165.00	161.00	–2.5
Travel	Use of hire cars for business travel	Hire car distance travelled (km)	67,732.00	58,442.00	–15.9
Travel	Use of aircraft for business travel	Flights (number)	1,819.00	1,939.00	6.2
Travel	Use of aircraft for business travel	Flight distance travelled (km)	2,149,783.00	2,199,957.92	2.3
Climate pollution**	Electricity (scope 2)	Office electricity use (t CO2-e)	185.35	169.21	–9.5
Climate pollution	Staff travel (scope 3)	Hire cars (t CO2-e)	12.60	9.97	–26.4
Climate pollution	Staff travel (scope 3)	Taxi travel (t CO2-e)	4.07	3.85	–5.7
Climate pollution	Staff travel (scope 3)	Aircraft travel (t CO2-e)	354.89	363.17	2.3
Climate pollution	Paper purchases (scope 3)	Greenhouse gas emissions (paper purchases) (t CO2-e)	5.12	3.95	–29.5
Waste	Paper purchased	Total amount of paper purchased (t)	4.39	3.49	–25.8
Waste	Use of carbon neutral paper	Carbon neutral paper (% of total weight)	16.79	17.76	5.5
Waste	Use of recycled paper	Recycled paper (% of total weight)	46.34	47.12	1.7
Waste	Relative paper purchased	Total amount of paper purchased (A4 reams / FTE)	17.81	16.61	–7.2

**As part of the ILC's process of continuous improvement, where necessary the 2014–15 data has been reviewed and updated since published in the last ILC Annual Report. For example, the report for this year excludes travel associated with NIPE activities for this and the previous year; however, NIPE staff are included in the other reported items where staff are co-located in ILC offices.*

***Climate pollution data is based on emissions factors sourced from the National Greenhouse Accounts Factors 2015, DEFRA flight emissions guidance and emissions data supplied by the hire car companies Avis and Thrifty.*



PART THREE

PEOPLE

EMPLOYEE ARRANGEMENTS: ILC

The CEO is responsible for the engagement of employees necessary to perform the functions of the ILC. At 30 June 2016 the core ILC (excluding subsidiaries) employed 82.6 full-time equivalent (FTE) employees. This is a decrease from 2014–15 due to active management to reduce staffing, after the former Board asked that the ILC achieve a 15 per cent reduction in expenditure. Ten new employees (six female and four male) were engaged in 2015–16 and 15 employees separated, resulting in a 12.3 per cent turnover (2014–15: 10.2 per cent).

The ILC maintained a high level of workplace diversity. At 30 June 2016 the proportion of Indigenous employees was 28.5 per cent (2014–15: 33.3 per cent) and female employees 57.6 per cent (2014–15: 58.9 per cent). Three of the five substantive Senior Executive staff at 30 June 2016 were Indigenous Australians.

The CEO's remuneration is administered by the Australian Government Remuneration Tribunal under the Principal Executive Officer classification. The former CEO separated in November 2015. While the ILC Board undertook an external recruitment process, an IBA Senior Executive transferred to the ILC as the acting CEO. Following an external recruitment process, the new CEO commenced on 1 June 2016. No CEO or Acting CEO received a performance payment during the reporting period.

Senior Executive employees 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. There were three Senior Executive separations during the year.

All other ILC employees are engaged under the ILC Enterprise Agreement (EA) 2011–14 which continues to apply while the ILC and employees are negotiating a new enterprise agreement. Benefits under the EA include studies assistance, an employee assistance program, learning and development, a healthy employee scheme (individual and team), screen-based eyesight testing and vaccinations. In the second half of 2015–16 a draft EA had been developed and tabled with staff representatives, but no staff vote could be undertaken during the caretaker period before the 2 July 2016 federal election.

No ILC employee, including Senior Executive employees, received a performance payment during 2015–16.

INDIGENOUS EMPLOYMENT STRATEGY

The ILC's Indigenous Employment Strategy (IES) operates within the core ILC and complements the training and employment strategies delivered through the *Our Land Our Jobs* program based at ILC subsidiaries. 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.

During the reporting period the Chief Executive Officer (CEO) met twice with the ICG to discuss progress of the IES; the Reconciliation Action Plan (RAP); and the ILC's learning and development strategies.

The RAP, launched in July 2015, is based on three principles: building relationships with Indigenous peoples; maintaining respect for the diversity of ideas, backgrounds and cultures of Indigenous peoples, our employees and other stakeholders; and providing opportunities for the ILC's Aboriginal and Torres Strait Islander employees. Performance indicators measure the success of the RAP.

During 2015–16 the ILC core employed Indigenous trainees; up to three positions were filled during the reporting period. Indigenous cadets were employed through the National Indigenous Cadetship Project, with up to four cadet positions filled. Two Indigenous employees received studies assistance to attend university part-time, and one was assisted to undertake diploma or certificate qualifications part-time.

INDIGENOUS EXECUTIVE DEVELOPMENT PROGRAM

In April 2016 the Board approved a new Indigenous Executive Development Program for implementation from 2016–17. The strategy will promote Indigenous executive succession and mobility across the ILC, Indigenous Business Australia and subsidiaries. The participant group will be selected from within the two agencies and from the wider public service.

PERFORMANCE MANAGEMENT

All ILC employees participate in a Performance Evaluation and Management Program. 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.

TABLE 19: ILC EMPLOYEES BY DIVERSITY GROUP (FTE), 30 JUNE

	Non-Indigenous		Indigenous		Total	
	14–15	15–16	14–15	15–16	14–15	15–19
Central Division	7.6	**7.8**	7.8	**4.3**	15.4	**12.0**
Female	2.8	**1.8**	6.8	**3.3**	9.6	**5.0**
Male	4.8	**6.0**	1.0	**1.0**	5.8	**7.0**
Eastern Division	7.8	**7.6**	8.0	**7.0**	15.8	**14.6**
Female	2.8	**3.6**	5.0	**4.0**	7.8	**7.6**
Male	5.0	**4.0**	3.0	**3.0**	8.0	**7.0**
Western Division	7.6	**7.6**	6.0	**5.0**	13.6	**12.6**
Female	6.6	**6.6**	3.0	**3.0**	9.6	**9.6**
Male	1.0	**1.0**	3.0	**2.0**	4.0	**3.0**
Corporate office	36.8	**36.1**	8.0	**7.2**	44.8	**43.3**
Female	19.8	**19.1**	6.0	**6.2**	25.8	**25.3**
Male	17.0	**17.0**	20.0	**1.0**	19.0	**18.0**
Grand Total	**59.8**	**59.1**	**29.8**	**23.5**	**89.6**	**82.6**

TABLE 20: ILC SALARIES BY DIVERSITY GROUP (FTE), 30 JUNE 2016

	Female			Male			Grand total
Classification	Non-Indigenous	Indigenous	Total	Non-Indigenous	Indigenous	Total	
ILC1: $46,000–$55,000	–	2.5	2.5	–	1.0	1.0	3.5
ILC2: $57,000–$69,000	5.3	8.0	13.3	1.0	2.0	3.0	16.3
ILC3: $71,000–$87,000	13.0	4.0	17.0	11.0	1.0	12.0	29.0
EL: $94,000–$128,000	10.8	–	10.8	13.0	1.0	14.0	24.8
Legal: $56,000–$130,000	–	1.0	1.0	2.0	–	2.0	3.0
SE: >$128,000	2.0	1.0	3.0	1.0	2.0	3.0	6.0
Grand total	**31.1**	**16.5**	**47.6**	**28**	**7.0**	**35.0**	**82.6**

EMPLOYEE ARRANGEMENTS: VOYAGES

Voyages Indigenous Tourism Australia (Voyages) Pty Ltd is a wholly-owned subsidiary of the ILC. At 30 June 2016, Voyages had a total of 1092 employees (head count): 872 at Ayers Rock Resort, 41 at Home Valley Station and 91 at Mossman Gorge Centre, with 88 in the Voyages corporate office (86 in Sydney, NSW, and two in Canberra, ACT).

Voyages employee numbers include five executive team members. The executive remuneration and benefit arrangements include a discretionary annual performance payment, mobile phone, food and beverage allowance, and use of company vehicles and (where applicable) housing. Other Voyages employees are engaged variously under a common law contract, an enterprise agreement or a relevant modern award. Some of the benefits available to these employees include relocation reimbursement, uniforms, flexible work arrangements, study support, training workshops and courses, and career-development opportunities.

In 2015–16 Voyages engaged 883 new employees (389 female and 494 male); 732 employees separated delivering a 72 per cent turnover (2014–15: 74 per cent). At 30 June 2016 the proportion of Indigenous employees was 37 per cent (2014–15: 35 per cent), and of female employees 46 per cent (2014–15: 48.2 per cent).

TABLE 21: VOYAGES EMPLOYEES BY LOCATION AND GENDER (HEAD COUNT), 30 JUNE

	Non-Indigenous		Indigenous		Total	
	14–15	15–16	14–15	15–16	14–15	15–16
Northern Territory	542	**563**	262	**309**	804	**872**
Female	233	**220**	130	**152**	363	**372**
Male	309	**343**	132	**157**	441	**500**
Queensland	10	**12**	80	**79**	90	**91**
Female	4	**6**	43	**40**	47	**46**
Male	6	**6**	37	**39**	43	**45**
Western Australia	30	**30**	12	**11**	42	**41**
Female	14	**14**	3	**5**	17	**19**
Male	16	**16**	9	**4**	25	**22**
New South Wales/ACT	79	**84**	2	**4**	81	**88**
Female	61	**63**	2	**2**	63	**65**
Male	18	**21**	0	**2**	18	**23**
Grand total	**661**	**689**	**356**	**403**	**1017**	**1092**

TABLE 22: VOYAGES EMPLOYEES BY SALARY RANGE (HEAD COUNT), 30 JUNE 2016

	Female			Male			Total
Classification	Non-Indigenous	Indigenous	Total	Non-Indigenous	Indigenous	Total	
Trainees <$50,000	–	58	**58**	0	48	**48**	**106**
<$50,000	189	123	**312**	254	138	**392**	**704**
$50,000 to $99,999	104	18	**122**	112	16	**128**	**250**
$100,000 to $129,999	4	–	**4**	10	2	**12**	**16**
>$130,000	6	–	**6**	10	–	**10**	**16**
Grand total	**303**	**199**	**502**	**386**	**204**	**590**	**1092**

Note: Remuneration ranges are provided on an annual equivalent basis excluding superannuation and other salary entitlements.

EMPLOYEE ARRANGEMENTS: NIPE

National Indigenous Pastoral Enterprises (NIPE) Pty Ltd is a wholly-owned subsidiary of the ILC. At 30 June 2016 NIPE had 194 (head count) employees across 14 agribusinesses.

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 27 new employment agreements in 2015–16; 29.4 per cent of NIPE employees were on employment agreements at the end of the reporting period (2014–15: 26.1 per cent).

All other employees are engaged under the NIPE Enterprise Agreement 2012–16. Benefits under the agreement include an employee assistance program, learning and development, time off in lieu provisions, board and/or lodging, and vaccinations. Many employees are engaged on a casual or seasonal basis. In Table 24, remuneration ranges are provided on an annual equivalent basis.

No NIPE employee received a performance payment during the year.

At 30 June 2016 the proportion of Indigenous employees was 61.9 per cent (2014–15: 53.5 per cent), and female employees 20.1 per cent (2014–15: 19.1 per cent).

TABLE 23: NIPE EMPLOYEES BY DIVERSITY GROUP (HEAD COUNT), 30 JUNE

	Non-Indigenous		Indigenous		Total	
	14–15	15–16	14–15	15–16	14–15	15–16
Northern Territory	23	**17**	35	**33**	58	**50**
Female	9	**6**	1	**2**	10	**8**
Male	14	**11**	34	**31**	48	**42**
Queensland	13	**15**	15	**32**	28	**47**
Female	5	**6**	2	**6**	7	**12**
Male	8	**9**	13	**26**	21	**35**
Western Australia	25	**29**	33	**50**	58	**79**
Female	10	**11**	1	**4**	11	**15**
Male	15	**18**	32	**46**	47	**64**
Tasmania	4	**4**	1	**1**	5	**5**
Female	1	**1**	–	–	1	**1**
Male	3	**3**	1	**1**	4	**4**
South Australia	4	**4**	–	**1**	4	**5**
Female	–	–	–	**1**	–	**1**
Male	4	**4**	–	–	4	**4**
New South Wales	–	–	–	**3**	–	**3**
Female	–	–	–	–	–	–
Male	–	–	–	**3**	–	**3**
ACT	4	**5**	–	–	4	**5**
Female	1	**2**	–	–	1	**2**
Male	3	**3**	–	–	3	**3**
Grand total	**73**	**74**	**84**	**120**	**157**	**194**

TABLE 24: NIPE SALARIES BY DIVERSITY GROUP (HEAD COUNT), 30 JUNE 2016

	Female			Male			Total
Classification	Non-Indigenous	Indigenous	Total	Non-Indigenous	Indigenous	Total	
Trainee:<$44,000	–	3	3	–	9	9	12
1: $44,000	5	4	9	2	52	54	63
2: $46,000	1	–	1	–	8	8	9
3: $48,000	6	2	8	9	22	31	39
4: $52,000	2	1	3	2	9	11	14
5: $54,000	1	–	1	3	2	5	6
6: $62,000	–	–	–	2	–	2	2
EA: >$40,000	11	3	14	30	5	35	49
Grand total	**26**	**13**	**39**	**48**	**107**	**155**	**194**

EMPLOYEE ARRANGEMENTS:NCIE

The National Centre of Indigenous Excellence (NCIE) Ltd is a wholly-owned subsidiary of the ILC. At 30 June 2016, NCIE had 110 employees (head count), compared to 99 at the end of 2014–15. NCIE employees, including executive team members, are engaged on individual employment agreements. Benefits provided under these agreements include an employee assistance program, learning and development, salary sacrificing provisions and vaccinations. Many NCIE employees are engaged on a casual basis. No NCIE employee received a performance payment during the year.

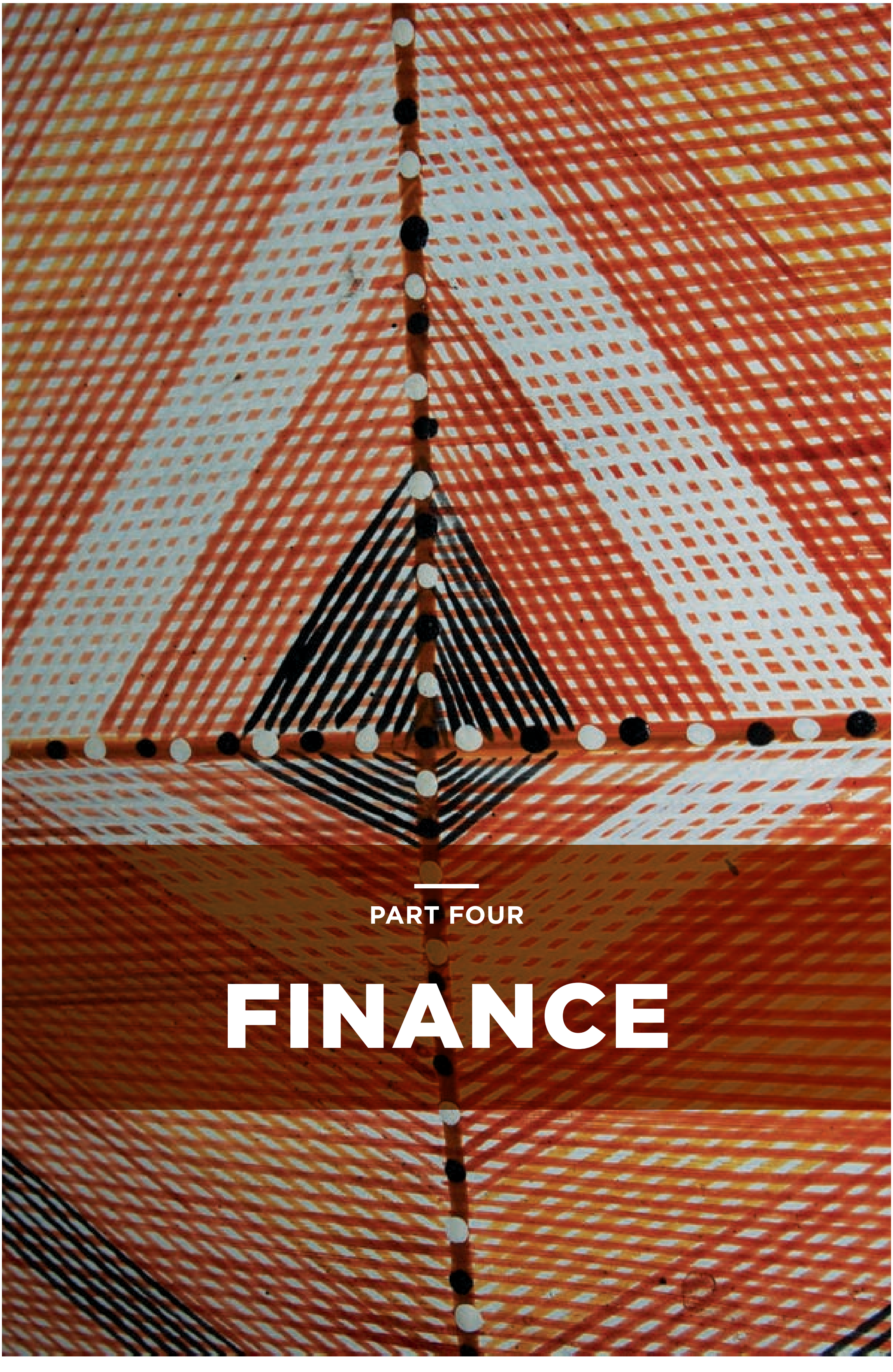
During 2015–16 NCIE engaged 55 new employees (30 female and 25 male); 41 employees separated during the year, a 41.4 per cent turnover (2014–15: 54.9 per cent). At 30 June 2016 the proportion of Indigenous employees was 51.8 per cent (2014–15: 49.5 per cent), and female employees 50.9 per cent (2014–15: 51.5 per cent).

TABLE 25: NCIE EMPLOYEES BY DIVERSITY GROUP (HEAD COUNT), 30 JUNE

	Non-Indigenous		Indigenous		Total	
	14–15	15–16	14–15	15–16	14–15	15–16
Female	27	**21**	24	**35**	51	**56**
Male	23	**32**	25	**22**	48	**54**
Total	**50**	**53**	**49**	**57**	**99**	**110**

TABLE 26: NCIE SALARIES BY DIVERSITY GROUP (HEAD COUNT), 30 JUNE 2016

	Female			Male			Total
Classification	Non-Indigenous	Indigenous	Total	Non-Indigenous	Indigenous	Total	
EA <$50,000	2	19	21	6	8	14	35
$50,000–$100,000	16	14	30	26	14	40	70
$100,000–$150,000	3	1	4	–	–	–	4
>$150,000	–	1	1	–	–	–	1
Grand total	**21**	**35**	**56**	**32**	**22**	**54**	**110**



PART FOUR

FINANCE

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).

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 27. The balance of the Land Account at 30 June 2016 was $2.023 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 (2010–11 values), 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.

TABLE 27: 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	45.0
2011–12	51.3
2012–13	65.9
2013–14	52.5
2014–15	49.9
2015–16	50.7

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 on four occasions in 2015–16, with the ILC represented by Director Gay and Director Ashby (who replaced Director Westbury in October 2015). 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 2015 and review of the Land Account's Investment Strategy and associated investment policies.

LAND ACCOUNT EXPERT ADVISORY PANEL

The ILC Board has been approaching the Australian Government about mechanisms to increase revenue from/preserve the base of the Land Account, whether by changing its current investment parameters and/or changing its management arrangements. The Minister has agreed to consider options put by the ILC. Following a Board decision in April 2016, a Land Account Expert Advisory Panel, representing high-level expertise in private- and public-sector finance, has been convened to provide advice to the ILC on how the Land Account can be made more sustainable and grow in the longer term. Further information is provided in the Chairperson's foreword.

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.

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 $47.5 million in cash reserves and investments at 30 June 2016 (30 June 2015: $58.5 million). The funds are used to supplement the ILC Group'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 2016 the ILC held properties at a value of $161 million (excluding Ayers Rock Resort). While the ILC holds properties, it is responsible for maintenance and statutory costs.

The ILC holds properties that have a significant amount of livestock on them. At 30 June 2016 the ILC Group held 87,955 head of livestock at a value of $49.1 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 the Annual Performance Statement 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.

A Directors' valuation of the non-financial assets of Ayers Rock Resort was undertaken at 30 June 2016. The fair value of these assets was assessed to be $300 million at that date, representing a fair value increase of $52 million against the previous valuation.

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 programs 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.

TABLE 28: AGENCY RESOURCE STATEMENT, 2015–16

	2015–16 Actual $'000
Opening balance/cash reserves at 1 July	42,814
Funds from Government	
Ordinary annual services (Appropriation Bill No. 1)	9,389
Special accounts	
Aboriginal and Torres Strait Islander Land Account	50,712
Total funds from Government	**60,101**
Funds from other sources	
Interest	15,902
Other	25,255
Total funds from other sources	**23,200**
Total net resourcing for ILC	**126,115**
Payments made	95,738
Closing balance/cash reserves at 30 June	**30,377**

TABLE 29: RESOURCES FOR OUTCOME 1

Outcome 1: Enhanced socio-economic development, maintenance of cultural identity and protection of the environment by Indigenous Australiansthrough land acquisition and management			
	2015–16 Budget $'000	**2015–16 Actual $'000**	**2015–16 Variance $'000**
Program 1.1: Assistance in the acquisition and management of an Indigenous land base			
Revenue from Government			
Ordinary annual services (Appropriation Bill No. 1)	9,389	9,389	-
Payment from related entities	18,500	15,902	(2,598)
Special accounts			
Aboriginal and Torres Strait Islander Land Account	50,712	50,712	-
Revenues from other independent sources	4,700	25,255	20,555
Total expenses for Program 1.1	**83,301**	**101,258**	**17,957**
Outcome 1 totals by resource type			
Revenue from Government			
Ordinary annual services (Appropriation Bill No. 1)	9,389	9,389	-
Payment from related entities	18,500	15,902	(2,598)
Special accounts			-
Aboriginal and Torres Strait Islander Land Account	50,712	50,712	-
Revenues from other independent sources	4,700	25,255	20,555
Total expenses for Outcome 1	**83,301**	**101,258**	**17,957**

	2014–15 Actual	**2015–16 Actual**
Average staffing level (number)*	274	287

Note: Tables 28 and 29 do not include Voyages Indigenous Tourism Australia as this entity is classified as a Public Non-Financial Corporation.

Australian National Audit Office

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 2016, which comprise:

- Statement by the Accountable Authorities, Chief Executive and Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement; and
- Notes to and forming part of the Financial Statements comprising a Summary of Significant Accounting Policies and other explanatory information.

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.

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 2016 and their financial performance and cash flows for the year then ended.

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 and is also responsible for such internal control as the Indigenous Land Corporation determine 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.

GPO Box 707 CANBERRA ACT 2601
19 National Circuit BARTON ACT
Phone (02) 6203 7300 Fax (02) 6203 7777

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.

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.

Australian National Audit Office

JGeorge

Jodi George
Audit Principal

Delegate of the Auditor-General

Canberra
15 September 2016

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 2016 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............................

Mr Edward Fry
Chairperson
Accountable Authority

Signed............................

Anthony Ashley
Director
Accountable Authority

Signed............................

Mr John Maher
Chief Executive Officer

Signed............................

Ms Jodie Lindsay
Chief Financial Officer

15 September 2016

Indigenous Land Corporation
Statement of Comprehensive Income
for the year ended 30 June 2016

	Notes	Consol 2016 $,000	Consol 2015 $,000	ILC 2016 $,000	ILC 2015 $,000
NET COST OF SERVICES					
Expenses					
Property granted	5A	**7,517**	19,475	**7,517**	19,475
Provision for property held for grant and assets held in trust	5B	**(1,500)**	(13,112)	**(1,500)**	(13,112)
Employee benefits	5C	**85,157**	80,704	**11,661**	12,194
Suppliers	5D	**118,766**	111,551	**45,520**	59,620
Depreciation and amortisation	5E	**18,835**	17,925	**4,952**	5,896
Net loss (gain) from sale of assets	5F	**568**	1,030	**(213)**	261
Finance costs	5H	**10,825**	11,011	**8,190**	8,967
Total Expenses		**240,168**	228,584	**76,127**	93,301
Own-source income					
Own-source revenue					
Interest	6A	**1,901**	2,151	**17,366**	19,788
Sale of goods and rendering of services	6B	**149,207**	131,758	**4,457**	8,358
Grants	6C	**4,529**	2,374	**1,304**	1,387
Other revenue	6D	**13,095**	13,086	**2,084**	1,493
Total own-source revenue		**168,732**	149,369	**25,211**	31,026
Gains					
Net gain in the net market value of livestock	7A	**21,653**	21,647	**15,261**	19,240
Net market value of agricultural produce	7B	**471**	444	**471**	444
Other net gain (loss)	5G	**58,332**	21,541	**15,418**	(1,161)
Total gains		**80,456**	43,632	**31,150**	18,523
Total own-source income		**249,188**	193,001	**56,361**	49,549
Net cost of services		**9,020**	(35,583)	**(19,766)**	(43,752)
Revenue from Government					
Revenue from Government	8A	**60,101**	59,391	**60,101**	59,391
Surplus before income tax on continuing operations		**69,121**	23,808	**40,335**	15,639
Income tax benefit	5I	**685**	167	**-**	-
Surplus attributable to the Australian Government		**69,806**	23,975	**40,335**	15,639
Other comprehensive income					
Changes in asset revaluation surplus		**7,480**	330	**505**	263
Disposal of minority interest		**231**	(251)	**-**	-
Income tax equity adjustment		**(37)**	-	**-**	-
Total comprehensive income attributable to the Australian Government		**77,480**	24,054	**40,840**	15,902

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

Indigenous Land Corporation
Statement of Financial Position
as at 30 June 2016

	Notes	Consol 2016 $,000	Consol 2015 $,000	ILC 2016 $,000	ILC 2015 $,000
ASSETS					
Financial assets					
Cash and cash equivalents	9A	**43,574**	48,477	**25,527**	31,753
Trade and other receivables	9B	**11,208**	9,930	**2,965**	4,868
Investments	9C	**4,000**	10,000	**34,808**	24,045
Other financial assets	9D	**14,018**	93	**297,670**	337,342
Total financial assets		**72,800**	68,500	**360,970**	398,008
Non-financial assets					
Biological assets	10A	**49,206**	44,277	**24,663**	31,938
Inventory – other	10B	**4,747**	4,428	**117**	355
Inventory - property held for grant	10C	**135,014**	136,419	**135,014**	136,419
Assets held in trust	10D	**25,678**	25,773	**25,678**	25,773
Land	10E	**58,109**	48,342	**-**	-
Property, plant and equipment	10F	**318,737**	282,892	**76,689**	84,026
Finance lease	10K	**6,666**	-	**-**	-
Intangible assets and goodwill	10L	**5,761**	5,847	**153**	188
Other non-financial assets	10M	**6,140**	6,649	**5,592**	6,098
Deferred tax asset	5I	**815**	167	**-**	-
Total non-financial assets		**610,873**	554,794	**267,906**	284,797
Total Assets		**683,673**	623,294	**628,876**	682,805
LIABILITIES					
Payables					
Suppliers	11A	**12,744**	13,725	**3,002**	6,272
Other payables	11B	**12,737**	22,487	**3,886**	20,382
Interest bearing loans	11C	**185,000**	198,000	**65,000**	138,000
Finance lease	11D	**6,694**	-	**-**	-
Total payables		**217,175**	234,212	**71,888**	164,654
Provisions					
Employee provisions	12A	**10,102**	8,666	**2,437**	2,940
Provision for property held for grant	10C	**135,014**	136,419	**135,014**	136,419
Provision for assets held in trust	10D	**25,678**	25,773	**25,678**	25,773
Provision for make good	12B	**403**	403	**403**	403
Total provisions		**171,197**	171,261	**163,532**	165,535
Total Liabilities		**388,372**	405,473	**235,420**	330,189
NET ASSETS		**295,301**	217,821	**393,456**	352,616
EQUITY					
Parent entity interest					
Reserves		**10,918**	5,212	**3,876**	5,077
Retained surplus		**284,383**	212,609	**389,580**	347,539
Total Parent Entity Interest		**295,301**	217,821	**393,456**	352,616
TOTAL EQUITY		**295,301**	217,821	**393,456**	352,616

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

Indigenous Land Corporation
Statement of Changes in Equity
for the year ended 30 June 2016

Consolidated	Retained Earnings		Asset Revaluation Reserve		Total Equity	
	2016	2015	**2016**	2015	**2016**	2015
	$,000	$,000	**$,000**	$,000	**$,000**	$,000
Opening Balance						
Balance carried forward from previous period	**212,609**	187,973	**5,212**	5,794	**217,821**	193,767
Comprehensive Income						
Surplus for the period	**69,806**	23,975	**-**	-	**69,806**	23,975
Other comprehensive income:						
Disposal of minority interest	**231**	(251)	**-**	-	**231**	(251)
Income tax equity adjustment	**(37)**	-	**-**	-	**(37)**	-
Fair value revaluation of property, plant and equipment	**-**	-	**7,480**	330	**7,480**	330
Total comprehensive income attributable to the Australian Government	**70,000**	23,724	**7,480**	330	**77,480**	24,054
Amount transferred from revaluation reserve for property, plant and equipment disposed of	**1,774**	912	**(1,774)**	(912)	**-**	-
Closing balance attributable to the Australian Government	**284,383**	212,609	**10,918**	5,212	**295,301**	217,821

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

Indigenous Land Corporation
Statement of Changes in Equity
for the year ended 30 June 2016

ILC	Retained Earnings		Asset Revaluation Reserve		Total Equity	
	2016	2015	**2016**	2015	**2016**	2015
	$,000	$,000	**$,000**	$,000	**$,000**	$,000
Opening Balance						
Balance carried forward from previous period	**347,539**	330,990	**5,077**	5,724	**352,616**	336,714
Comprehensive Income						
Surplus for the period	**40,335**	15,639	**-**	-	**40,335**	15,639
Other comprehensive income:						
Fair value revaluation of property, plant and equipment	**-**	-	**505**	263	**505**	263
Total comprehensive income attributable to the Australian Government	**40,335**	15,639	**505**	263	**40,840**	15,902
Amount transferred from revaluation reserve for property, plant and equipment disposed of	**1,706**	910	**(1,706)**	(910)	**-**	-
Closing balance attributable to the Australian Government	**389,400**	347,539	**3,876**	5,077	**393,456**	352,616

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

Indigenous Land Corporation
Cash Flow Statement
for the year ended 30 June 2016

	Notes	**Consol 2016 $,000**	Consol 2015 $,000	**ILC 2016 $,000**	ILC 2015 $,000
OPERATING ACTIVITIES					
Cash received					
Receipts from Government		**9,389**	9,527	**9,389**	9,527
Other receipts from Government		**53,445**	53,487	**52,146**	51,392
Goods and services		**188,033**	163,686	**16,549**	25,424
Interest		**2,456**	1,994	**2,008**	1,545
Other		**13,742**	13,855	**2,292**	5,062
Income received from subsidiaries		**-**	-	**9,517**	-
Net GST received from ATO		**-**	-	**2,185**	3,434
Total cash received		**267,065**	242,549	**94,086**	96,384
Cash used					
Employees		**79,604**	74,437	**12,543**	11,892
Suppliers		**128,343**	130,853	**53,453**	69,907
Interest paid		**10,785**	11,580	**8,190**	8,967
Net GST paid to ATO		**11,818**	2,855	**-**	-
Total cash used		**230,550**	219,725	**74,186**	90,766
Net cash from operating activities	14	**36,515**	22,824	**19,900**	5,618
INVESTING ACTIVITIES					
Cash received					
Proceeds from the sale of property, plant and equipment		**111**	161	**158**	160
Proceeds from sale of investments, net		**6,000**	-	**6,000**	-
Total cash received		**6,111**	161	**6,158**	160
Cash used					
Purchase of property, plant and equipment		**17,515**	15,864	**2,270**	2,699
Purchase of intangibles		**14**	47	**14**	47
Investments made, net		**-**	10,000	**-**	10,000
Total cash used		**17,529**	25,911	**2,284**	12,746
Net cash from or (used by) investing activities		**(11,418)**	(25,750)	**3,874**	(12,586)
FINANCING ACTIVITIES					
Cash used					
Repayment of loans		**30,000**	-	**30,000**	-
Net cash used by financing activities		**(30,000)**	-	**(30,000)**	-
Net (decrease) in cash held		**(4,903)**	(2,926)	**(6,226)**	(6,968)
Cash at the beginning of the reporting period		**48,477**	51,403	**31,753**	38,721
Cash at the end of the reporting period	14	**43,574**	48,477	**25,527**	31,753

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

Indigenous Land Corporation
Notes to and forming part of the financial statements
for the year ended 30 June 2016

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* (ATSI 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 2015; 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 note 15D. 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 are progressively transferring 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.

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 previous financial year the ILC transferred one lot to an Aboriginal Corporation. As the ILC still owns two of the three lots it effectively "controls" The Owners—Strata Plan No 86156.

The Strata Corp is 61% 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 Ungkunytja 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 5G, 10F, 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 limited scope 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 using a combination of the Discounted Cash Flow (DCF) together with a market based capitalisation of earnings. The valuer weighted in favour of the DCF method. As there was a detailed inspection of Ayers Rock Resort on 13 May 2015 by CBRE Hotels for the purposes of this valuation the property was not inspected. CBRE Hotel provided a market based valuation report to support the valuation adopted by the Directors' for financial reporting purposes as at 30 June 2016.

CBRE Hotels has estimated the fair value less costs to sell of Ayers Rock Resort to be $300 million (2015: $248 million). For the valuation rationale firstly a market based capitalisation of initial earnings before interest, tax, depreciation and amortisation (forecast year 1) – cap rate of 9.0% was applied to the "Year 1 or 2016-17" cash flow (being approximately equal to Voyages budget for 2016-17) less a notional management fee of $500,000. Secondly a 5 year DCF analysis using a pre-tax discount rate applied to the cash flow range of 10.5% and a terminal yield of 9.0% at the commencement of the sixth year of projected cash flow.

The realisation in 2015-16 of the predicted improved trading conditions for Ayers Rock Resort and the maintenance of a strong outlook for the tourism market both domestically and internationally has contributed positively to the valuation. The stronger than forecast performance of over 27% in 2015-16 over the projection used in the 2015 valuation was also a large influence. The increase in fair value was also supported by strong investment market conditions.

The Voyages Directors have considered the value estimated by CBRE and have assessed the risks associated with the cash flow forecast and other key assumptions used to determine the value. Based on these considerations, the Voyages Directors have 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 2016 of $300 million (2015: $248 million).

1.5 Significant accounting judgements and estimates (cont.)

An impairment reversal of $44.102 million (2015:$22.556 million) - Land $8.313 million, Property, plant and equipment $34.926 million and Intangibles $0.860 million has been recognised in the Statement of Comprehensive Income. Additionally, to restate the carrying amount of these assets to fair value as an increase in the asset revaluation reserve of $6.825 million has occurred (refer notes 5G, 10E, 10F, 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 8.75% to 9.25% with 9.0% 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 $8.0 million.

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.

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.

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

The Corporation will apply AASB 16 *Leases* from 2019-20. The standard will require the net present value of payments under most operating leases to be recognised as assets and liabilities. An initial assessment indicates that the implementation of the standard may not have a substantial impact on the financial statements, however, the Corporation is yet to undertake a detailed review.

1.6 New accounting standards (cont).

The Corporation will apply AASB 15 *Revenue from Contracts with Customers* from 2018-19. The standard requires revenue from such contracts to be recognised as the entity transfers goods and services to the customer. A detailed assessment is yet to be undertaken, however, based on a preliminary assessment, the standard is not expected to have a material impact on the transactions and balances recognised in the financial statements.

AASB 9 *Financial Instruments* will apply from 2018-19. Financial assets and liabilities are currently carried at the present value of expected future cash flows based upon the incurred loss model. There is minimal exposure to credit risk and an initial assessment indicates that the effect of the standard and move to the expected loss model will not have a material impact on the financial statements.

The following new or revised standards will have a disclosure impact in future reporting periods:

- AASB 2015-2 *Amendments to Australian Accounting Standards – Disclosure Initiative* provides guidance on disclosure requirements contained in AASB 101 *Presentation of Financial Statements* and further guidance on the ordering of notes to the financial statements and will apply from 2016-17.
- AASB 2015-6 *Amendments to Australian Accounting Standards – Extended Related Party Disclosures to Not-for-Profit Public Sector Entities* extends the scope of AASB 124 *Related Party Disclosures* to not-for-profit public sector entities and will apply from 2016-17. The Corporation will report related party transactions in the notes to the financial statements, including key management personnel and related entity transactions.

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 1.21 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.

A contract executed between ILC and the Commonwealth Government for the provision of a $65m loan to retire the facility with GPT and to reduce the overall interest cost on the debt of Ayers Rock Resort represents a financial instrument. *AASB 139 Financial Instruments* requires that a financial asset shall be recognised in the balance sheet when the ILC became a party to the contact. The ILC became party to this contract in May 2016. As the Commonwealth loan agreement was provided in terms that are more favourable than the ILC could obtain in the market place a concessional discount is required to be recognised.

An asset and a gain equal to fair value of the contract has been recognised in the reporting period. The fair value on the contract is the difference between the rights receivable under the contract and the present value of the obligations payable under the contract being $13.8 million. The rights receivable under the contract are greater than the present value of the obligations payable under the contract. Therefore, the net effect is an asset which has been recognised in the Statement of Financial Position and a corresponding gain recognised in the Statement of Comprehensive Income. Over the seven year period of the loan, the unwinding of the consessional discount will result in annual expense, which will total the $13.8 m over the period.

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.

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.

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 (PSSap). 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 schemes.

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 schemes.

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

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.

1.11 Leases (cont.)

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 by 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.

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.

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 convertable 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.

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 10C). 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 yearly 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

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.

1.19 Property, plant and equipment (cont).

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 2016	Diminishing Value 2015	**Prime Cost 2016**	Prime Cost 2015
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 fitting	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 10F.

Impairment
All assets were assessed for impairment as 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 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 10F.

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.

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 2016	Consol 2015	**ILC 2016**	ILC 2015
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.

1.20 Intangible assets (cont.)

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*.

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.

1.22 Inventory – property held for grant (cont.)

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.

1.26 Derivative financial instruments

Forward sales contracts
The Corporation enters into forward sales contracts where is 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.

Interest rate swaps
The Corporation uses derivative financial instruments, being interest rate swaps, to hedge its interest rate risks of its secured bank loan. The interest rate swaps are initially recognised at fair value on the date on which the contract is entered into and are subsequently remeasured at fair value at balance date. Interest rate swaps are carried as financial asstes when the fair value is positive and as financial liabilities when the fair value is negative.

The interest rate swaps are recognised at fair value on a mark to market basis on the Statement of Financial Position.

Under Accounting Standard *AASB 139 Financial Instruments: Recognition and Measurement*, the Corporation has adopted a choice available to it within the standard not to apply hedge accounting.

1.26 Derivative financial instruments (cont.)

On 22 June 2016, Voyages executed $90m in interest rate swaps with the Australia and New Zealand Banking Group Limited (ANZ). Voyages is required by contract to hedge 50 per cent of the ANZ finance facility. The fair value determined through a mark to market calculation as at balance date, being the difference between the transaction price and fair value, has been recognised as a liability and a loss recorded in the Statement of Comprehensive Income (refer note 5G). The change in the fair value determined for the financial instrument (derivative) is classified here as a fair value through profit or loss derivative financial liability.

The value of the derivative financial liability recognised was influenced, as at balance date, due primarily to uncertainty in both the international and domestic markets around the United Kingdom vote to exit the European Union (Brexit) and to a lesser extent the Australian election. Uncertainty led to Government Bonds experiencing a decline in yields and a temporary reduction in pricing available in the market for equivalent interest rate swaps. The liability is similar to an amount it would cost to terminate the swaps as at balance date.

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 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.

1.28 Taxation (cont.)

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.

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 Budgetary reporting

Australian Accounting Standard *AASB 1055 – Budgetary Reporting* is a standard that came into effect for the financial year ended 30 June 2015. The budgetary reporting requirements in this Standard only apply to an entity within the General Government Sector (GGS) where budgeted information about controlled or administered items 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.

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 (ATSIC 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. A total of seven agribusinesses have transferred to NIPE. The remainder of the agribusinesses are expected to transfer over the next financial year.

In May 2016, the ILC entered into an agreement with the Commonwealth Government for the provision of a $65m loan to retire the facility with GPT and to reduce the overall interest cost on the debt of Ayers Rock Resort. The loan settled on 1 July 2016. The loan is a variable rate loan based on the weighted average cost of borrowing for future issuance of Treasury bonds as published in the Budget and the Mid-Year Economic and Fiscal Outlook which replaces the GPT loan which had a fixed interest rate of 9%. As the Commonwealth loan agreement was provided in terms that are more favourable than the Corporation could obtain in the market place a concessional discount has been recognised in 2015-16 (refer note 5G and 9D).

Voyages has entered into a new lease agreement in August 2016 for its corporate office accommodation in Sydney. The agreement is initially for a 12 month extension of the current lease. A break right is available to be exercised by 30 November 2016. If not exercised, the lease would continue on the agreed terms for a six year period commencing 1 October 2016.

A former employee of the ILC has taken action with Fair Work Australia for unfair dismissal. On 18 August 2016 the Fair Work Commission issued an order for the reinstatement, continuity of service and compensation. Compensation is estimated to be $87,000.

	Consol 2016 $,000	Consol 2015 $,000	ILC 2016 $,000	ILC 2015 $,000

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 2016 $,000	Consol 2015 $,000	ILC 2016 $,000	ILC 2015 $,000
Value of property granted	**7,451**	19,348	**7,451**	19,348
Associated costs	**66**	127	**66**	127
Total property granted expenses	**7,517**	19,475	**7,517**	19,475

	Consol 2016 $,000	Consol 2015 $,000	ILC 2016 $,000	ILC 2015 $,000
Property granted expense				
Related entities	**-**	-	**-**	-
External entities	**7,517**	19,475	**7,517**	19,475
Total property granted expenses	**7,517**	19,475	**7,517**	19,475

5B. Provision for property held for grant and assets held in trust

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.

	Consol 2016 $,000	Consol 2015 $,000	ILC 2016 $,000	ILC 2015 $,000
Movement in the provision for property held for grant	**(1,405)**	(13,112)	**(1,405)**	(13,112)
Movement in the provision for assets held in trust	**(95)**	-	**(95)**	-
Total provision	**(1,500)**	(13,112)	**(1,500)**	(13,112)

5C. Employee benefits

	Consol 2016 $,000	Consol 2015 $,000	ILC 2016 $,000	ILC 2015 $,000
Wages and salaries	**77,512**	73,568	**9,848**	10,363
Superannuation:				
Defined contribution plan	**6,381**	6,072	**770**	893
Defined benefit plan	**1,008**	903	**815**	777
Separation and redundancy	**256**	161	**228**	161
Total employee benefits	**85,157**	80,704	**11,661**	12,194

	Consol 2016 $,000	Consol 2015 $,000	**ILC 2016 $,000**	ILC 2015 $,000
5D. Suppliers				
Goods and services:				
Raw materials and consumables	**33,101**	30,557	**-**	-
Agribusiness supplies and expenses	**10,607**	10,157	**5,766**	9,263
Resort supplies and expenses	**2,817**	2,526	**1,371**	1,216
Travel	**2,544**	2,305	**1,141**	1,361
Consultants	**7,865**	5,205	**3,765**	1,789
Marketing	**4,766**	4,248	**394**	418
Repairs and maintenance	**12,400**	10,095	**4,101**	4,360
Utilities, rates and services	**7,812**	8,359	**580**	630
Fuels	**1,871**	2,306	**1,019**	1,751
Grant funding	**15,810**	17,942	**24,117**	34,539
Staff training	**1,098**	1,259	**344**	476
Other	**13,032**	11,476	**626**	1,505
Total supplier expenses	**113,723**	106,435	**43,224**	57,308
Goods and services are made up of:				
Rendering of services - related entities	**10,918**	5,488	**4,560**	21,105
Rendering of services - external entities	**102,805**	100,947	**38,664**	36,203
Total supplier expenses	**113,723**	106,435	**43,224**	57,308
Other supplier expenses:				
Operating lease rentals[1]	**3,054**	3,597	**1,873**	1,864
Workers' compensation premiums	**1,989**	1,519	**423**	448
Total other supplier expenses	**5,043**	5,116	**2,296**	2,312
Total supplier expenses	**118,766**	111,551	**45,520**	59,620

[1] These comprise minimum lease payments only

Supplier expenses include land management expenses. 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.

	Consol 2016 $,000	Consol 2015 $,000	**ILC 2016 $,000**	ILC 2015 $,000
5E. Depreciation and amortisation				
Administration assets				
Office equipment	**30**	31	**22**	24
Furniture and fittings	**18**	329	**5**	5
Computer equipment	**549**	407	**288**	208
Office fit-outs	**212**	178	**202**	164
Commercial Business assets				
Buildings and infrastructure	**8,897**	9,385	**3,089**	3,570
Plant and equipment	**2,686**	2,561	**552**	838
Furniture and fittings	**4,008**	3,460	**69**	64
Motor vehicles	**1,331**	1,203	**637**	880
Total depreciation	**17,731**	17,554	**4,864**	5,753
Amortisation of "make good" asset	**39**	40	**39**	40
Amortisation of software	**914**	285	**42**	96
Amortisation of goodwill	**7**	7	**7**	7
Amortisation of trademarks and licences	**39**	39	**-**	-
Amortisation of finance lease	**105**	-	**-**	-
Total amortisation	**1,104**	371	**88**	143
Total depreciation and amortisation	**18,835**	17,925	**4,952**	5,896
5F. Net (loss) (gain) from sale of assets				
Property, plant and equipment				
Proceeds from sale	**199**	154	**144**	885
Carrying value of assets sold	**(767)**	(1,137)	**(561)**	(1,099)
Net loss from sale of property, plant and Equipment	**(568)**	(983)	**(417)**	(214)
Plant and equipment held for grant				
Proceeds from sale	**-**	29	**422**	29
Carrying value of assets sold	**-**	(76)	**-**	(76)
Net gain (loss) from sale of plant and equipment held for grant	**-**	(47)	**422**	(47)
Land held for grant				
Proceeds from sale	**-**	-	**208**	-
Carrying value of assets sold	**-**	-	**-**	-
Net gain from sale of land held for grant	**-**	-	**208**	-
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	**199**	528	**774**	1,259
Total value of assets sold	**(767)**	(1,558)	**(561)**	(1,520)
Total net gain (loss) from sale of assets	**(568)**	(1,030)	**213**	(261)

	Consol 2016 $,000	Consol 2015 $,000	ILC 2016 $,000	ILC 2015 $,000
5G. Other net gain (loss)				
Fair value adjustment on derivative change	(1,186)	-	-	-
Change in net present value of sundry creditors	(1,038)	(974)	(1,037)	(974)
Net movement in impairment on repayable Grants	60	(143)	60	(143)
Net movement in impairment of receivables	11	84	10	(44)
Net movement in property held for grant	2,538	-	2,537	-
Reversal of previous impairment of land	8,313	4,407	-	-
Reversal of previous impairment of property, Plant and equipment	34,926	17,761	-	-
Reversal of previous impairment of intangibles	860	406	-	-
Gain on concessional loan benefit	13,848	-	13,848	
Total net gain (loss)	58,332	21,541	15,418	(1,161)
5H. Finance costs				
Loans	10,699	11,011	8,190	8,967
Finance leases	126	-	-	-
Total finance costs	10,825	11,011	8,190	8,967
5I. Income tax expense (benefit)				
The major components of income tax are:				
Statement of Comprehensive Income				
Current income tax				
Current income tax charge	(2,324)	(4,617)	-	-
Deferred income tax				
Relating to origination of temporary Differences	(945)	(148)	-	-
Adjustments in respect of income tax of previous years	6	(158)	-	-
Value of deferred tax assets not recognised	2,578	4,756	-	-
Income tax reported in Statement of Comprehensive Income	(685)	(167)	-	-

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

	Consol 2016 $,000	Consol 2015 $,000	ILC 2016 $,000	ILC 2015 $,000
Total accounting profit	69,806	23,975	40,335	15,639
Accounting profit not subject to income tax	38,039	17,416	40,335	15,639
Total accounting profit subject to income tax	31,767	6,559	-	-
Income tax on profit at statutory rate (30%)	9,530	1,968	-	-
Entertainment	8	6	-	-
Donations	40	28	-	-
Revaluation/ impairment (gain)	(13,231)	(6,768)	-	-
Amortisation of intangibles	284	12	-	-
Tax depreciation	11	(11)	-	-
Property, plant and equipment	88	-	-	-
Adjustments in respect of current income tax of previous years	6	(158)	-	-
Value of deferred tax assets not recognised	2,578	4,756	-	-
Aggregate income tax (benefit)	(686)	(167)	-	-

5I. Income tax expense (benefit) (cont.)

Deferred tax relates to the following:	Statement of Financial Position		Statement of Comprehensive Income	
	Consol 2016 $'000	Consol 2015 $'000	**Consol 2016 $'000**	Consol 2015 $'000
Provision for doubtful debts	**42**	36	**(6)**	29
Provision for employee entitlements	**2,100**	1,233	**(598)**	80
Amortisation of intangibles	**-**	-	**-**	(4,388)
Depreciation of fixed assets	**(49)**	20	**196**	(20)
Other	**122**	104	**(21)**	(68)
Losses available for offsetting future taxable income	**25,473**	22,685	**(677)**	(14)
Deferred tax (income)			**(1,106)**	(4,381)
Value of net deferred tax assets not recognised – current year	**(2,615)**	(4,756)		
Value of net deferred tax assets not recognised – prior year	**(24,258)**	(19,155)		
Net deferred tax assets	**815**	167		

Reconciliation of deferred tax assets net:

Opening balance as of 1 July	**167**	-	-	-
Tax income / (expense) during the period recognised in Statement of Comprehensive Income	**269**	4,367	-	-
Losses available for offsetting future taxable income	**2,994**	4,631	-	-
Value of net deferred tax assets not recognised	**(2,615)**	(8,831)	-	-
Adjustments recognised in the current year to the current tax of prior years	**-**	-	-	-
Closing balance as at 30 June	**815**	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 assets and 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 intangibles 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 $82,563,000 (2015: Final losses per tax return $74,907,000) which are available indefinitely for offset against future taxable profits subject to continuing to meet relevant statutory tests.

	Consol 2016 $,000	Consol 2015 $,000	ILC 2016 $,000	ILC 2015 $,000

6. Own-source revenue

6A. Interest

	Consol 2016 $,000	Consol 2015 $,000	ILC 2016 $,000	ILC 2015 $,000
Interest on bank accounts				
Held-to maturity investments				
Term deposits	**1,429**	1,674	**1,429**	1,674
Loans and receivables				
Interest on bank and other securities	**472**	477	**15,937**	18,114
Total interest revenue	**1,901**	2,151	**17,366**	19,788

6B. Sale of goods and rendering of services

	Consol 2016 $,000	Consol 2015 $,000	ILC 2016 $,000	ILC 2015 $,000
Provision of goods - related	**-**	-	**-**	1
Provision of goods - external parties	**43,468**	40,715	**895**	1,295
Rendering of services - related entities	**73**	-	**-**	-
Rendering of services - external parties	**105,666**	91,043	**3,562**	7,062
Total sale of goods and rendering of services	**149,207**	131,758	**4,457**	8,358

6C. Grants

	Consol 2016 $,000	Consol 2015 $,000	ILC 2016 $,000	ILC 2015 $,000
Grants from:				
Department of Prime Minister and Cabinet	**2,650**	1,120	**440**	1,187
Department of Agriculture & Water Resources	**50**	-	**50**	-
Northern Land Council	**4**	-	**4**	-
Attorney General's Department	**10**	-	**10**	-
Department of Health	**547**	592	**-**	-
Department of Education, Employment and Workplace Relations (former)	**-**	462	**-**	-
Department of Education and Training	**275**	-	**-**	-
State and Territory Governments	**945**	200	**800**	200
Local Governments	**30**	-	**-**	-
Other	**18**	-	**-**	-
Total grants	**4,529**	2,374	**1,304**	1,387

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.

6D. Other revenue

	Consol 2016 $,000	Consol 2015 $,000	ILC 2016 $,000	ILC 2015 $,000
Diesel fuel rebate	**396**	363	**277**	343
Grant recovery	**718**	2	**718**	2
Insurance proceeds	**672**	677	**565**	643
Rent received	**8,606**	8,088	**-**	-
Other	**2,703**	3,956	**524**	505
Total other revenue	**13,095**	13,086	**2,084**	1,493
Other revenue from				
Related entities	**404**	363	**277**	343
External entities	**12,691**	12,723	**1,807**	1,150
Total other revenue	**13,095**	13,086	**2,084**	1,493

	Consol 2016 $,000	Consol 2015 $,000	ILC 2016 $,000	ILC 2015 $,000

7. Gains

7A. Net gain in the net market value[1] of livestock

Net gain in net market value during the reporting period

	Consol 2016 $,000	Consol 2015 $,000	ILC 2016 $,000	ILC 2015 $,000
Cattle	**21,662**	21,661	**14,695**	18,605
Sheep	**352**	526	**352**	526
Horses	**(38)**	(88)	**(105)**	(88)
	21,976	22,099	**14,942**	19,043
Movement in provision for deaths	**(323)**	(452)	**319**	197
Net gain in the net market value of livestock	**21,653**	21,647	**15,261**	19,240

7B. Net market value[1] of agricultural produce

Non-living agricultural produce extracted from biological assets

	Consol 2016 $,000	Consol 2015 $,000	ILC 2016 $,000	ILC 2015 $,000
Net market value of wool, wheat and barley extracted during the reporting period	**471**	444	**471**	444
Wool				
Revenue from sale of wool	**465**	434	**465**	434
Deemed cost of wool	**(465)**	(434)	**(465)**	(434)
Net revenue from sale of wool	**-**	-	**-**	-
Wheat and barley				
Revenue from sale of wheat and barley	**5**	10	**5**	10
Deemed cost of wheat and barley	**(5)**	(10)	**(5)**	(10)
Net revenue from sale of wheat and barley	**-**	-	**-**	-

During the reporting period the Corporation sold 250 (2015: 278) bales of wool.

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

	Consol 2016 $,000	Consol 2015 $,000	**ILC 2016 $,000**	ILC 2015 $,000

8. Revenue from Government

8A. Revenue from Government

	Consol 2016 $,000	Consol 2015 $,000	**ILC 2016 $,000**	ILC 2015 $,000
Department of the Prime Minister and Cabinet				
Corporate Commonwealth Entity payment	**9,389**	9,527	**9,389**	9,527
Receipts from the Land Account	**50,712**	49,864	**50,712**	49,864
Total revenue from Government	**60,101**	59,391	**60,101**	59,391

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 ATSI 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.

	Consol 2016 $,000	Consol 2015 $,000	ILC 2016 $,000	ILC 2015 $,000
9. Financial assets				
9A. Cash and cash equivalents				
Cash at bank and on hand	**18,426**	17,097	**379**	373
Deposits at call	**7,140**	4,372	**7,140**	4,372
Deposit with maturity less than 3 months	**18,000**	27,000	**18,000**	27,000
Cash advances	**8**	8	**8**	8
Total cash and cash equivalents	**43,574**	48,477	**25,527**	31,753
9B. Trade and other receivables				
Goods and services:				
Goods and services - related entities	**155**	493	**33**	186
Goods and services - external parties	**10,704**	7,264	**2,264**	2,888
Total receivable for goods and services	**10,859**	7,757	**2,297**	3,074
Other receivables:				
Interest receivable	**228**	790	**228**	790
Insurance proceeds	**-**	30	**-**	30
Other debtors	**293**	1,556	**169**	225
GST receivable from ATO	**-**	(19)	**301**	790
Total other receivables	**521**	2,357	**698**	1,835
Total trade and other receivables (gross)	**11,380**	10,114	**2,995**	4,909
Less: Allowance for impairment loss	**(172)**	(184)	**(30)**	(41)
Total trade and other receivables (net)	**11,208**	9,930	**2,965**	4,868
Receivables are expected to be recovered in:				
No more than 12 months	**11,203**	9,894	**2,965**	4,868
More than 12 months	**5**	36	**-**	-
Total trade and other receivables (net)	**11,208**	9,930	**2,965**	4,868
Receivables are aged as follows:				
Not overdue	**9,835**	7,079	**2,932**	2,323
Overdue by				
- less than 30 days	**926**	1,766	**6**	1,408
- 30 to 60 days	**493**	1,165	**20**	1,114
- 60 to 90 days	**52**	9	**6**	2
- more than 90 days	**74**	95	**31**	62
	1,545	3,035	**68**	2,586
Total trade and other receivables (gross)	**11,380**	10,114	**2,995**	4,909

	Consol 2016 $,000	Consol 2015 $,000	ILC 2016 $,000	ILC 2015 $,000
9B. Trade and other receivables (cont.)				
The allowance for impairment loss is aged as follows:				
Not overdue	**108**	92	**-**	-
Overdue by				
- less than 30 days	**20**	12	**-**	-
- 30 to 60 days	**4**	1	**-**	-
- 60 to 90 days	**12**	6	**-**	3
- more than 90 days	**28**	73	**30**	38
	64	92	**30**	41
Total allowance for impairment loss	**172**	184	**30**	41
Reconciliation of allowance for impairment				
Opening balance	**184**	305	**41**	16
Amounts written off	**(15)**	(101)	**(1)**	(15)
Amounts recovered or reversed	**(44)**	(13)	**(40)**	(1)
Increase/ decrease recognised in net surplus	**47**	(7)	**30**	41
Closing balance	**172**	184	**30**	41

9C. Investments

	Consol 2016 $,000	Consol 2015 $,000	ILC 2016 $,000	ILC 2015 $,000
Term deposits	**4,000**	10,000	**4,000**	10,000
Investment in subsidiary companies[1]	**-**	-	**30,808**	14,045
Total investments	**4,000**	10,000	**34,808**	24,045
Total investments are expected to be recovered in:				
No more than 12 months	**4,000**	10,000	**4,000**	10,000
More than 12 months	**-**	-	**30,808**	14,045
Total investments	**4,000**	10,000	**34,808**	24,045

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

	Consol 2016 $,000	Consol 2015 $,000	ILC 2016 $,000	ILC 2015 $,000
9D. Other financial assets				
Advances to subsidiary:				
Voyages Indigenous Tourism Australia	**-**	-	**283,652**	337,249
Repayable grants to Aboriginal corporations	**436**	419	**436**	419
Concessional loan benefit	**13,848**	-	**13,848**	-
Total	**14,284**	419	**297,936**	337,668
Less: provision for impairment	**(266)**	(326)	**(266)**	(326)
Total other financial assets	**14,018**	93	**297,670**	337,342
Total other financial assets are expected to be recovered in:				
No more than 12 months	**13,971**	23	**13,971**	23
More than 12 months	**47**	70	**283,699**	337,319
Total other financial assets	**14,018**	93	**297,670**	337,342
Other financial assets (gross) are aged as follows:				
Not overdue	**14,161**	261	**297,813**	337,510
Overdue by				
- one year or less	**30**	30	**30**	30
- from one to five years	**93**	128	**93**	128
	123	158	**123**	158
Total other financial assets (gross)	**14,284**	419	**297,936**	337,668
Allowance for impairment loss is aged as follows:				
Not overdue	**143**	138	**143**	138
Overdue by				
- one year or less	**30**	30	**30**	30
- from one to five years	**93**	158	**93**	158
	123	188	**123**	188
Total allowance for impairment	**266**	326	**266**	326
Reconciliation of provision for impairment				
Opening balance	**326**	182	**326**	182
Amounts written off	**-**	198	**-**	198
Amounts recovered or reversed	**(60)**	(54)	**(60)**	(54)
Closing balance	**266**	326	**266**	326

	Consol 2016 $,000	Consol 2015 $,000	**ILC 2016 $,000**	ILC 2015 $,000

10. Non-financial assets

10A. Biological assets

	Consol 2016 $,000	Consol 2015 $,000	**ILC 2016 $,000**	ILC 2015 $,000
Livestock	**51,782**	46,607	**25,947**	33,619
Provision for deaths	**(2,653)**	(2,330)	**(1,361)**	(1,681)
Total livestock	**49,129**	44,277	**24,586**	31,938
Wool	**77**	-	**77**	-
Total biological assets	**49,206**	44,277	**24,663**	31,938
Total biological assets – expected to be recovered in:				
No more than 12 months	**19,883**	16,912	**7,117**	10,778
More than 12 months	**29,323**	27,365	**17,546**	21,160
Total biological assets	**49,206**	44,277	**24,663**	31,938

	Consol 2016 Number	**Consol 2016 $,000**	**ILC 2016 Number**	**ILC 2016 $,000**
Movement in livestock:				
Opening on hand (at net market value)	100,457	46,607	77,477	33,619
Less provision for deaths	-	(2,330)	-	(1,681)
Sales	(71,119)	(40,593)	(56,527)	(31,155)
Purchases	39,874	23,233	16,913	7,983
Natural increase	24,901	-	20,975	-
Deaths/rations/other	(6,158)	-	(5,930)	-
Net gain from change in net market value	-	22,535	-	15,501
Change in provision for deaths	-	(323)	-	319
Closing on hand (at net market value)	**87,955**	49,129	**52,908**	24,586

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	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

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	77,224	50,629	42,257	24,991
Sheep	10,503	792	10,503	792
Horses	228	361	148	164
		-		
	87,955	51,782	**52,908**	25,947

	Consol 2016 $,000	Consol 2015 $,000	**ILC 2016 $,000**	ILC 2015 $,000
10B. Inventory – other				
Inventory held for resale	**4,747**	4,428	**117**	355
Total inventory – other are expected to be recovered in:				
No more than 12 months	**4,747**	4,428	**117**	355
More than 12 months	**-**	-	**-**	-
Total inventory – other	**4,747**	4,428	**117**	355

Total amount of inventory – other expensed during the period is $33,682 (2015: $31,109).

	Consol 2016 $,000	Consol 2015 $,000	**ILC 2016 $,000**	ILC 2015 $,000
10C. Inventory – property held for grant and provision for property held for grant				
Property held for grant	**135,014**	136,419	**135,014**	136,419
Less: provision for grant	**(135,014)**	(136,419)	**(135,014)**	(136,419)
Carrying amount 30 June	**-**	-	**-**	-
A summary of the movement in property held for grant is as follows:				
Opening balance 1 July	**136,419**	149,531	**136,419**	149,531
Opening provision 1 July	**(136,419)**	(149,531)	**(136,419)**	(149,531)
Carrying amount 1 July	**-**	-	**-**	-
Additions to 30 June	**3,591**	2,295	**3,591**	2,295
Grant to 30 June	**(7,451)**	(19,348)	**(7,451)**	(19,348)
Amount transferred from assets held in trust	**95**	-	**95**	-
Reclassified as property held for grant	**2,360**	3,941	**2,360**	3,941
Net movement	**(1,405)**	(13,112)	**(1,405)**	(13,112)
Movement in provision to 30 June	**1,405**	13,112	**1,405**	13,112
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
	*898,054

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

	Consol 2016 $,000	Consol 2015 $,000	**ILC 2016 $,000**	ILC 2015 $,000
Total Inventory – property held for grant assets are expected to be recovered in:				
No more than 12 months	**24,939**	20,155	**24,939**	20,155
More than 12 months	**110,075**	116,264	**110,075**	116,264
Total Inventory - property held for grant assets	**135,014**	136,419	**135,014**	136,419

	Consol 2016 $,000	Consol 2015 $,000	**ILC 2016 $,000**	ILC 2015 $,000

10D. Assets held in trust and provision for property held in trust

Assets held in trust	**25,678**	25,773	**25,678**	25,773
Less: provision for assets held in trust	**(25,678)**	(25,773)	**(25,678)**	(25,773)
	-	-	**-**	-
Total amount held at the beginning of the reporting period	**25,773**	25,773	**25,773**	25,773
Adjustment to carrying value	**(95)**	-	**(95)**	-
Total amount held at the end of the reporting period	**25,678**	25,773	**25,678**	25,773
Total assets held in trust are expected to be recovered in:				
No more than 12 months	**-**	-	**-**	-
More than 12 months	**25,678**	25,773	**25,678**	25,773
Total assets held in trust	**25,678**	25,773	**25,678**	25,773

10E. Land

Land held at fair value	**58,109**	56,655	-	-
Less: provision for impairment	**-**	(8,313)	-	-
	58,109	48,342	-	-
Total land is expected to be recovered in:				
No more than 12 months	**-**	-	-	-
More than 12 months	**58,109**	48,342	-	-
Total land	**58,109**	48,342	-	-

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 $300m. An impairment reversal for land of $8.313m has been recognised in the consolidated Statement of Comprehensive Income to restate the carrying amount of these assets to fair value (refer notes1.5 and 5G)

Amounts charged to the Statement of Comprehensive Income for impairment of land during the reporting period relate to:

Reversal previous of impairment:	**8,313**	4,407	-	-
Total impairment movement	**8,313**	4,407	-	-

	Consol 2016 $,000	Consol 2015 $,000	ILC 2016 $,000	ILC 2015 $,000
10E. Land (cont.)				
Reconciliation of fair value				
Opening balance				
Land held at fair value	**56,655**	56,736	**-**	-
Provision for impairment	**(8,313)**	(12,720)	**-**	-
	48,342	44,016		
Reversal of previous impairment	**8,313**	4,407	**-**	-
Increase in land to fair value	**1,581**	-	**-**	-
Portion of land in Strata Corp transferred to property held for grant	**(127)**	(81)	**-**	-
Closing balance 30 June	**58,109**	48,342	**-**	-
10F. Property, plant and equipment				
Commercial Business Assets[1]				
Buildings and infrastructure improvements[2], at fair value	**303,215**	292,083	**80,040**	81,521
Less: Accumulated depreciation	**(33,020)**	(24,155)	**(3,054)**	-
Less: Allowance for impairment	**(4,490)**	(33,432)	**(4,490)**	(4,490)
	265,705	234,496	**72,496**	77,031
Plant and equipment, at fair value	**27,395**	26,331	**1,688**	3,254
Less: Accumulated depreciation	**(6,818)**	(5,154)	**(1)**	-
Less: Allowance for impairment	**-**	(2,109)	**-**	-
	20,577	19,068	**1,687**	3,254
Furniture and fittings, at fair value	**37,274**	34,087	**211**	230
Less: Accumulated depreciation	**(14,825)**	(10,824)	**(67)**	-
Less: Allowance for impairment	**-**	(3,712)	**-**	-
	22,449	19,551	**144**	230
Motor vehicles, at fair value	**7,214**	6,802	**1,250**	2,176
Less: Accumulated depreciation	**(1,216)**	(931)	**-**	(53)
Less: Allowance for impairment	**-**	(169)	**-**	-
	5,998	5,702	**1,250**	2,123
Administration Assets				
Office equipment, at fair value	**137**	121	**75**	77
Less: Accumulated depreciation	**(49)**	(26)	**(41)**	(20)
Less: Allowance for impairment	**-**	-	**-**	-
	88	95	**34**	57
Furniture and fittings, at fair value	**2,679**	2,661	**33**	31
Less: Accumulated depreciation	**(840)**	(835)	**(10)**	(6)
Less: Allowance for impairment	**-**	-	**-**	-
	1,839	1,826	**23**	25

	Consol 2016 $,000	Consol 2015 $,000	ILC 2016 $,000	ILC 2015 $,000
10F. Property, plant and equipment (cont.)				
Computer systems, at fair value	**2,019**	1,390	**868**	597
Less: Accumulated depreciation	**(808)**	(335)	**(487)**	(199)
Less: Allowance for impairment	**-**	-	**-**	-
	1,211	1,055	**381**	398
Leasehold Improvement, at fair value	**979**	967	**765**	758
Less: Accumulated depreciation	**(220)**	(18)	**(202)**	-
Less: Allowance for impairment	**-**	-	**-**	-
	759	949	**563**	758
Subtotal property, plant and equipment	**318,626**	282,742	**76,578**	83,876
Make good, at fair value	**403**	403	**403**	403
Less: Accumulated depreciation	**(292)**	(253)	**(292)**	(253)
	111	150	**111**	150
Total property, plant and equipment	**318,737**	282,892	**76,689**	84,026

[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:

	Consol 2016	Consol 2015	ILC 2016	ILC 2015
Improvements to building and infrastructure	**291,126**	279,228	**67,951**	68,666
Improvement to civil works	**1,086**	1,104	**1,086**	1,104
Improvements to water points and water supply	**4,699**	4,244	**4,699**	4,244
Improvements to fences and yards	**6,304**	7,507	**6,304**	7,507
	303,215	292,083	**80,040**	81,521

Reconciliation of make good fair value

	Consol 2016	Consol 2015	ILC 2016	ILC 2015
Opening balance, fair value	**403**	403	**403**	403
Opening balance, accumulated amortisation	**(253)**	(213)	**(253)**	(213)
Amortisation for the year	**(39)**	(40)	**(39)**	(40)
Closing balance	**111**	150	**111**	150

The Corporation maintains asset registers for property, plant and equipment. A stock take to verify property, plant and equipment is undertaken at least annually. 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 $300 million. An impairment reversal for property, plant and equipment of $34.929 million has been recognised in the consolidated Statement of Comprehensive Income. Additionally, to restate the carrying amount of these assets to fair value as increase in the asset revaluation reserve of $6.825 million has occurred (refer notes1.5 and 5G).

	Consol 2016 $,000	Consol 2015 $,000	**ILC 2016 $,000**	ILC 2015 $,000

10F. 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:

	Consol 2016 $,000	Consol 2015 $,000	**ILC 2016 $,000**	ILC 2015 $,000
Commercial Business assets				
Building and infrastructure improvements	**(28,936)**	(14,349)	**-**	-
Plant and equipment	**(2,109)**	(1,272)	**-**	-
Furniture and fittings	**(3,712)**	(1,492)	**-**	-
Motor vehicles	**(169)**	(177)	**-**	-
Administration assets				
Office equipment	**-**	(7)	**-**	-
Furniture and fittings	**-**	(414)	**-**	-
Computer systems	**-**	(1)	**-**	-
Leasehold improvements	**-**	(31)	**-**	-
Total impairment movement	**(34,926)**	(17,743)	**-**	-

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:

	Consol 2016 $,000	Consol 2015 $,000	**ILC 2016 $,000**	ILC 2015 $,000
Building and infrastructure improvements	**697**	177	**115**	173

	Consol 2016 $,000	Consol 2015 $,000	**ILC 2016 $,000**	ILC 2015 $,000
Movement in asset revaluation reserve				
As a result of disposal/ transfer				
Commercial Business assets				
Decrement for buildings and structures	**(14)**	(165)	**(14)**	(165)
Decrement for plant and equipment	**(867)**	(347)	**(825)**	(346)
Decrement for furniture and fittings	**(1)**	-	**(1)**	-
Decrement for motor vehicles	**(887)**	(297)	**(866)**	(296)
Administration assets				
Decrement for furniture and fittings	**-**	(1)	**-**	(1)
Decrement for computer systems	**(5)**	-	**-**	-
Decrement for leasehold improvements	**-**	(102)	**-**	(102)
	(1,774)	(912)	**(1,706)**	(910)
As a result of revaluation				
Land	**1,581**	-	**-**	-
Commercial Business assets				
Increment (decrement) for buildings and structures	**5,244**	(99)	**-**	(97)
Increment for plant and equipment	**412**	192	**354**	159
Increment for furniture and fittings	**-**	108	**-**	108
Increment for motor vehicles	**214**	209	**151**	208
Administration assets				
Increment (decrement) office equipment	**2**	2	**-**	-
Increment (decrement) furniture and fittings	**6**	8	**-**	-
Increment (decrement) computer systems	**21**	42	**-**	1
Increment (decrement) leasehold improvements	**-**	(114)	**-**	(116)
	7,480	348	**505**	263
	5,706	(564)	**(1,201)**	(647)

10G. 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	
	$,000	$,000	$,000	$,000	$,000	$,000	$,000	$,000	$,000
As at 1 July 2015									
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)
Opening net book value	234,496	19,068	19,551	5,702	95	1,826	1,055	949	282,742
Additions:									
By purchase	8,485	1,871	3,205	1,589	22	28	691	31	15,922
Net revaluation increment (decrement)	5,244	412	1	214	2	3	21	(6)	5,891
Depreciation/amortisation	(8,897)	(2,686)	(4,008)	(1,331)	(30)	(18)	(549)	(212)	(17,731)
Reversal of Impairment	28,940	2,109	3,712	169	-	-	-	-	34,930
Reclassification	(2,361)	(52)	-	52	-	-	-	-	(2,361)
Disposals:									
Other	(202)	(145)	(12)	(397)	(1)	-	(7)	(3)	(767)
Closing net book value	265,705	20,577	22,449	5,998	88	1,839	1,211	759	318,626
Net book value as at 30 June 2016 represented by:									
Gross book value	303,215	27,395	37,274	7,214	137	2,679	2,019	979	380,912
Accumulated depreciation	(33,020)	(6,818)	(14,825)	(1,216)	(49)	(840)	(808)	(220)	(57,796)
Accumulated impairment	(4,490)	-	-	-	-	-	-	-	(4,490)
Closing net book value	265,705	20,577	22,449	5,998	88	1,839	1,211	759	318,626

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	
	$,000	$,000	$,000	$,000	$,000	$,000	$,000	$,000	$,000
As at 1 July 2014									
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)	(48,262)
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)
Impairment	14,349	1,272	1,492	177	7	414	1	31	17,743
Reclassification	(4,086)	16	(2)	-	(27)	-	9	-	(4,090)
Disposals:									
Transfer	-	-	-	-	-	-	-	-	-
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

10I. 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	
	$,000	$,000	$,000	$,000	$,000	$,000	$,000	$,000	$,000
As at 1 July 2015									
Gross book value	81,521	3,254	230	2,176	77	31	597	758	88,644
Accumulated depreciation	-	-	-	(53)	(20)	(6)	(199)	-	(278)
Accumulated impairment	(4,490)	-	-	-	-	-	-	-	(4,490)
Opening net book value	77,031	3,254	230	2,123	57	25	398	758	83,876
Additions:									
By purchase	849	195	3	624	-	3	272	7	1,953
Net revaluation increment (decrement)	-	354	1	151	-	-	-	-	506
Depreciation/amortisation	(3,089)	(552)	(69)	(637)	(22)	(5)	(288)	(202)	(4,864)
Impairment	-	-	-	-	-	-	-	-	-
Reclassification	(2,093)	-	-	-	-	-	-	-	(2,093)
Disposals:									
Transfer	-	(1,458)	(15)	(766)	-	-	-	-	(2,239)
Other	(202)	(106)	(6)	(245)	(1)	-	(1)	-	(561)
Closing net book value	72,496	1,687	144	1,250	34	23	381	563	76,578
Net book value as at 30 June 2016 represented by:									
Gross book value	80,040	1,688	211	1,250	75	33	868	765	84,930
Accumulated depreciation	(3,054)	(1)	(67)	-	(41)	(10)	(487)	(202)	(3,862)
Accumulated impairment	(4,490)	-	-	-	-	-	-	-	(4,490)
Closing net book value	72,496	1,687	144	1,250	34	23	381	563	76,578

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	
	$,000	$,000	$,000	$,000	$,000	$,000	$,000	$,000	$,000
As at 1 July 2014									
Gross book value	105,339	4,023	182	2,660	38	31	453	935	113,661
Accumulated depreciation	(17,220)	-	-	-	-	-	-	-	(17,220)
Accumulated impairment	(4,490)	-	-	-	-	-	-	-	(4,490)
Opening net book value	83,629	4,023	182	2,660	38	31	453	935	91,951
Additions:									
By purchase	1,017	450	19	649	53	-	158	109	2,455
Net revaluation increment (decrement)	(97)	159	108	208	-	-	1	(116)	263
Depreciation/amortisation	(3,570)	(838)	(64)	(880)	(24)	(5)	(208)	(164)	(5,753)
Impairment	-	-	-	-	-	-	-	-	-
Reclassification	(3,935)	(4)	(2)	-	-	-	-	-	(3,941)
Disposals:									
Transfer	-	-	-	-	-	-	-	-	-
Other	(13)	(536)	(13)	(514)	(10)	(1)	(6)	(6)	(1,099)
Closing net book value	77,031	3,254	230	2,123	57	25	398	758	83,876
Net book value as at 30 June 2015 represented by:									
Gross book value	81,521	3,254	230	2,176	77	31	597	758	88,644
Accumulated depreciation	-	-	-	(53)	(20)	(6)	(199)	-	(278)
Accumulated impairment	(4,490)	-	-	-	-	-	-	-	(4,490)
Closing net book value	77,031	3,254	230	2,123	57	25	398	758	83,876

10K. Finance lease asset

	Consolidated	
	Finance Lease Asset $,000	Total $,000
As at 1 July 2015		
Gross book value	-	-
Accumulated amortisation	-	-
Accumulated impairment	-	-
Opening net book value	-	-
Additions:		
By purchase	6,771	6,771
Depreciation	(105)	(105)
Other	-	-
Closing net book value	6,666	6,666
Net book value as at 30 June 2016 represented by:		
Gross book value	6,771	6,771
Accumulated depreciation	(105)	(105)
Closing net book value	6,666	6,666

Voyages entered into a finance lease with a third party for the installation of three ground based and two roof based solar photovoltaic systems for a period of 20 years, at an implied interest rate of 10.3% commencing on 9 March 2016. The carrying value of plant held under a finance lease at 30 June 2016 was $6,771,000 (2015: $nil).

Leased assets are pledged as security for the related finance lease liabilities.

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 total assets which comprise Ayers Rock Resort have an aggregate fair value at 30 June of $300m. The assets of Ayers Rock Resort include intangibles and goodwill. An impairment reversal of $0.860m 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 5G)

10L. Intangible assets and goodwill (cont.)

Consolidated

Item	**Software (internally developed) $,000**	**Software (externally purchased) $,000**	**Trade marks and licences $,000**	**Other contracts and relationships $,000**	**Goodwill $,000**	**Total $,000**
As at 1 July 2015						
Gross book value	1,878	3,051	20,469	3,243	107	28,748
Accumulated amortisation	(1,034)	(2,395)	(813)	(3,013)	(22)	(7,277)
Accumulated impairment	(286)	(53)	(15,217)	(68)	-	(15,624)
Opening net book value	558	603	4,439	162	85	5,847
Additions:						
By purchase	-	14	-	-	-	14
Amortisation	(372)	(542)	-	(39)	(7)	(960)
Reversal of impairment	-	-	860	-	-	860
Disposals:						
Other	-	-	-	-	-	-
Closing net book value	186	75	5,299	123	78	5,761
Net book value as at 30 June 2016 represented by:						
Gross book value	1,878	3,065	20,469	3,243	107	28,762
Accumulated amortisation	(1,406)	(2,937)	(813)	(3,052)	(29)	(8,237)
Accumulated impairment	(286)	(53)	(14,357)	(68)	-	(14,764)
Closing net book value	186	75	5,299	123	78	5,761

10L. Intangible assets and goodwill (cont.)

ILC

Item	**Software (internally developed) $,000**	**Software (externally purchased) $,000**	**Trade marks and licences $,000**	**Other contracts and relationships $,000**	**Goodwill $,000**	**Total $,000**
As at 1 July 2015						
Gross book value	262	611	-	-	107	980
Accumulated amortisation	(262)	(508)	-	-	(22)	(792)
Accumulated impairment	-	-	-	-	-	-
Opening net book value	-	103	-	-	85	188
Additions:						
By purchase	-	14	-	-	-	14
Amortisation	-	(42)	-	-	(7)	(49)
Closing net book value	-	75	-	-	78	153
Net book value as at 30 June 2016 represented by:						
Gross book value	262	625	-	-	107	994
Accumulated amortisation	(262)	(550)	-	-	(29)	(841)
Accumulated impairment						-
Closing net book value	-	75	-	-	78	153

	Consol 2016 $,000	Consol 2015 $,000	**ILC 2016 $,000**	ILC 2015 $,000

10L. Intangible assets and goodwill (cont.)

Impairment

Amounts charged to the Statement of Comprehensive Income for impairment of intangibles during the reporting period relate to:

	Consol 2016 $,000	Consol 2015 $,000	**ILC 2016 $,000**	ILC 2015 $,000
Reversal of impairment:				
Trademarks and licences	**860**	(406)	**-**	-
Total impairment movement	**860**	(406)	**-**	-

10M. Other non- financial assets

	Consol 2016 $,000	Consol 2015 $,000	**ILC 2016 $,000**	ILC 2015 $,000
Prepaid operating leases	**11,265**	11,626	**11,265**	11,626
Less: Amortisation of prepaid operating lease	**(5,927)**	(5,793)	**(5,927)**	(5,793)
	5,338	5,833	**5,338**	5,833
Other prepayments	**802**	816	**254**	265
	6,140	6,649	**5,592**	6,098
The prepaid operating lease is to be amortised as follows:				
- within one year	**677**	686	**677**	686
- within one to five years	**2,709**	2,742	**2,709**	2,742
- over five years	**1,952**	2,405	**1,952**	2,405
	5,338	5,833	**5,338**	5,833
Total other prepayments are expected to be settled in:				
No more than 12 months	**802**	816	**254**	265
More than 12 months	**-**	-	**-**	-
Total other prepayments	**802**	816	**254**	265

11. Payables

11A. Suppliers payables

	Consol 2016 $,000	Consol 2015 $,000	**ILC 2016 $,000**	ILC 2015 $,000
Amounts owing to suppliers	**12,744**	13,725	**3,002**	6,272
Total supplier payables	**12,744**	13,725	**3,002**	6,272
Total supplier payables are expected to be settled within 12 months:				
Related entities	**187**	2,976	**96**	3,025
External parties	**12,557**	10,749	**2,906**	3,247
Total supplier payables	**12,744**	13,725	**3,002**	6,272

Settlement is usually made net 30 days.

	Consol 2016 $,000	Consol 2015 $,000	ILC 2016 $,000	ILC 2015 $,000
11B. Other payables				
Salaries and wages	**1,444**	1,573	**269**	648
Superannuation	**615**	623	**-**	-
GST payable to ATP	**525**	-	**-**	-
Other payables	**1,189**	811	**326**	288
Deferred benefit from lease incentive	**7**	20	**7**	20
Unearned income received in advance	**4,455**	-	**-**	-
Payment to vendor	**-**	15,962	**-**	15,962
Sinking fund	**3,316**	3,498	**3,284**	3,464
Derivative financial liability	**1,186**	-	**-**	-
Total other payables	**12,737**	22,487	**3,886**	20,382
Other payables are expected to be settled in:				
No more than 12 months	**8,077**	19,176	**426**	17,084
More than 12 months	**4,660**	3,311	**3,460**	3,298
Total other payables	**12,737**	22,487	**3,886**	20,382
11C. Interest bearing loans				
Loan	**185,000**	198,000	**65,000**	138,000
Total interest bearing loans	**185,000**	198,000	**65,000**	138,000
Interest bearing loans are expected to be settled in:				
No more than 12 months	**65,000**	138,000	**65,000**	138,000
More than 12 months	**120,000**	60,000	**-**	-
Total interest bearing loans	**185,000**	198,000	**65,000**	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 9.0% per annum fixed. The ANZ loan is at a variable interest rate.

	Consol 2016 $,000	Consol 2015 $,000	ILC 2016 $,000	ILC 2015 $,000
11D. Finance lease liability				
Finance lease liability	**6,694**	-	**-**	-
Total finance lease liability	**6,694**	-	**-**	-

The finance lease liability is in relation to the finance lease asset (refer to note 10K).

12. Provisions

12A. Employee provisions

	Consol 2016 $,000	Consol 2015 $,000	ILC 2016 $,000	ILC 2015 $,000
Annual leave	**4,599**	4,201	**723**	970
Long service leave	**3,625**	3,069	**1,714**	1,970
Provision for bonus	**1,878**	1,396	**-**	-
Total employee provisions	**10,102**	8,666	**2,437**	2,940
Employee provisions are expected to be settled in:				
No more than 12 months	**7,738**	6,913	**1,852**	2,159
More than 12 months	**2,364**	1,753	**585**	781
	10,102	8,666	**2,437**	2,940

12B. Provision for make good

	Consol 2016 $,000	Consol 2015 $,000	ILC 2016 $,000	ILC 2015 $,000
Provision for make good	**403**	403	**403**	403
Make good provision is expected to be settled in:				
No more than 12 months	**103**	-	**103**	-
More than 12 months	**300**	403	**300**	403
	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.

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

Consolidated	Fair value measurements at the end of the reporting period using			
As at 30 June 2016	**Fair value**	**Level 1 inputs**	**Level 2 inputs**	**Level 3 inputs**
	$,000	**$,000**	**$,000**	**$,000**
Non-financial assets				
Commercial Business Assets				
Buildings and infrastructure improvements	265,705	-	27,803	237,902
Plant and equipment	20,577	-	3,597	16,980
Furniture and fittings	22,449	-	172	22,277
Motor vehicles	5,998	-	2,249	3,749
Administration Assets				
Office equipment	88	-	59	29
Furniture and fittings	1,839	-	74	1,765
Computer systems	1,211	-	488	723
Leasehold improvements	759	-	46	713
Land	58,109	-	-	58,109
Make good	111	-	-	111
Biological assets	49,206	-	49,206	-
Total non-financial assets	**426,052**	**-**	**83,694**	**342,358**
Total fair value measurements of assets in the Statement of Financial Position	**426,052**	**-**	**83,694**	**342,358**

There were no transfers during the period between levels.

Consolidated	Fair value measurements at the end of the reporting period using			
As at 30 June 2015	**Fair value**	**Level 1 inputs**	**Level 2 inputs**	**Level 3 inputs**
	$,000	**$,000**	**$,000**	**$,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.

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

ILC As at 30 June 2016	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	72,496	-	27,758	44,738
Plant and equipment	1,687	-	1,657	30
Furniture and fittings	144	-	144	-
Motor vehicles	1,250	-	1,250	-
Administration Assets				
Office equipment	34	-	34	-
Furniture and fittings	23	-	23	-
Computer systems	381	-	381	-
Leasehold improvements	563	-	-	563
Make good	111	-	-	111
Biological assets	24,663	-	24,663	-
Total non-financial assets	**101,352**	**-**	**55,910**	**45,442**
Total fair value measurements of assets in the Statement of Financial Position	**101,352**	**-**	**55,910**	**45,442**

There were no transfers during the period between levels.

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.

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

Consolidated As at 30 June 2016	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 3 3	 27,803 44,737 193,165	 Market DRC Capitalisation of earnings	 Adjusted market transactions - Forecasted net operating income Pre tax discount rate 10.50%
Plant and equipment	2 3 3	3,597 30 16,950	Market Market and Cost Capitalisation of earnings	Adjusted market transactions Forecasted net operating income Pre tax discount rate 10.50%
Furniture and fittings	2 3	172 22,277	Market Capitalisation of earnings	Adjusted market transactions Forecasted net operating income Pre tax discount rate 10.50%
Motor vehicles	2 3	2,249 3,749	Market Capitalisation of earnings	Adjusted market transactions Forecasted net operating income Pre tax discount rate 10.50%
Administration Assets Office equipment	 2 3	 59 29	 Market Capitalisation of earnings	 Adjusted market transactions Forecasted net operating income Pre tax discount rate 10.50%
Furniture and fittings	2 3	74 1,765	Market Capitalisation of earnings	Adjusted market transactions Forecasted net operating income Pre tax discount rate 10.50%
Computer systems	2 3	488 723	Market Capitalisation of earnings	Adjusted market transactions Forecasted net operating income Pre tax discount rate 10.50%
Leasehold improvements	2 3 3	46 564 149	Market DRC Capitalisation of earnings	Adjusted market transactions Replacement cost new Forecasted net operating income Pre tax discount rate 10.50%
Land	3	58,109	Capitalisation of earnings	Forecasted net operating income Pre tax discount rate 10.50%
Make good	3	111	DRC	-
Biological assets	2	49,206	Market	Adjusted market transactions

DCF – Discounted Cash Flow
DRC – Depreciated Replacement Cost

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

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 3 3	31,508 45,800 157,188	Market DRC Capitalisation of earnings	Adjusted market transactions - Forecasted net operating income Pre tax discount rate 10.50%
Plant and equipment	2 3 3	3,720 38 15,310	Market Market and Cost Capitalisation of earnings	Adjusted market transactions Forecasted net operating income Pre tax discount rate 10.50%
Furniture and fittings	2 3	247 19,304	Market Capitalisation of earnings	Adjusted market transactions Forecasted net operating income Pre tax discount rate 10.50%
Motor vehicles	2 3	2,508 3,194	Market Capitalisation of earnings	Adjusted market transactions Forecasted net operating income Pre tax discount rate 10.50%
Administration Assets Office equipment	2 3	66 29	Market Capitalisation of earnings	Adjusted market transactions Forecasted net operating income Pre tax discount rate 10.50%
Furniture and fittings	2 3	61 1,765	Market Capitalisation of earnings	Adjusted market transactions Forecasted net operating income Pre tax discount rate 10.50%
Computer systems	2 3	537 518	Market Capitalisation of earnings	Adjusted market transactions Forecasted net operating income Pre tax discount rate 10.50%
Leasehold improvements	3 3	758 191	DRC Capitalisation of earnings	Replacement cost new Forecasted net operating income Pre tax discount rate 10.50%
Land	2 3	127 48,215	Market Capitalisation of earnings	Adjusted market transactions Forecasted net operating income Pre tax discount rate 10.50%
Make good	3	150	DRC	-
Biological assets	2	44,277	Market	Adjusted market transactions

DCF – Discounted Cash Flow
DRC – Depreciated Replacement Cost

	Consol 2016 $,000	Consol 2015 $,000	**ILC 2016 $,000**	ILC 2015 $,000

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:

	Consol 2016 $,000	Consol 2015 $,000	**ILC 2016 $,000**	ILC 2015 $,000
Cash balances comprises:				
Cash at bank and on hand	**18,426**	17,097	**379**	373
Deposits at call	**7,140**	4,372	**7,140**	4,372
Deposits with maturity less than 3 months	**18,000**	27,000	**18,000**	27,000
Cash advances	**8**	8	**8**	8
Total cash and cash equivalents	**43,574**	48,477	**25,527**	31,753
Balance of cash as at 30 June shown in the Cash Flow Statement	**43,574**	48,477	**25,527**	31,753

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

	Consol 2016 $,000	Consol 2015 $,000	**ILC 2016 $,000**	ILC 2015 $,000
Net cost of services after tax	**9,705**	(35,601)	**(19,766)**	(43,752)
Revenue from Government	**60,101**	59,391	**60,101**	59,391
Non cash items				
Depreciation and amortisation	**18,835**	17,925	**4,952**	5,897
Net loss on sale of property, plant and equipment	**568**	983	**417**	214
Reversal of previous impairment of assets	**(44,103)**	(22,556)	**-**	-
Repayment of loan	**17,000**	-	**(43,000)**	-
Other non cash	**2,724**	3,265	**4,443**	4,680
GST recovered on non-operating cash flows	**1,578**	1,342	**193**	233
Change in assets and liabilities				
(Increase)/decrease in receivables	**(1,278)**	2,107	**1,901**	1,943
(Increase)/decrease in other financial assets	**(13,925)**	234	**22,909**	(29,642)
(Increase)/decrease in assets held for transfer	**1,499**	13,457	**1,499**	13,457
(Increase)/decrease in inventories	**(5,248)**	(8,883)	**7,513**	3,671
(Increase)/decrease in other non-financial assets	**(6,156)**	452	**506**	465
Increase/(decrease) in suppliers	**(981)**	(377)	**(3,270)**	774
Increase/ (decrease) in other payables	**(3,056)**	3,164	**(16,496)**	1,261
Increase/(decrease) in employee provisions	**1,436**	1,033	**(503)**	138
Increase/(decrease) in other provisions	**(1,499)**	(13,112)	**(1,499)**	(13,112)
Net cash from operating activities	**36,515**	22,824	**19,900**	5,618

15. Contingencies and Commitments

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.

The ILC provides a guarantee to a major bank that provides a $120m revolving facility to Voyages.

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

Voyages in 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 $1,630,000 on rectification works and associated fees. The amount in dispute currently stands at $1,530,000 (2015: $1,523,246). Attempts to resolve the dispute by way of commercial settlement continued during the reporting period, with some progress being made in the form of a modest settlement offer by the consultant. Voyages in continuing to press the consultant to engage in a facilitated negotiation with a view to reaching a more appropriate settlement figure. No allowance for any potential proceeds have been made in the financial statements.

Consolidated	**Guarantees/Claims for damages**		**Total**	
	2016	2015	**2016**	2015
	$,000	$,000	**$,000**	$,000
CONTINGENT ASSETS				
Balance from previous period	**1,523**	2,568	**1,523**	2,568
New	**7**	50	**7**	50
Assets settled	**-**	(1,095)	**-**	(1,095)
Total contingent assets	**1,530**	1,523	**1,530**	1,523
Net contingent assets	**1,530**	1,523	**1,530**	1,523

ILC	**Guarantees**		**Total**	
	2016	2015	**2016**	2015
	$,000	$,000	**$,000**	$,000
CONTINGENT LIABILITIES				
Balance from previous period	**79,600**	60,566	**79,600**	60,566
New	**60,000**	19,600	**60,000**	19,600
Re-measurement	**-**	(566)	**-**	(566)
Total contingent liabilities	**139,600**	79,600	**139,600**	79,600
Net contingent liabilities	**(139,600)**	(79,600)	**(139,600)**	(79,600)

15B. Unquantifiable Contingencies

The Corporation had no unquantifiable contingencies as at reporting date.

15C. Significant Remote Contingencies

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

15D. Commitments

TYPE	Consol 2016 $,000	Consol 2015 $,000	ILC 2016 $,000	ILC 2015 $,000
Commitments receivable[1]				
Goods and services tax	**(3,957)**	(2,086)	**(496)**	(562)
Leases	**(8,001)**	(9,004)	**-**	-
Sale of biological assets	**-**	(733)	**-**	(733)
Total commitments receivable	**(11,958)**	(11,823)	**(496)**	(1,295)
Capital commitments				
Other[2]	**826**	1,847	**-**	-
Total capital commitments	**826**	1,847	**-**	-
Other commitments				
Operating leases[3]	**29,364**	30,836	**5,460**	6,918
Other[4]	**21,341**	-	**-**	-
Total other commitments	**50,705**	30,836	**5,460**	6,918
Net commitments by type	**39,573**	20,860	**4,964**	5,623
BY MATURITY				
Commitments receivable				
One year or less	**(1,380)**	(2,019)	**(119)**	(801)
From one to five years	**(5,035)**	(4,676)	**(151)**	(168)
Over five years	**(5,543)**	(5,128)	**(226)**	(326)
Net commitments receivable	**(11,958)**	(11,823)	**(496)**	(1,295)
Capital commitments				
One year or less	**826**	1,847	**-**	-
Net capital commitments	**826**	1,847	**-**	-
Other commitments				
One year or less	**4,015**	3,005	**1,305**	1,489
From one to five years	**11,766**	8,120	**1,662**	1,847
Over five years	**34,924**	19,711	**2,493**	3,582
Net other commitments	**50,705**	30,836	**5,460**	6,918

The amounts reported as at 30 June 2016 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 previous reporting period at a contracted price.

[2] The capital commitments comprise:

- At 30 June 2016 the Voyages had capital commitments for orders placed awaiting completion such as staff accommodation construction and communications infrastructure where workers have been mobilised.

15D. Commitments (cont.)

[3]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. There are no purchase options available to the ILC.
- Agreements for the provision of motor vehicles and forklifts– 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. 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.

[4] The other commitments comprise:

- Voyages entered into a finance lease with a third party for the installation of three ground based and two roof based solar photovoltaic systems for a period of 20 years, at an implied interest rate of 10.3% commencing on 9 March 2016. Scheduled repayments are made on a quarterly basis, with a 2.5% annual uplift. In accordance with the lease agreement future rentals may be varied annually by application of an agreed performance ratio-based calculation. Annual rent may be varied only down should performance not meet agreed electricity efficiency levels. Current system performance would indicate that the application of this adjustment is unlikely to occur. Accordingly no reduction in the rental paid by Voyages has been assumed in future years.

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 - $6,280,604 (2015: $8,449,327)
NCIE - $2,349,202 (2015: $2,495,166)

Voyages paid interest on the intercompany loan from the ILC as follows:
Voyages - $15,920,140 (2015: $18,090,420)

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.

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:

Mr Edward Fry (Chair) - appointed 20 October 2015
Ms Lisa Gay (Deputy Chair)
Ms Alison Page
Ms Patricia Crossin - appointed 20 October 2015
Ms Tanya Hosch - appointed 20 October 2015
Mr Anthony Ashby - appointed 20 October 2015
Mr Bruce Martin - appointed 20 October 2015
Dr Dawn Casey - ceased 19 October 2015
Mr Ian Trust - ceased 19 October 2015
Ms Olga Havnen - ceased 19 October 2015
Mr Graham Atkinson- ceased 19 October 2015
Mr Neil Westbury- ceased 19 October 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 Lisa Gay (Chair)
Mr Ian Ward-Ambler
Mr George Bedwani
Mr Peter Thomas
Mr Owen Cole
Mr Bob Teasdale
Ms Patricia Angus - appointed 9 October 2015
Ms Patricia Crossin - appointed 4 November 2015
Mr Sean Cummins - resigned 19 August 2015
Ms Olga Havnen - ceased 19 October 2015
Ms Rosemary Lester - resigned 11 March 2016

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 Alison Page (Chair)
Ms Terri Anne Janke
Mr Graham Atkinson - ceased 19 October 2015
Mr Kyle Bernard Vander-Kuyp
Mr Langus Shane Phillips
Mr Timothy Patrick O'Leary
Mr Kelvin Kong
Mr Anthony Ashby
Mr Dugald Russell

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 Bruce Martin - appointed 4 November 2015
Mr Michael Stephens
Ms Anne De Salis
Mr John Daly - appointed 23 July 2015
Ms Lisa Gay - appointed 4 November 2015
Mr Neil Westbury - ceased 19 October 2015
Mr Graham Atkinson - ceased 19 October 2015

The aggregate remuneration of Directors is disclosed in Note 18.

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

18. Remuneration of Directors

	Consol 2016 $	Consol 2015 $	**ILC 2016 $**	ILC 2015 $
Short term employee benefits				
Salary (including leave taken)	**1,125,673**	955,021	**329,499**	323,028
Other allowances	**1,995**	-	**1,995**	-
Total short-term employee benefits	**1,127,668**	955,021	**331,494**	323,028
Post-employment benefits				
Superannuation	**112,286**	106,048	**47,734**	53,754
Total post-employment benefits	**112,286**	106,048	**47,734**	53,754
Total	**1,239,954**	1,061,069	**379,228**	376,782

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 based on independent advice.

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

	Consol 2016	Consol 2015	**ILC 2016**	ILC 2015
The number of Directors	**29**	22	**12**	7

Refer to Note 20 for Senior Management Personnel remuneration

19. Other transactions with director or director related entities

Former ILC Director Mr Ian Trust is a Director of Wunan Foundation. The Corporation provided land management funding of Nil to Wunan Foundation (2015: $65,000). Mr Trust took no part in the relevant decision.

Mr Ian Trust is also 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 Nil (2015: $511,953). Mr Trust took no part in the relevant decision.

Former ILC Director Mr Graham Atkinson is a Director of The Dja Dja Wurrung Clans Aboriginal Corporation. The Corporation provided land management funding of $1,000 (2015: $50,000) to The Dja Dja Wurrung Clans Aboriginal Corporation. Mr Atkinson took no part in the relevant decision.

NCIE leases out office space. A Director of the Company (Mr Phillips) is also the Chairman and CEO of a tenant of the NCIE. $6,062 (2015: $5,945) has been charged to the tenant. Amounts owing from the tenant were written off during the year of nil (2015: $40,764). The Director receives no personal benefit as a result of the tenancy arrangements.

NCIE offers services associated with camps, conferences and hires facilities. Directors that purchased facility hire or services during the year included: Ms Janke $1,132 (2015: $1,650), Jawun (Ms Janke is a Director) $23,331 (2015: $20,553), Tribal Warrior (Mr Phillips is a Director) $1,540 (2015: $2,375) and Telstra Foundation (Mr O'Leary is a Director) $1,115 (2015: $871)

Telstra Foundation (Mr O'Leary is a Director) sponsors NCIE for the Indigenous Digital Excellence program for $1,100,000 during the reporting period (2015: $1,100,000).

ILC Directors Mr Edward Fry and Mr Anthony Ashby are also Directors of Indigenous Business Australia. Transactions with Indigenous Business Australia are included in the amounts in related entity disclosures in notes 5A to 8A.

19. Other transactions with director or director related entities

Director John Daly is a Director of the Northern Land Council. Transactions with the Northern Land Council are included in related entity disclosures.

Director Daly is also a casual employee on an ILC owned property. Mr Daly received $20,358 (2015: Nil) for his casual employment.

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 2016 $	Consol 2015 $	**ILC 2016 $**	ILC 2015 $
Short term employee benefits				
Salary (including leave taken)	**4,009,253**	3,852,798	**1,757,715**	1,915,554
Performance bonus	**565,394**	559,001	**-**	-
Motor vehicle and other allowances	**408,750**	274,433	**284,056**	149,131
Total short-term employee benefits	**4,983,397**	4,686,232	**2,041,771**	2,064,685
Post-employment benefits				
Superannuation	**514,194**	472,625	**295,679**	279,626
Total post-employment benefits	**514,194**	472,625	**295,679**	279,626
Other long-term benefits				
Annual leave accrued	**96,140**	30,944	**40,455**	34,217
Long service leave	**38,564**	80,606	**(6,797)**	48,371
Total other long term benefits	**134,704**	111,550	**33,658**	82,588
Termination benefits				
Termination	**541,403**	272,868	**541,403**	119,369
Total termination benefits	**541,403**	272,868	**541,403**	119,369
Total	**6,173,698**	5,543,275	**2,912,511**	2,546,268

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

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

	Consol 2016	Consol 2015	**ILC 2016**	ILC 2015
The number of Senior Management	**22**	19	**12**	11

Refer to Note 18 for remuneration of Directors

	Consol 2016 $,000	Consol 2015 $,000	**ILC 2016 $,000**	ILC 2015 $,000
21. Remuneration of auditors				
Remuneration to the Auditor General:				
Financial statement audits	**230**	241	**81**	118
Other assurance services	**187**	20	**10**	4
Total remuneration of auditors	**417**	261	**91**	122

22. Financial instruments

22A. Categories of financial instruments

	Consol 2016 $,000	Consol 2015 $,000	**ILC 2016 $,000**	ILC 2015 $,000
Financial Assets				
Held-to-maturity investments				
Term deposits	**22,000**	37,000	**22,000**	37,000
Other investments	**-**	-	**30,808**	14,045
Loans and receivables				
Cash	**18,434**	17,105	**387**	381
Receivables	**11,208**	9,949	**2,664**	4,078
Other deposits	**7,140**	4,372	**7,140**	4,372
Repayable grants / advances	**170**	93	**283,822**	337,342
Concessional loan benefit	**13,848**	-	**13,848**	-
Carrying amount of financial assets	**72,800**	68,519	**360,669**	397,218
Financial Liabilities				
Financial liabilities measured at amortised cost				
Supplier payables	**12,744**	13,725	**3,002**	6,272
Other payables	**12,212**	22,487	**3,886**	20,382
Finance lease payable	**6,694**	-	**-**	-
Interest bearing loans	**185,000**	198,000	**65,000**	138,000
Carrying amount of financial liabilities	**216,650**	234,212	**71,888**	164,654

22B. Net income and expenses from financial assets

	Consol 2016 $,000	Consol 2015 $,000	**ILC 2016 $,000**	ILC 2015 $,000
Held-to-maturity investments – interest received				
Term deposits	**1,429**	1,674	**1,429**	1,674
	1,429	1,674	**1,429**	1,674
Loans and receivables – interest received				
Cash	**472**	477	**17**	24
Other deposits	**-**	-	**15,920**	18,090
	472	477	**15,937**	18,114
Loans and receivables – impairment movement				
Repayable grants/advances	**60**	(143)	**60**	(143)
Net income from financial assets	**1,961**	2,008	**17,426**	19,645

	Consol 2016 $,000	Consol 2015 $,000	ILC 2016 $,000	ILC 2015 $,000

22C. Net income and expenses from financial liabilities

	Consol 2016 $,000	Consol 2015 $,000	**ILC 2016 $,000**	ILC 2015 $,000
Financial liabilities measured at amortised cost				
Interest bearing loans	**10,699**	11,011	**8,190**	8,967
Finance leases	**126**	-	**-**	-
Net expenses from financial liabilities	**10,825**	11,011	**8,190**	8,967

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

	Total Carrying Amount 2016 $,000	**Aggregate Net Fair Value 2016 $,000**	Total Carrying Amount 2015 $,000	Aggregate Net Fair Value 2015 $,000
Financial Assets				
Cash	**18,434**	**18,434**	17,105	17,105
Receivables	**11,208**	**11,208**	9,949	9,949
Other deposits	**7,140**	**7,140**	4,372	4,372
Term deposits	**22,000**	**22,000**	37,000	37,000
Repayable grants / advances	**170**	**170**	93	93
Concessional loan benefit	**13,848**	**13,848**	-	-
Total financial assets	**72,800**	**72,800**	68,519	68,519
Financial Liabilities				
Suppliers	**12,744**	**12,744**	13,725	13,725
Other payables	**12,212**	**12,212**	22,487	22,487
Finance lease payable	**6,694**	**6,694**		
Interest bearing loans	**185,000**	**185,000**	198,000	203,337
Total financial liabilities	**216,650**	**216,650**	234,212	239,549

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 Corporations financial instruments are market risk, interest rate risk, price risk, credit risk and liquidity risk. Risks are considered to be low.

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 2016 $,000	Consol 2015 $,000	**ILC 2016 $,000**	ILC 2015 $,000
Financial Assets				
Cash	**18,434**	17,105	**387**	381
Other deposits	**7,140**	4,372	**7,140**	4,372
Term deposits	**22,000**	37,000	**22,000**	37,000
	47,574	58,477	**29,527**	41,753
Financial Liabilities				
Interest bearing loan	**120,000**	60,000	**-**	-
Net Assets	**(72,426)**	(1,523)	**29,527**	41,753

The table below details the interest rate sensitivity analysis of the entity at the reporting date, holding all other variables constant. A 30 basis point change is deemed to be reasonably possible and is used when reporting interest rate risk.

	Risk variable	Change in variable	**Effect on Profit or loss 2016 $,000**	**Effect on Equity 2016 $,000**	Effect on Profit or loss 2015 $,000	Effect on Equity 2015 $,000
Consolidated						
Interest rate risk	Interest	+0.3%	**(217)**	**(217)**	(5)	(5)
		-0.3%	**217**	**217**	5	5
ILC						
Interest rate risk	Interest	+0.3%	**88**	**88**	125	125
		-0.3%	**(88)**	**(88)**	(125)	(125)

The method used to arrive at the possible risk of 30 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.

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 2016 $,000	Not Past Due or Impaired 2015 $,000	**Past Due or Impaired 2016 $,000**	Past Due or Impaired 2015 $,000
Consolidated				
Receivables	**9,835**	7,006	**1,545**	3,127
Repayable grants / advances	**170**	123	**266**	296
	10,005	7,129	**1,811**	3,423
ILC				
Receivables	**2,932**	1,533	**63**	2,586
Repayable grants / advances	**283,822**	337,372	**266**	296
	286,754	338,905	**329**	2,882

Repayable grants that are past due but not impaired nil (2015: nil).

Ageing of receivables and repayable grants/ advances that are past due but not impaired for 2016

	0-30 Days $,000	**31-60 days $,000**	**61-90 days $,000**	**90+ days $,000**	**Total $,000**
Receivables and repayable grants/advances	**906**	**489**	**49**	**37**	**1,481**

Ageing of receivables 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

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 2016

	On Demand $,000	Within 1 year $,000	1-5 Years $,000	>5 Years $,000	Total $,000
Supplier payables	-	**12,744**	**-**	**-**	**12,744**
Other payables	-	**7,552**	**2,408**	**2,252**	**12,212**
Finance lease liability	-	**-**	**6,694**	**-**	**6,694**
Interest bearing loans	-	**65,000**	**120,000**	**-**	**185,000**
Total	**-**	**85,296**	**129,102**	**2,252**	**216,650**

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	-	19,176	1,174	2,137	22,487
Interest bearing loans	-	198,000	-	-	198,000
Total	-	230,900	1,174	2,138	234,212

22F. Financial assets reconciliation

	Consol 2016 $,000	Consol 2015 $,000	**ILC 2016 $,000**	ILC 2015 $,000
Total financial assets as per Statement of Financial Position	**72,800**	68,500	**360,970**	398,008
Less: non financial instrument components				
GST Receivable from ATO	**-**	(19)	**301**	790
Total financial assets as per instruments note	**72,800**	68,519	**360,669**	397,218

	Outcome 1 2016 $,000	Outcome 1 2015 $,000	**Total 2016 $,000**	Total 2015 $,000

23. Reporting of outcomes

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

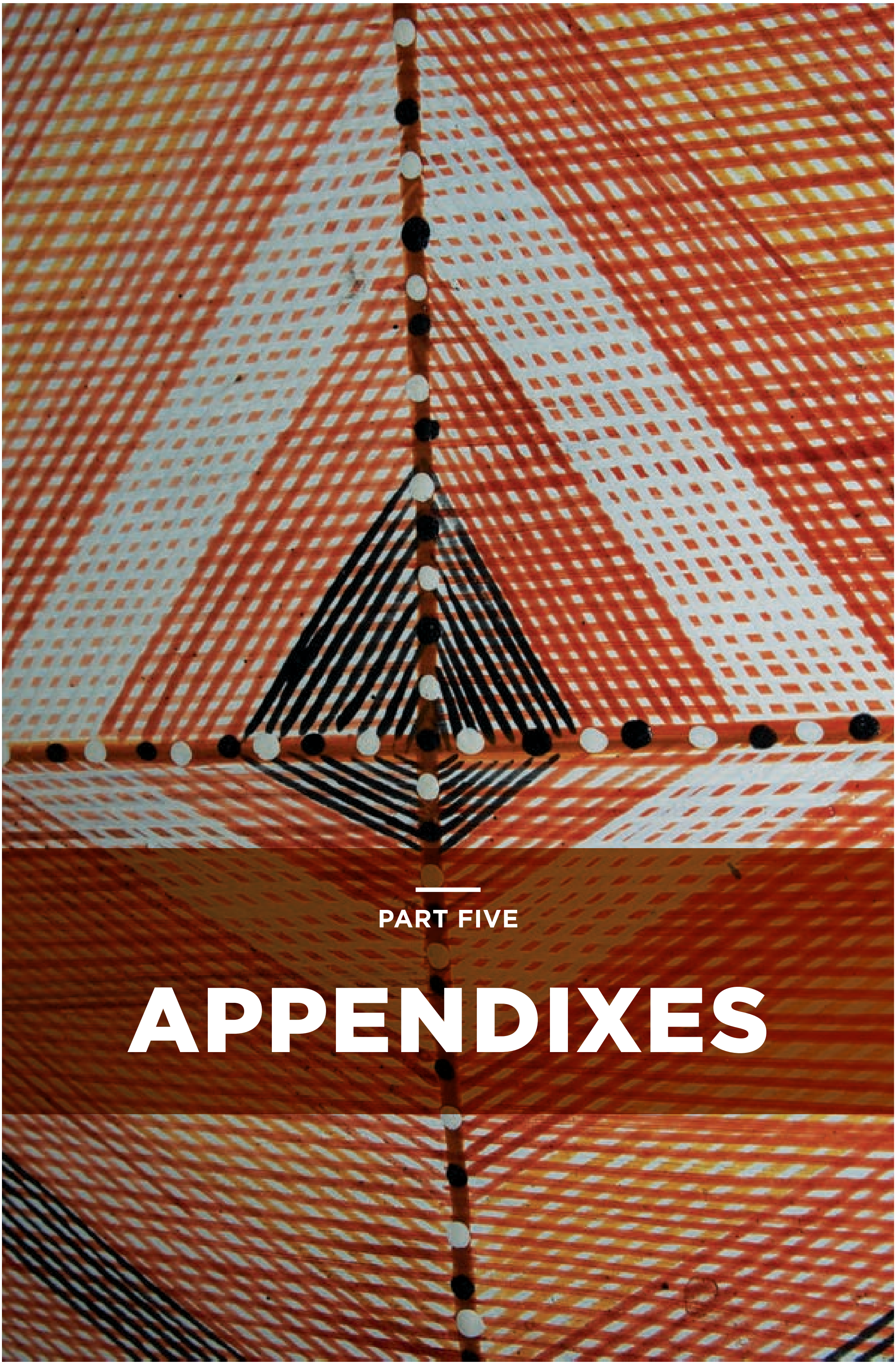
Only one program is defined for the outcome.

23A. Net cost of outcome delivery

	Outcome 1 2016 $,000	Outcome 1 2015 $,000	**Total 2016 $,000**	Total 2015 $,000
Expenses				
Departmental	**240,168**	228,584	**240,168**	228,584
Total expenses	**240,168**	228,584	**240,168**	228,584
Other own-source income				
Departmental				
Grants	**4,529**	2,374	**4,529**	2,374
Interest	**1,901**	2,151	**1,901**	2,151
Sales of goods and rendering of services	**149,207**	131,758	**149,207**	131,758
Other revenues	**13,095**	13,086	**13,095**	13,086
Net gain in the net market value of livestock	**21,653**	21,647	**21,653**	21,647
Net market value of agricultural produce	**471**	444	**471**	444
Other net gain (loss)	**44,484**	21,541	**44,484**	21,541
Total own-source income	**235,340**	193,001	**235,340**	193,001
Net cost of outcome delivery	**4,828**	35,583	**4,828**	35,583

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.



PART FIVE

APPENDIXES

APPENDIX ONE

FUNCTIONS AND POWERS

FUNCTIONS

The *Aboriginal and Torres Strait Islander Act 2005* (ATSI Act) 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 ATSI Act;

d) to do anything incidental to or conducive to the performance of any of the preceding functions.

POWERS

Section 191H (1) of the ATSI 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 ATSI Act defines a subsidiary in the same manner as subsidiary is determined under the Corporations Act 2001

SECTION 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 nterests in land

SECTION 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 TWO

ILC BOARD MEETINGS 2015–16

Meeting No	Date	Location	Attendees	Leave of absence
190	23.07.15	Teleconference	Dr Dawn Casey PSM FAHA (Chair) Ms Alison Page Mr Neil Westbury PSM	Mr Graham Atkinson Ms Lisa Gay Ms Olga Havnen
191	26.08.15	Sydney	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	
192	16.09.15	Teleconference	Dr Dawn Casey PSM FAHA (Chair) Mr Graham Atkinson Ms Alison Page Mr Neil Westbury PSM	Mr Ian Trust Ms Lisa Gay Ms Olga Havnen
193	09.10.15	Sydney	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	
195	04.11.15	Melbourne	Mr Eddie Fry (Chair) Ms Lisa Gay Mr Anthony Ashby Ms Trish Crossin Mr Bruce Martin Ms Alison Page	Ms Tanya Hosch
196	18-19.11.15	Sydney	Mr Eddie Fry (Chair) Ms Lisa Gay Mr Anthony Ashby Ms Trish Crossin Ms Tanya Hosch Mr Bruce Martin Ms Alison Page	

APPENDIX TWO CONTINUED

Meeting No	Date	Location	Attendees	Leave of absence
197	18.01.16	Teleconference	Mr Eddie Fry (Chair) Ms Lisa Gay Mr Anthony Ashby Ms Trish Crossin Ms Alison Page	Ms Tanya Hosch Mr Bruce Martin
198	23.02.16	Adelaide	Mr Eddie Fry (Chair) Ms Lisa Gay Mr Anthony Ashby Ms Trish Crossin Ms Tanya Hosch Mr Bruce Martin Ms Alison Page	
199	21.03.16	Teleconference	Mr Eddie Fry (Chair) Mr Anthony Ashby Ms Trish Crossin Ms Alison Page	Ms Lisa Gay Ms Tanya Hosch Mr Bruce Martin
200	20.04.16	Canberra	Mr Eddie Fry (Chair) Ms Lisa Gay Mr Anthony Ashby Ms Trish Crossin Ms Tanya Hosch Mr Bruce Martin Ms Alison Page	
201	05.05.16	Teleconference	Mr Eddie Fry (Chair) Mr Anthony Ashby Ms Trish Crossin Mr Bruce Martin Ms Alison Page	Ms Lisa Gay Ms Tanya Hosch
202	22.06.16	Canberra	Mr Eddie Fry (Chair) Ms Lisa Gay Mr Anthony Ashby Ms Trish Crossin Mr Bruce Martin Ms Alison Page	Ms Tanya Hosch

APPENDIX THREE

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.

During the reporting period Deloitte Touche Tomatsu continued to provide the ILC assistance with debt refinancing of Ayers Rock Resort which came due in May 2016.

Consultants were selected by tender or direct sourcing.

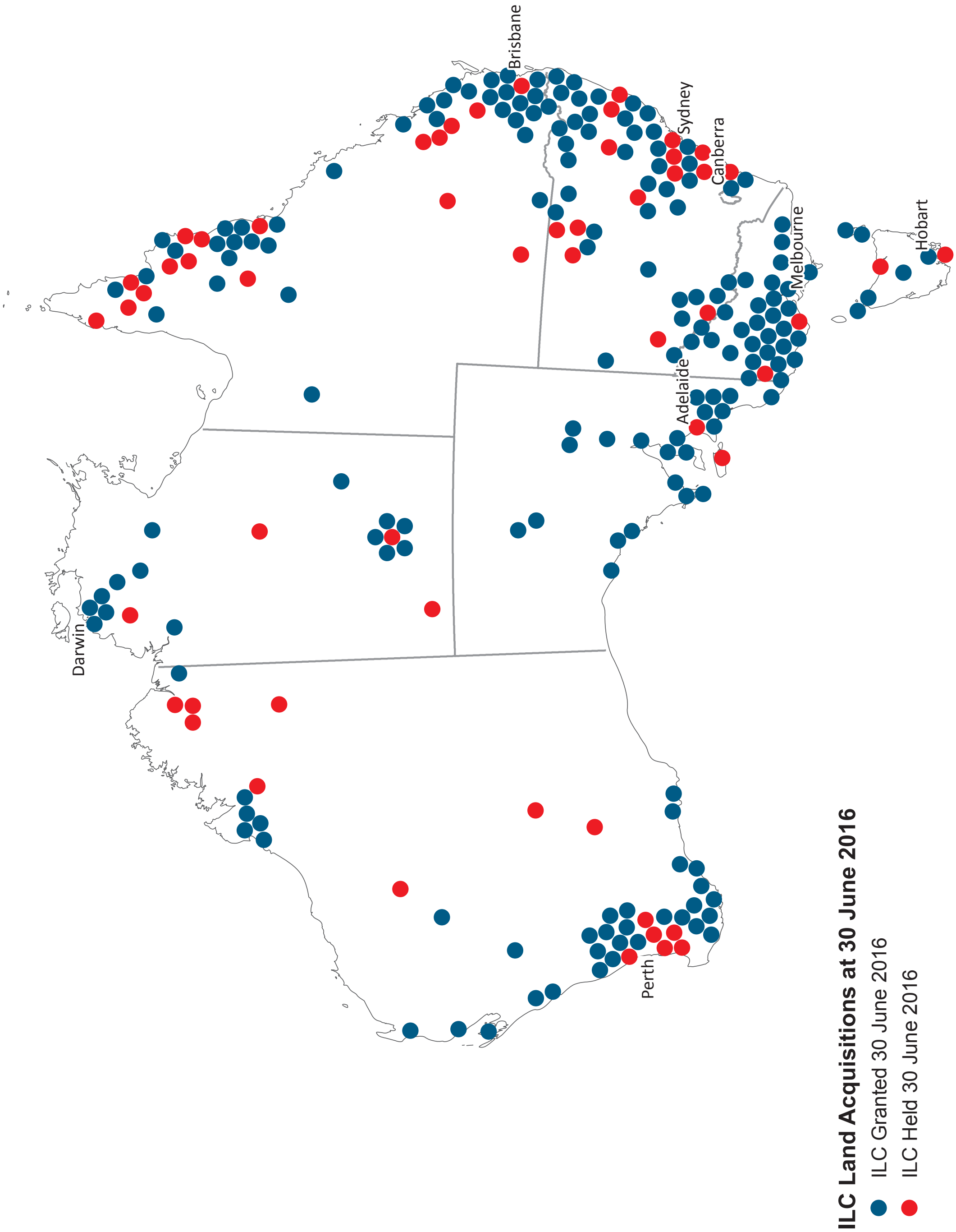
The total spending on consultants (inclusive of GST) was:

	2015–16	2014–15	2013–14
Administration	$1.9m	$1.3m	$1.2m
Land Acquisition and Land Management functions	$1.1m	$0.6m	$0.6m
Major development/due diligence	$0.0m	$0.0m	$0.2m
Total	$3.0m	$1.9m	$2.0m

During 2015-16, 34 new consultancy arrangements were entered into involving total actual expenditure of $1.2 million (inclusive of GST). In addition, 23 consultancy projects were ongoing during 2015–16, involving total actual expenditure of $1.8 million (inclusive of GST).

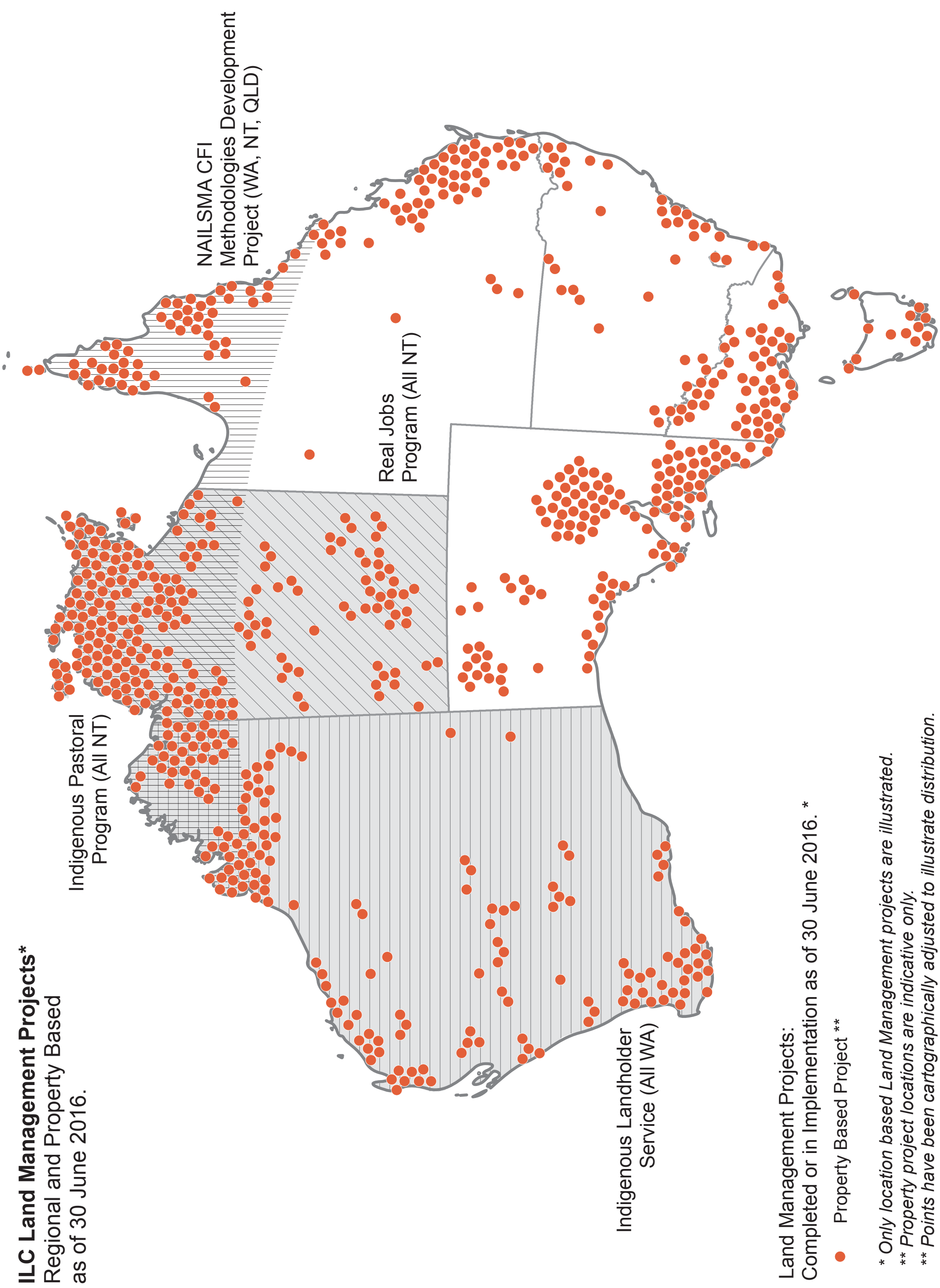
APPENDIX FOUR

LAND ACQUISITIONS AND GRANTS



APPENDIX FIVE

LAND MANAGEMENT



ACRONYMS AND ABBREVIATIONS

AAC	Audit and Assurance Committee
AASB	Australian Accounting Standards Board
ABN	Australian Business Number
AC	Aboriginal Corporation
AHRC	Australian Human Rights Commission
AIME	Australian Indigenous Mentoring Experience
APY	Anangu Pitjantjatjara Yankunytjatjara
ATSI Act	*Aboriginal and Torres Strait Islander Act 2005*
ATSIC	Aboriginal and Torres Strait Islander Commission (former)
BCAC	Bluebush Cattle Aboriginal Corporation
BMAP	Business Management Advisory Project
CEO	Chief Executive Officer
CGU	cash generating unit
CLC	Central Land Council (NT)
COAG	Council of Australian Governments
Consol	consolidated
DAFWA	Department of Food and Agriculture (WA)
DATSIP	Department of Aboriginal and Torres Strait Islander Partnerships (Qld)
EA	Enterprise Agreement
EBITDA	Earnings Before Interest, Taxation, Depreciation and Amortisation
EKC	East Kimberley Cattle Pty Ltd
EL	Executive Level (staff)
EPBC Act	*Environmental Protection and Biodiversity Conservation Act 1999*
ERF	Emissions Reduction Fund
ESRM	Ecologically Sustainable Rangeland Management
FRR	Financial Reporting Rule
FTE	full-time equivalent (staff)
GIS	Geographical Information Systems
GPT	General Property Trust (vendors of Ayers Rock Resort)
GST	Goods and Services Tax
ha	hectare
HEMP	Heritage and Environment Management Plan
IBA	Indigenous Business Australia
ICG	Indigenous Consultative Group
IDX	Indigenous Digital Excellence
IES	Indigenous Employment Strategy
ILC	Indigenous Land Corporation
ILC Group	ILC and three subsidiary companies
ILS	Indigenous Landholder Service (WA)
IPP	Indigenous Pastoral Program (NT)
IPA	Indigenous Protected Area
IT	information technology
KLC	Kimberley Land Council
KPI	Key Performance Indicator
Land Account	Aboriginal and Torres Strait Islander Land Account
NAIDOC	National Aborigines' and Islanders' Day Observance Committee
NAILSMA	North Australia Indigenous Land and Sea Management Alliance
NASCA	National Aboriginal Sporting Chance Academy
NCIE	National Centre of Indigenous Excellence
NIAS	National Indigenous Advisory Services (NIPE)
NILS	National Indigenous Land Strategy
NIPE	National Indigenous Pastoral Enterprises
NITA	National Indigenous Training Academy (Ayers Rock Resort, NT)
NLC	Northern Land Council (NT)
NRS	Natural resource management
NSW	New South Wales
NT	Northern Territory
PBC	Prescribed Body Corporate
PBS	Portfolio Budget Statements
PGPA Act	*Public Governance, Performance and Accountability Act 2013*
PIRSA	Primary Industries and Regions SA
PM&C	Department of the Prime Minister and Cabinet
Qld	Queensland
RILS	Regional Indigenous Land Strategies
RJP	Real Jobs Program (NT)
RLMS	Remote Livestock Management System
SA	South Australia
SE	Senior Executive (staff)
TAFE	Technical and Further Education
Tas.	Tasmania
TATU	Talking About Tobacco Use program
The ATSI Act	*Aboriginal and Torres Strait Islander Act 2005*
Vic.	Victoria
Voyages	Voyages Indigenous Tourism Australia
WA	Western Australia
wAC	weetapoona Aboriginal Corporation
WHS	Work Health and Safety
WoC	Working on Country (program)

COMPLIANCE INDEX

Public Governance, Performance and Accountability Rule 2014

Subdivision B—Annual report for corporate Commonwealth entities

	PGPA Act requirement	Page number
17BB	**Approval of annual report by accountable authority**	
	The annual report for a corporate Commonwealth entity must:	
	(a) be approved by the accountable authority of the entity; and	i
	(b) be signed by the accountable authority, or a member of the accountable authority, of the entity; and	i
	(c) include details of how and when approval of the annual report was given; and	i
	(d) state that the accountable authority of the entity is responsible for preparing and giving the annual report to the entity's responsible Minister in accordance with section 46 of the PGPA Act.	i
17BE	**Contents of annual report** The annual report for a corporate Commonwealth entity for a reporting period must include the following:	
	(a) details of the legislation establishing the body;	2, 41, 64, 134
	(b) both of the following: (i) a summary of the objects and functions of the entity as set out in the legislation;	2
	(ii) the purposes of the entity as included in the entity's corporate plan for the period;	2
	(c) the names of the persons holding the position of responsible Minister or responsible Ministers during the period, and the titles of those responsible Ministers;	41
	(d) any directions given to the entity by a Minister under an Act or instrument during the period	N/A
	(e) any government policy orders that applied in relation to the entity during the period under section 22 of the PGPA Act;	41
	(f) if, during the period, the entity has not complied with a direction or order referred to in paragraph (d) or (e) – particulars of the non-compliance;	N/A
	(g) the annual performance statements for the entity for the period in accordance with paragraph 39(1)(b) of the PGPA Act and section 16F of this rule	1 to 38
	(h) a statement of any significant issue reported to the responsible Minister under paragraph 19 (1)(e) of the PGPA Act that relates to non-complaince with the finance law in relation to the entity;	41
	(i) if a statement is included under paragraph (h) of this section – an outline of the action that has been taken to remedy the non-compliance;	N/A
	(j) information on the accountable authority, or each member of the accountable authority, of the entity during the period, including:	41-44
	(i) the name of the accountable authority or member; and	41 to 44
	(ii) the qualifications of the accountable authority or member; and	42 to 44
	(iii) the experience of the accountable authority or member; and	42 to 44
	(iv) for a member—the number of meetings of the accountable authority attended by the member during the period; and	Appendix X
	(v) for a member—whether the member is an executive member or non-executive member;	42 to 44
	(k) an outline of the organisational structure of the entity (including any subsidiaries of the entity);	3, 40, 46, 47,48
	(l) an outline of the location (whether or not in Australia) of major activities or facilities of the entity;	40, 46, 47, 48
	(m) information in relation to the main corporate governance practices used by the entity during the period;	39 - 53

	PGPA Act requirement	Page number
	(n) the decision-making process undertaken by the accountable authority for making a decision if:	
	(i) the decision is to approve the entity paying for a good or service from another Commonwealth entity or a company, or providing a grant to another Commonwealth entity or a company; and	41
	(ii) the entity, and the other Commonwealth entity or the company, are related entities; and	41
	(iii) the value of the transaction, or if there is more than one transaction, the aggregate value of those transactions, is more than $10,000 (inclusive of GST);	41
	(o) if the annual report includes information under paragraph (n):	68-131
	(i) if there is only one transaction—the value of the transaction; and	68-131
	(ii) if there is more than one transaction—the number of transactions and the aggregate of value of the transactions;	68-131
	(p) any significant activities and changes that affected the operations or the structure of the entity during the period;	49
	(q) particulars of judicial decisions or decisions of administrative tribunals made during the period that have had, or may have, a significant effect on the operations of the entity;	51
	(r) particulars of any report on the entity given during the period by: (i) the Auditor-General, other than a report under section 43 of the Act (which deals with the Auditor-General's audit of the annual financial statements for Commonwealth entities); or (ii) a Committee of either House, or of both Houses, of the Parliament; or (iii) the Commonwealth Ombudsman; or (iv) the Office of the Australian Information Commissioner;	51
	(s) if the accountable authority has been unable to obtain information from a subsidiary of the entity that is required to be included in the annual report—an explanation of the information that was not obtained and the effect of not having the information on the annual report;	No information was unobtainable
	(t) details of any indemnity that applied during the period to the accountable authority, any member of the accountable authority or officer of the entity against a liability (including premiums paid, or agreed to be paid, for insurance against the authority, member or officer's liability for legal costs);	50
	(u) an index identifying where the requirements of this section and section 17BF (if applicable) are to be found.	141-142
17BD	**Plain English and clear design** (1) The annual report for a corporate Commonwealth entity must be prepared having regard to the interests of the Parliament and any other persons who are interested in the annual report.	Title page, 4
	(2) Information included in the annual report must be relevant, reliable, concise, understandable and balanced, including through doing the following, where practicable:	
	(a) using clear design (for example, through headings and adequate spacing);	Title page, 4
	(b) defining acronyms and technical terms (for example, in a glossary);	139
	(c) using tables, graphs, diagrams and charts;	4, 5, 7, 8, 10, 11, 14, 15, 17, 19, 21, 22, 24, 25, 34, 40, 46, 48, 56, 59-62, 64, 66, 71-140
	(d) including any additional matters as appropriate.	N/A

	Other legislation	
	Native Title Act 1993	22, 51,
	Work Health and Safety Act 2012	52-53
	Environment Protection and Biodiversity Conservation Act 1999	54-56

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