

# CORPORATE PLAN

INDIGENOUS LAND AND SEA CORPORATION GROUP

# 2019-20

STRATEGY TO 2023



Australian Government

Indigenous Land and Sea Corporation



The ILSC GROUP

PEOPLE. COUNTRY. OPPORTUNITY.



“The Board believes that the Indigenous Estate, strategically managed over the long term, can become a source of wealth and wellbeing for my people.”



## FOREWORD BY THE ILSC CHAIRPERSON

Welcome to the Indigenous Land and Sea Corporation’s **Corporate Plan 2019-20, Strategy to 2023**. Retaining a firm focus on the ILSC’s purpose as we now extend our operational focus into water, the ILSC Board reaffirms our commitment to being the trusted partner in developing the Indigenous Estate. We will pursue our vision of Aboriginal and Torres Strait Islander people enjoying opportunities and benefits that the return of country, and its management brings. We will do this by:

- > Acquiring and divesting land and water interests to Indigenous Corporations;
- > Supporting Aboriginal and Torres Strait Islander peoples to strengthen culture through reconnection with country;

- > Building capacity and capability of Indigenous Corporations to sustainably manage and protect country; and
- > Partnering with Indigenous Corporations to drive and influence opportunities for country.

Entering a new era with expanded responsibilities is also an opportunity to build upon the reforms of recent years. This will include: further adaptation of our principal program, **Our Land Our Future**; embedding new ways of thinking about how we produce outcomes for Indigenous Australians; and evolving a more rigorous strategic enterprise group with which to measure our performance.

Our commitment to modernise and to secure the ILSC’s functions for future generations remains front and centre. The ILSC Board believes the current Indigenous outlook lends itself to a longer-term vision. While the ILSC will continue with its prescribed strategic planning cycles, it believes the foundations for these must lay in a strategic vision over a 10 to 20 year horizon with a customer focus platform. This vision will set the Indigenous Estate up, as a source of prosperity for Indigenous Australians and an influential contributor to the social and economic future of this nation.

**We look forward to working with you.**

**EDDIE FRY**

Chairperson, August 2019





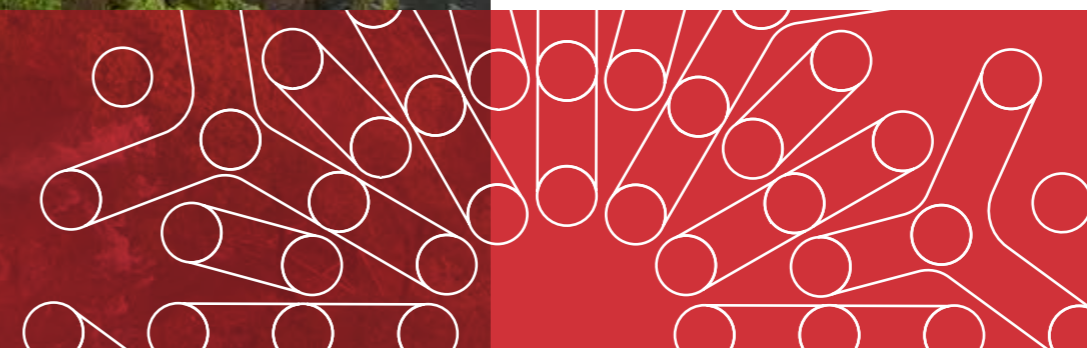


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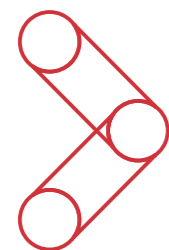
The trusted partner in growing and realising the potential of the Indigenous Estate.







**ILSC VALUES:**  
 RESPONSIBILITY \ RESPECT \ COURAGE \ TEAMWORK \ TRUST



## PRESENTATION

The ILSC Board, as the Accountable Authority of the Indigenous Land and Sea Corporation, presents the 2019-20 ILSC Group Corporate Plan, as required under paragraph 35(1)(b) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). The plan was prepared in accordance with the Public Governance, Performance and Accountability Rule 2014. It covers the reporting period 2019-20 and anticipates developments to 2022-23.

# ILSC STRATEGIC FRAMEWORK



## LEGISLATED PURPOSES

### ATSI ACT

- (a) to assist Aboriginal persons and Torres Strait Islanders to acquire land and water related rights; and
  - (b) to assist Aboriginal persons and Torres Strait Islanders to manage indigenous held land and indigenous waters;
- so as to provide economic, environmental, social or cultural benefits for Aboriginal persons and Torres Strait Islanders.



## WHAT THE ILSC GROUP DOES

- > We acquire and divest land and water-related rights to Indigenous people.
- > We support Indigenous people to preserve and protect culture through reconnection with country.
- > We build the capacity and capability of Indigenous people to sustainably manage and protect country.
- > We partner with Indigenous people to drive and influence opportunities for their country.



## LEGISLATED PERFORMANCE STANDARDS

### PGPA ACT

Guides the ILSC's governance, accountability, planning and reporting



## PBS STRATEGIC DIRECTION STATEMENT (FOR EACH FINANCIAL YEAR)

Assist Aboriginal and Torres Strait Islander people to realise economic, social, cultural and environmental benefits that the ownership and management of land and fresh water and salt water rights can bring

### FOR 2019-20, PRIORITISING OPERATIONALISATION OF EXPANDED REMIT:

- > Consulting on NILSS/RILSS
- > Refreshing and realignment of *Our Land Our Future* Program
- > Realignment of Performance Framework



## STATUTORY STRATEGIC PLANS

### NILSS AND RILSS (ATSI ACT)

Sets out the ILSC's strategies for achieving its Purposes across a three-five year timeframe

### CORPORATE PLAN (PGPA ACT)

Sets out the ILSC's strategies for achieving its Purposes and how success will be measured annually



## ILSC VISION

### VISION

Aboriginal and Torres Strait Islander people enjoy the opportunities and benefits that the return of country, and its management brings.



## ILSC LONG-TERM OUTCOMES (WHAT THE ILSC IS HOPING TO ACHIEVE)

### INDIGENOUS PEOPLE ARE:

- > Maintaining and/or growing the value and/or productivity of country
- > Sustainably owning and managing country
- > Driving and influencing policy and opportunity for country
- > Strengthening culture through reconnection to country.



## ILSC STRATEGIC PILLARS

Increasing our return against the ILSC's Purposes

Increasing our investment in the ILSC's Purposes

Focusing on our clients and sector relationships

Continuous improvement and alignment



## ENABLED BY

- > Social and human capital: staff, stakeholders, partnerships, relationships, knowledge, expertise
- > ATSILSFF: independent, sustainable, compensatory funding stream



## ABOUT THE ILSC GROUP

### Purposes

The Indigenous Land and Sea Corporation is established:

- (a) to assist Aboriginal persons and Torres Strait Islanders to acquire land and water-related rights; and
- (b) to assist Aboriginal persons and Torres Strait Islanders to manage indigenous held land and Indigenous waters;

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

The Indigenous Land and Sea Corporation (ILSC) is a corporate Commonwealth entity under the PGPA Act. It was established, as the Indigenous Land Corporation (ILC), on 1 June 1995 as a component of the national settlement after the Mabo judgment (1992) recognised common law native title rights to land. The other legislated part of this settlement is the *Native Title Act 1993* (Native Title Act).

A dedicated fund—originally the Aboriginal and Torres Strait Islander Land Fund, then the Aboriginal and Torres Strait Islander Land Account and, following recent legislative change, the Aboriginal and Torres Strait Islander Land and Sea Future Fund (ATSILSFF)—was established with the ILSC, and revenue from it has supported the IL(S)C’s operations. The corporation receives \$45 million annually (in 2010 values) from the fund, intended at its outset as partial compensation for dispossessed Indigenous groups unlikely to benefit from the Native Title Act. The transition to the ATSILSFF is intended to secure higher returns to the fund, prevent the erosion of its capital base, and protect it for future generations of Indigenous Australians.

### ILSC legislation

The ILSC operates under the *Aboriginal and Torres Strait Islander Act 2005* (ATSI Act). Its purposes (above) are set out in section 191B of this Act. The ATSI Act also defines the corporation’s functions, powers, and governance framework.

The ATSI Act guides the ILSC Group’s operations, mandating a focus on land and waters, relationships with Indigenous groups, and the achievement of Indigenous benefits. The ILSC must grant interests it acquires to Indigenous corporations within a reasonable time, and perform management functions only in relation to Indigenous-held interests and under agreements with the holders of those interests.

The ATSI Act enables the ILSC to establish subsidiaries to perform its statutory functions.

## ILSC governance

### MINISTER FOR INDIGENOUS AUSTRALIANS

Appoints 7-member Board including Chairperson; five including the Chairperson must be Indigenous Australians



### BOARD Accountable Authority

- > Sets strategic direction and determines policy
- > Monitors performance and compliance
- > Establishes sub-committees
- > Appoints Chief Executive Officer (CEO)



### GCEO Statutory Officer

Oversees day-to-day operations in accordance with Board directions



### ILSC administration

ILSC subsidiaries discrete governance and management structures

The ILSC continues to have three wholly-owned subsidiaries, governed by Part 4A of the ATSI Act and the *Corporations Act 2001*. Together with the ILSC itself, they form the ILSC Group:

- > **Voyages Indigenous Tourism Australia (Voyages) Pty Ltd**, which owns and manages Ayers Rock Resort, NT, and manages two other tourism enterprises (Home Valley Station, WA, and Mossman Gorge Centre, Qld) developed and owned by the ILSC
- > **National Centre of Indigenous Excellence (NCIE) Ltd**, which manages the ILSC-developed not-for-profit social enterprise of the same name in Redfern, Sydney, NSW; NCIE Ltd builds capability and creates life-changing opportunities for young Aboriginal and Torres Strait Islander peoples
- > **Australian Indigenous Agribusiness Company (AIA) Pty Ltd**, which employs labour on a number of ILSC Group-operated agribusinesses and other ILSC-owned properties.



### Expansion to water-based activities

The passage in late 2018 of the *Aboriginal and Torres Strait Islander Amendment (Indigenous Land Corporation) Act 2018* has extended the corporation’s sphere of operations to include water-based activities. The ILSC’s functions in water are similar to its land-related functions and may include:

- > The acquisition of water-related rights and the return of these rights to Aboriginal or Torres Strait Islander corporations
- > The provision of assistance (grants, loans or loan guarantees) to Aboriginal or Torres Strait Islander corporations to acquire water-related rights

- > Undertaking management activities in relation to Indigenous waters (as defined in the Bill) and water, or waters, in which the ILSC has water-related rights
- > The provision of assistance (grants, loans or loan guarantees) to Aboriginal or Torres Strait Islander corporations to assist in management activities in relation to Indigenous waters.

These changes do not confer any additional rights on the ILSC; the same functions, powers and limits apply to water as had previously applied to land.

Water-related rights relate to both salt and fresh water country and include:

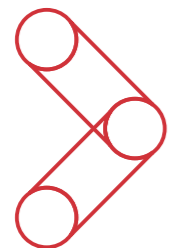
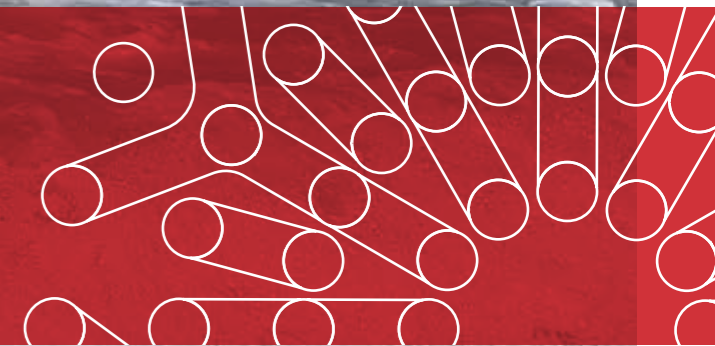
- > Any licence, concession, permit, access entitlement or allocation in relation to water that may be obtained under water-management legislation in the States and Territories
- > The right to take resources from waters:
  - o fishing licences or permits (whether for a commercial purpose or otherwise)
  - o aquaculture rights
  - o marine licences or certificates
  - o tourism-related permits.

Operationalising this expanded remit is the priority for the 2019–20 year. In the immediate term, the ILSC will commence investment in water-based activities in a considered manner, reserving the ILSC’s capital for more considered, strategic investment following stakeholder consultation and evidence based strategy development.





The ILSC is committed to continued discussion and consultation with Indigenous stakeholders.



### National Indigenous Land and Sea Strategy

The ATSI Act as recently amended requires the development of a National Indigenous Land and Sea Strategy (NILSS) (an extension of the former National Indigenous Land Strategy), to cover a three-to-five year timeframe and to incorporate the ILSC's new water-based responsibilities. The strategy is tabled in Parliament and the ILSC must have regard to it in performing its functions (s191N). Underpinning the NILSS is a series of Regional Indigenous Land and Sea Strategies (RILSS) (s191P). The first iterations of these strategies, based on

consultations undertaken in the first half of 2019, will be published in the near future. The RILSS divide Australia into four regions: Northern Australia, Desert Australia, South-West Australia and South-East Australia.

The ATSI Act requires that the ILSC regularly review its NILSS. Recognising the importance of its extended remit into water, the ILSC has undertaken to review and refresh the NILSS in 2020. The ILSC is committed to continued discussion and consultation with Indigenous stakeholders to ensure its strategy captures constituents' aspirations, needs and opportunities.

The documents are available at [www.ilsc.gov.au](http://www.ilsc.gov.au)

### ACTIVITIES, ENVIRONMENT AND RISK

#### ILSC Group activities

The ILSC Group strategically invests in Indigenous-held land and waters to achieve Indigenous benefits. These include economic benefits (in particular employment, training for employment and business development); more

sustainable natural and cultural environments; social benefits relating to community cohesion and enhanced social capital; and strengthened cultural identity and connection to land and water country. The ILSC achieves its Purposes through its principal funding

vehicle, the *Our Land Our Future* Program, the operation of its three subsidiary companies, and the management of three other funding streams (in one case pending finalisation of arrangements).

FUNCTIONS	ACQUISITION MANAGEMENT
<b>ACTIVITIES</b>	<ul style="list-style-type: none"> <li>&gt; <i>Our Land Our Future</i> Program</li> <li>&gt; Subsidiary operations</li> <li>&gt; Real Jobs Program, NT</li> <li>&gt; INPEX Savanna Fire Management Program, NT</li> <li>&gt; (Murray-Darling Basin Aboriginal Water Entitlements Program)</li> </ul>
<b>OUTCOMES</b>	Economic, environmental, social and cultural benefits for Indigenous Australians



**Acquisition and management: Our Land Our Future**

The *Our Land Our Future* Program is the ILSC's main vehicle for developing and delivering new land and water acquisition and management projects with Indigenous groups.

*Our Land Our Future* is a process based on enabling Indigenous groups to bring forward project proposals at any time and to work up these collaboratively with the ILSC, benefiting from the corporation's expertise, investment and ability to attract project partners across the government, non-government and private sectors. Prospective projects are subject to due diligence and assessed on their merits (sustainability and expected Indigenous benefits), relative to other projects in assessment, and in the context of resources available to the ILSC.

There have been several rounds of program reform over recent years, adapting *Our Land Our Future* to current Board priorities and enhancing client experience. With the expansion in the ILSC's remit and its broadened stakeholder base, this process will culminate in the launch of a revised program in the first half of 2020. Key features will include increased transparency and rigour in project assessment and an enhanced commitment to meeting customer service standards.

**Other Funding Streams**

In the period of this Corporate Plan, the ILSC will deliver three programs through funding provided separately to the ATSILSFF.

**Real Jobs Program, NT**

Since 2007 the ILSC has received funding from the Australian Government to manage the Real Jobs Program in the Northern Territory. This provides training positions for around 120 unemployed Indigenous people annually, to build their capability and assist their transition into jobs in the land management, tourism and agribusiness sectors.

**INPEX Savanna Fire Management Program**

Since 2012 the ILSC has played a central role in developing and trialling Savanna Fire Management (SFM) methodologies in northern Australia, enabling Indigenous owners to benefit from the Australian Government's Emissions Reduction Fund and other offset activities. In 2017 the corporation entered into an agreement with resources company INPEX to manage an SFM program for Indigenous land-holders across the Northern Territory. The program provides around \$2 million annually for 20 years from 2017-18 for coordination, training and start-up costs. Indigenous SFM operations funded by this program offset carbon emissions from the INPEX-operated Ichthys LNG facility in Darwin.

**Murray-Darling Basin Aboriginal Water Entitlements Program**

In 2018 the then Minister for Agriculture and Water Resources announced a range of measures to support Indigenous communities in the Murray-Darling Basin (MDB), including \$40 million over four years to 'support Indigenous Basin communities by investing in cultural and economic water entitlements and associated planning activities' to be administered by the ILSC or another suitable organisation. The ILSC has since consulted with relevant government departments and the Murray-Darling Basin Authority regarding its potential role in delivering the funding. At the time of writing this plan, letters had been exchanged between the Minister for Water Resources and the ILSC Chairperson, paving the way for finalisation of a contract for the ILSC's management of the program.

**Subsidiary operations**

ILSC subsidiaries are established in three industries—tourism, agribusiness and an urban social enterprise—to benefit Indigenous people, both nationally and in the locations where the businesses operate.

Subsidiary operations have been a major part of the ILSC's national footprint. Establishing ILSC-operated enterprises on Indigenous-held land was in the past an appropriate response to the relative immaturity of the Indigenous business sector, particularly within the pastoral industry. The ILSC is working to reduce this footprint, given Indigenous groups' increasing abilities and aspiration to operate a greater diversity of businesses in their own right and more targeted Australian Government support for enterprise development (*Indigenous Business Sector Strategy*, launched February 2018).

**Subsidiaries' contribution to the ILSC's Purposes**

VOYAGES INDIGENOUS TOURISM AUSTRALIA PTY LTD	
<b>FINANCIAL GOALS</b>	To generate consistent and sustainable profits from tourism business activities to: <ul style="list-style-type: none"> <li>&gt; cover capital expenditure requirements</li> <li>&gt; cover financing costs</li> <li>&gt; contribute to the reduction of the Ayers Rock Resort debt</li> <li>&gt; contribute to Indigenous employment and training programs</li> </ul>
<b>NON-FINANCIAL GOALS</b>	<ul style="list-style-type: none"> <li>&gt; To create an Indigenous workforce for the hospitality and tourism industry</li> <li>&gt; To develop Indigenous employees through accredited and non-accredited training including leadership and management training to increase the representation of Indigenous employees at the management level</li> <li>&gt; To provide employment opportunities through structured training for local communities, prioritising the employment of Anangu workers</li> <li>&gt; To provide authentic Indigenous Australian tourism experiences for guests and contribute to a broader understanding and appreciation of Indigenous culture</li> <li>&gt; To work with local communities in sustainable environmental tourism practices that respect and support local culture</li> <li>&gt; To support the establishment and development of Indigenous tourism businesses</li> <li>&gt; To support work-experience opportunities for students from remote Indigenous communities leading to employment</li> </ul>
<b>CONTRIBUTION TO ILSC OUTCOMES</b>	<ul style="list-style-type: none"> <li>&gt; 120 accredited Indigenous traineeships each year</li> <li>&gt; 400 Indigenous employment outcomes each year</li> <li>&gt; Active measurement of contribution to Indigenous culture and support for reconciliation through reporting against the Voyages' Reconciliation Action Plan</li> </ul>
AGRIBUSINESS OPERATIONS (NOW INTEGRATED INTO THE ILSC), INCLUDING THE AUSTRALIAN INDIGENOUS AGRIBUSINESS COMPANY PTY LTD	
<b>FINANCIAL GOALS</b>	To reduce the call of agribusiness operations on the ILSC's budget, with income being reinvested to support further agribusiness enterprises and activities, including employment to benefit Indigenous people
<b>NON-FINANCIAL GOALS</b>	<ul style="list-style-type: none"> <li>&gt; To enhance the performance of ILSC Group-operated pastoral businesses</li> <li>&gt; To build financial capacity to enable sustainable investment in the future</li> <li>&gt; To drive the development of new Indigenous agribusinesses, support services and research</li> <li>&gt; To enhance Indigenous capability and career progress</li> <li>&gt; To be the partner of choice in growing and realising the potential of Indigenous agribusiness more broadly</li> </ul>
<b>CONTRIBUTION TO ILSC OUTCOMES</b>	<ul style="list-style-type: none"> <li>&gt; Improved management and development of Indigenous-held land</li> <li>&gt; Indigenous business creation and development, including businesses with new and/or increased income</li> <li>&gt; Indigenous employment and training participation and management development</li> <li>&gt; Protection or restoration of environmental heritage values on agricultural land</li> </ul>
NATIONAL CENTRE OF INDIGENOUS EXCELLENCE LTD	
<b>FINANCIAL GOALS</b>	To be a high performing and sustainable social enterprise by increasing revenue from operations and grow funding streams independent of the ILSC
<b>NON-FINANCIAL GOALS</b>	To build capability and create life-changing opportunities for young Aboriginal and Torres Strait Islander peoples to positively impact wellbeing
<b>CONTRIBUTION TO ILSC OUTCOMES</b>	<ul style="list-style-type: none"> <li>&gt; 60 Indigenous employment outcomes through operation of the NCIE</li> <li>&gt; 80 training and employment outcomes through NCIE Job Ready</li> <li>&gt; 500 education outcomes through Talk about Tobacco Use, Indigenous Digital Excellence and Homework Centre</li> <li>&gt; NCIE optimises revenues and social impact through site use. A social impact framework measures and reports in line with the ILSC benefits framework. NCIE builds skills, provides training and employment opportunities, and delivers culturally-appropriate interconnected community services. Benefits are maximised through meaningful and strategic partnerships with government, community and corporate partners</li> </ul>



## Environment and opportunity

The ILSC's strategies and activities are informed by many factors in its complex operating environment.

### THE INDIGENOUS ESTATE

Since 2015 the ILSC Board has actively promoted the concept of the Indigenous Estate—the land and waters held collectively by Aboriginal and Torres Strait Islander people, together with the Indigenous cultural knowledge and intellectual property associated with country. In 2015 Indigenous interests in land were estimated to cover up to 40 per cent of the Australian land mass<sup>1</sup>, with an almost equivalent area subject to native title claims. In addition, native title processes and common law judgments have recognised Indigenous rights to areas of water. The interests held by Indigenous people are mostly subject to a complex array of communal titles. The most extensive areas are in remote northern and central Australia. Many of these areas were able to be returned to Indigenous ownership because other parties

had not (or could not) put the land to economic use.

As recognised in the Australian Government's *White Paper on Developing Northern Australia* (June 2015) and the *COAG Investigation into Indigenous Land Administration and Use* (December 2015), Indigenous people face significant challenges in deriving the shorter and longer term benefits generally associated with asset ownership. Both documents recognised that the essential infrastructure of ownership is absent across much of the Indigenous Estate (surveys; town and environmental planning regimes; the ability to create secure 'bankable' interests).

In comparison with other Australians, the Indigenous population is increasing, is predominantly young, and suffers disproportionate disadvantage in

health, education, employment, economic development and general wellbeing. The ILSC Board sees the Indigenous Estate, if managed intensively and strategically, as an important avenue for addressing disadvantage, a source of economic and cultural renewal, and a base for Indigenous influence in national development. The critical role of land holding in generating future prosperity is outlined in the recently released *Australian National Outlook 2019*, where predictions to 2060 identify an increased return to land holders of up to \$42-48 billion. The call to action of the Outlook, through its 'Land Shift' mechanism, aligns with the functions and purposes of the ILSC, prioritising investment in productivity, capitalising on emerging markets and the restoration of ecosystem health.<sup>2</sup>

<sup>1</sup> Report to the Council of Australian Governments, *Investigation into Indigenous Land Administration and Use*, Senior Officers Working Group, December 2015, p.1.

<sup>2</sup> *Australian National Outlook, 2019*, CSIRO, NAB

### COMMERCIAL CONDITIONS

As the operator of businesses in tourism and agriculture, and as a stakeholder or potential joint-venture partner in enterprises operated by its Indigenous clients, the ILSC is subject to commercial risks.

The tourism sector is affected by global and domestic economic conditions and the value of the Australian dollar. The ILSC Group's principal tourism asset, Ayers Rock Resort, is approaching peak occupancy, as a result of an improving tourism market, major refurbishments

funded by Voyages and the ILSC, and enhanced guest experiences. A facility previously used for staff housing has recently been brought back on the hotel inventory. Voyages is concentrating on increased yield (Revenue Per Available Room) and working to maintain and increase air services given the resort's critical dependence on these. The company has secured a loan for and completed essential upgrades to the airport from the Australian Government's Northern Australia Infrastructure Facility.

Agribusinesses are affected by the state of international trade and global commodity markets, fluctuations in the value of products, unexpected trade disruptions (particularly for live animal exports), climatic conditions (including climate change) and, occasionally, disease outbreaks and other biosecurity risks.

### GOVERNMENT POLICY AND PROGRAMS

The ILSC contributes (within its legislative remit) to the objectives of the cross-government Closing the Gap strategy; it provided policy input to the recent refresh of Closing the Gap. The ILSC is a stakeholder in the Australian Government's overarching Indigenous Advancement Strategy (IAS), receiving funding for a number of training and employment projects. ILSC operations intersect with the Government priority of Indigenous business development, and in particular economic development on Indigenous-held land (critical to unlocking the potential of northern Australia).

In response to the Government's commitment to Indigenous procurement, the ILSC has enhanced its own procurement policies, with the ILSC Group achieving around 3 per cent Indigenous procurement in the first half of 2018-19, rising to more than 19 per cent in the NCIE. The

ILSC Group records Indigenous employment at around 40 per cent, compared to the Government's target of 3 per cent Indigenous employment in the public sector.

Australian Government policies and programs relating to the natural environment, energy and climate change are important components of the ILSC's operating environment. Income-generation and employment opportunities exist across a wide range of environment-based activities on Indigenous land and water interests, including biodiversity protection and 'carbon farming'. ILSC projects supporting Indigenous ranger groups and other land-care activities enable the management of Indigenous-held land, and in the future waters, for its cultural and environmental values, often in remote areas where Indigenous people are a majority of the resident population.

These projects supplement Australian and other government programs—for example, the Indigenous Protected Areas and the Indigenous Rangers programs.

Australian Government policies on industry, infrastructure, agriculture, water resources, the Northern Australia agenda, and regional and national development also impact the ILSC's work, particularly in the context of businesses operated by the ILSC Group or where the ILSC Group supports or partners with Indigenous business owners on land and water country.

The ILSC is equally affected by policy, program and regulation at the state, territory and local government levels, given the latter's constitutional responsibilities for many land- and water-based matters across Australia.

### INDIGENOUS PERCEPTIONS OF THE ILSC

Recent years have provided unique opportunities for the ILSC to reconnect with its Indigenous constituency. There have now been several rounds of consultations (on legislative change, on the revision of the NILS and associated regional strategies, and more recently on the extension of these latter

documents into NILSS and RILSS). These consultations involved numerous Indigenous organisations across remote, regional and urban locations. They have helped to ground the ILSC's strategies in the expressed needs and aspirations of Indigenous people, while raising Indigenous

awareness of the corporation, its purposes and functions including the extension of its remit beyond land. In general those consulted have been excited at the opportunities that could arise from working with the ILSC as it enters a new era.



## INDUSTRIES

The ILSC has always pursued opportunities in identified industries on behalf of Indigenous owners: initially agribusiness (specifically the northern Australian cattle industry given the number of pastoral leases that over the last 50 years had been acquired for or granted to Indigenous groups) and, later, tourism. In both of these industries Indigenous people have assets in the form of extensive land and unique cultural connections to that land. Both industries have relatively low barriers to entry and employment, and are identified high-growth sectors of the Australian economy. These are areas where the ILSC believes Indigenous people have a unique market advantage, cultural or historical affinity, and an opportunity to secure a piece of the market.

The ILSC has been shifting its focus in agribusiness. A set of Investment and Operating Principles agreed by the Board in 2018 sees the ILSC seeking opportunities in more diverse agribusiness sectors and in southern Australia. This includes a shift from operating businesses to being an equity partner or otherwise facilitating commercial arrangements—for example, joint ventures involving Indigenous groups, proven operators and/or other investors. This shift demonstrates the maturing of the ILSC's approach to the role of its subsidiary's and a commitment to position Indigenous corporations as operators in key markets. The growth and capacity of Indigenous land holders as operators requires the ILSC to review its focus on ILSC led operations and thus not compete with Indigenous operators.

The extension of the ILSC's responsibilities to water brings investment opportunities in both aquaculture, specifically the commercial production of fish and plants, whether farmed, wild harvested or caught, and in tourism.

The ILSC's expanded remit allows investment in broader cultural and eco-tourism opportunities, beyond a land base where Indigenous Australians have a market advantage driven by cultural and environmental knowledge and practices, and where there is a growing demand for authentic cultural experiences.

The ILSC has been pursuing the potential of niche Indigenous products: emerging industries based on Australian flora and fauna (including introduced feral animals such as camels and goats), building on traditional cultural knowledge and connections to country and leveraging a growing consumer interest in these products. For example, ILSC has been instrumental in forming the Northern Australian Aboriginal Kakadu Plum Alliance representing eight land-holder groups. The alliance is seeking to develop an Indigenous-controlled supply chain to support Kakadu plum harvesting and processing businesses in communities across northern Australia. Given its high quantities of Vitamin C, the fruit, which grows predominately on Indigenous-held land from the Kimberley to Arnhem Land, has existing and potential uses across industry sectors, from food to pharmaceuticals.

The expansion into water presents tremendous opportunities in fishing and seafood including pipis, mud crab, cray fish, etc. The ILSC has commenced investment in this sector, and will continue to work with groups in securing rights to fish traditional fish and seafood and associated quotas for commercial benefits.

With various partners including the CSIRO, the ILSC continues to assist the development of savanna carbon methodology. An update to the methodology could allow the full suite of carbon outcomes from projects

to be included in crediting, including carbon stored in living tree biomass and dead trees (sequestration). This would expand the areas of Indigenous lands that could deliver a viable project and increase the value of existing projects. The ILSC keeps a watching brief on emerging opportunities in the carbon space, including other carbon farming opportunities outside northern Australia, and the emergence of blue carbon crediting approaches that could be undertaken by Indigenous sea country managers.

Potential uses of Indigenous-held land and water include generation of renewable energies, given the utility of renewable energy in remote, off-grid Indigenous communities and the national commitment to transition to cleaner energy sources.

Our expanded remit allows us to support the valuable environment and conservation efforts of Indigenous people in salt and fresh water in addition to conservation and healthy country activities being undertaken on land. Opportunities within the water space include protection of endangered species, restocking efforts, protection of cultural water ways and sites, rehabilitation of rivers, wetlands and estuaries. With the health and security of our water ways such a national topic there are significant opportunities for the application of cultural and environmental knowledge and practices of Indigenous people

To bring some geographical balance to its investments, and acknowledge where the majority of the Indigenous population lives, the ILSC is also pursuing more strategic acquisitions in urban areas or providing management support to develop enhanced commercial or social uses for existing Indigenous urban assets.

## COLLABORATION

The ILSC values collaboration with partners to achieve its purposes and has collaboration as a measure of the ILSC Group's performance. ILSC stakeholders, set out in the diagram on this page, are essential to the corporation's operations and a key part of its operating environment.

The ILSC will continue to pursue closer relations with Indigenous Business Australia (IBA). While the two agencies have different legislative mandates, their functions, products and resources are in many ways complementary. In significant projects, both may need to be involved in order to achieve greater and more sustainable benefits for Indigenous Australians.

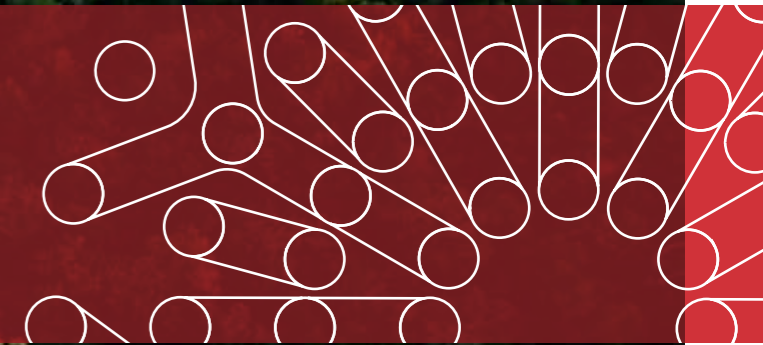
The ILSC will similarly continue to seek partnerships and joint investments, particularly through is transforming Agribusiness arm. In shifting from being an operator to an enabler, the ILSC takes on a brokerage and facilitation role, ensuring opportunities for Indigenous benefits are realised through the alignment of finance and capability partnerships.







The Board has been pursuing strategies to reduce risk.



## Risk

### Systems of risk oversight and management

The ILSC Board and management values a risk culture that recognises there is risk in carrying out our legislated purpose and therefore takes a prudent approach to the management of risk based on sound judgement. It is recognised that effective risk management enables achievement of objectives and provides opportunity for innovation and improvement, therefore we take a measured approach to balancing risk, performance, opportunities and benefits for Indigenous Australians. Giving priority to the protection of our people,

in particular, safety given the diverse and remote environments in which we operate, our assets and finances, culture, heritage and the environment, our reputation and that of the Australian Government.

A number of risks relating to ILSC operations are discussed in the **Environment and opportunity** section above. Critically, risks arise from how the ILSC is perceived by the Indigenous people it was established to serve.

Certain risks relate to the corporation's purposes. History shows that the acquisition and management of land (and in future water-based interests) involves risk. Over time the ILSC's policies have been refined to

ensure Indigenous corporations have clear aspirations and the capacity and skills to benefit from interests acquired, and that those interests can sustain activities and deliver sufficient income to cover costs over the long term.

For Indigenous Australians acquisition is the ILSC's most recognised function; however, management has increasingly become more significant in terms of the number and value of projects, given the growing extent of Indigenous-held land (predominantly a result of native title determinations and settlements) as well as recognised Indigenous rights to waters. The ILSC Board is seeking some rebalancing of the two functions.

However, the rising value of land and water interests in Australia, together with relatively limited ILSC resources, impose some constraints on acquisition. While the ILSC has embarked on a growth agenda, evident in the increased number of properties now being acquired, it has been balanced with a need to be more commercially minded in funding decisions. The ILSC's more robust due diligence, assessments and review of funding decisions will help it to continue to grow its activities with limited resources.

Establishing ILSC-owned enterprises presents risk, most often in the form of Indigenous perceptions that the ILSC is operating in its own interests. Through improved engagement

with Indigenous land holders and corporations, the ILSC is transitioning to the development of enterprises on Indigenous land or waters as joint ventures with Indigenous partners. The ILSC is actively seeking to be an operating partner with Indigenous land holders not a competitor.

The ILSC Group's ownership and operation of Ayers Rock Resort carries significant risk. It is both a remote township (where the ILSC Group performs local government functions) and a large-scale, multi-faceted tourism facility (five hotels and a campground; 755 guest rooms, offering accommodation from luxury to budget; airport; multiple food and beverage outlets; conference centre; spa; numerous retail

outlets, including art galleries, gift stores, a supermarket and petrol station), operating at or near capacity, with a substantial capital upgrade, maintenance and debt-servicing requirements. In 2016 the ILSC achieved a Commonwealth loan to alleviate interest payments on the debt incurred in purchasing the resort. The Board has been pursuing strategies to reduce risk to the ILSC over time, ensuring the resort's operating model continues to generate benefits to Indigenous people, both locally and nationally, with a view to the property's longer-term divestment.



# STRATEGIES AND CAPABILITIES TO 2023

## ILSC Group Program Logic

Over the past year, the ILSC Group has been evolving its strategic underpinnings, including the development and adoption of a Program Logic approach to model the connections between the ILSC's activities (internal and external) and the corporation's legislated Purposes.

The structure of this approach and its interconnections with the ILSC's accountabilities are set out in the introductory diagram on page 7 of this Corporate Plan.

The Program Logic approach uses the theory of change as the route map connecting the corporation's current state to the delivery of its new **Strategic Vision**:

**Aboriginal and Torres Strait Islander people enjoy opportunities and benefits that the return of country, and its management brings.**

## ILSC Program Logic

<b>VISION</b> <i>What the ILSC is ultimately seeking to achieve</i>	Indigenous people enjoy rightful entitlements, opportunities and benefits that return of country and its management brings			
<b>MEDIUM-LONG TERM OUTCOMES</b> <i>Outcomes expected from the ILSC's activities</i>	Indigenous people are growing the size, value and productivity of country	Indigenous people are sustainably owning and managing country	Indigenous people are protecting and preserving culture through reconnection to country	Indigenous people are driving and influencing policy and opportunity for country
<b>ACTIVITIES EXTERNAL OUTPUTS</b> <i>Key services provided by the ILSC</i>	<b>Invest in projects:</b> Funding associated with acquiring, granting, managing and/or developing land/water interests, and/or foundation projects (eg infrastructure, plant and equipment; feasibility assessments; planning)		<b>Provide Advice and capability support:</b> Support Indigenous land holders with access to information, training, knowledge and systems to support sustainable land management and benefits.	<b>Connect Indigenous land owners:</b> with markets, opportunities, partnerships (facilitate, advocate, negotiate)
<b>INTERNAL OUTPUTS</b> <i>Internal capability improvement strategies</i>	Strategies and tactics to: maximise return on mandate; improve client and sector relationships; and improve business alignment with the Board's strategic intent			
<b>FOUNDATIONAL OUTCOMES</b> <i>What the ILSC already has</i>	Independent, sustainable, compensatory funding stream	ATSI Act (Purposes) and PGPA Act (governance and performance)	Corporate resources: premises, equipment, staff, systems, expertise	Social and human capital: staff, stakeholders, partnerships, relationships

This approach allows the ILSC to plan for and then demonstrate and report on how its strategies and activities create impacts for Indigenous Australians and directly contribute to its identified higher-level outcomes. It will underpin both the ILSC's strategic planning and its performance / data story.

## Capability platform

The ILSC's Program Logic rests on Foundational Outputs, leveraged or put to use, through Internal Outputs – defined as internal capability improvement strategies. Over the period of this plan, these strategies will continue to mature the areas for improvement or increased internal capability and, expressed as four strategic pillars, provide the platform for ongoing delivery against its purpose:

- > **Increasing our delivery against the ILSC's Purposes by improving the variety and quality of investment, advice and partnership production offered to clients** – and in particular: developing investment products and projects to enter the new sphere of water; entering more innovative relationships with Indigenous groups based on models beyond grant giving; continuing with a growth agenda on key performance deliverables; and reforming how we measure and report on performance.
- > **Increasing our investment in the ILSC's Purposes by freeing capital to support client led projects** – continuing to reduce ILSC Group debt and costs of subsidiaries; The drive for greater efficiency in our corporate operations – managing administrative costs and reducing subsidies to ILSC Group subsidiaries— means that we can dedicate \$144 million of funds from the ATSIILFF over the next three financial years to Indigenous land and water acquisition and management projects
- > **Focusing on our clients and sector relationships to build demand for our services and strengthen our partnering opportunities** – pursuing strategic partnerships and alliances across sectors, regions, industries; placing greater emphasis on developing capacity and capability in partner groups; continued communications and social media outreach;
- > **Continual process improvement and alignment to enhance the efficiency and effectiveness of the ILSC** – primarily through: the restructuring of our program mechanisms to reduce internal 'red tape' and free staff to focus on client relationships and opportunities; transformation to a digital workplace with integrated and enhanced systems across finance, information technology and human resources; vigorously pursuing best practice standards in Work Health and Safety; identifying and recruiting for skills gaps especially in the area of water; and investing in our people to deliver quality client services.

in partnership with ATSI Corporations. The IL(S)C has not been able to make such a commitment for almost a decade. Through continued efficiency gains, and in partnership with Government, the ILSC is positioned to invest \$269 million in the Indigenous Estate to 2022. Enhanced partnering with Indigenous land holders in business ventures in preference to operating ILSC Group businesses; pursuing an ambitious Indigenous Procurement Policy, engaging Indigenous contractors and suppliers; and continuing with growth performance targets will continue to see the ILSC able to invest more into the Indigenous Estate.

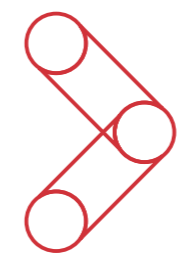
continuing to promote Indigenous employment and development across the ILSC Group; developing, publishing and demonstrating more rigorous service standards; reducing 'red tape' for clients and finding ways to simplify and automate their engagement with us; and pursuing sectors where Indigenous land holders have unique advantages.

## Implementing a water remit

In addition to the above capability development, over the period of this Plan, the ILSC will focus on growing its capability in relation to the implementation of its water remit.

Specifically, the ILSC will, recruit, retain and otherwise engage experts to contribute to the rapid acquisition of corporate knowledge and undertake to learn from the expertise of other agencies and commercial operators.

The ILSC will continue its dialogue with Indigenous Australians and key sector stakeholders to identify aspirations, opportunities, service gaps and areas of over investment, contributing to the revision of the NILSS in 2020.





## MEASURING PERFORMANCE TO 2023

Deliverables and Key Performance Indicators (KPIs) for the ILSC Group are set through the Portfolio Budget Statements (PBS). For the purposes of the PBS 2019–20, the ILSC has only one Outcome, recently revised and based on the corporation's expanded statutory functions:

### OUTCOME 1:

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

The ILSC has one Program supporting that Outcome:

### PROGRAM 1.1:

**To acquire and manage Indigenous land and water-related interests**

As set out above and in previous Corporate Plans, the ILSC has been undertaking a multi-year review of its Performance Framework, specifically in relation to the capture of non-financial performance and the generation of value and benefit for Aboriginal and Torres Strait Islander peoples. The review follows identified misalignment between some previous or existing performance measures and the forward aspirations and intent of the current ILSC Board. This review is also necessitated by the ILSC's extended remit for water.

The Program Logic approach taken by the ILSC Board and Executive over the past year, and introduced in the previous section, has revised the ILSC's thinking about outcomes, change and articulating the ILSC's impact for Indigenous Australians. The series of high-level outcome statements endorsed by the ILSC Board will form the central aspect of the ILSC's theory of change, and support whole-of-organisation alignment to an outcomes-led vision for the ILSC.

Adoption of this approach involves the following changes in performance measurement:

- > Shifting from measuring and reporting on inputs and outputs only (for example, the number of properties acquired) to measuring and reporting on outcomes and impacts as per theory of change (size and capital value of the Indigenous Estate).
- > Changing the language and manner in which the ILSC describes its inputs/activities, outcomes and impacts to more directly reflect the aspirations of Indigenous land owners
- > Developing a route map (including intermediate outcomes) to longer-term outcomes; achievement of these intermediate outcomes will show that the ILSC is on the right path to its longer-term outcomes and delivery of its Vision.

The new performance measurement approach will also support the performance story methodology currently being piloted by the Departments of

Finance and the Prime Minister and Cabinet as an enhancement of the narrative aspect of the Annual Performance Statements of participating Portfolio Bodies.

The final output of this process will be development of an evaluation framework (and rolling program of outcome-based evaluations) and a suite of KPIs tracking progress towards the achievement of mid- to high-level outcomes.

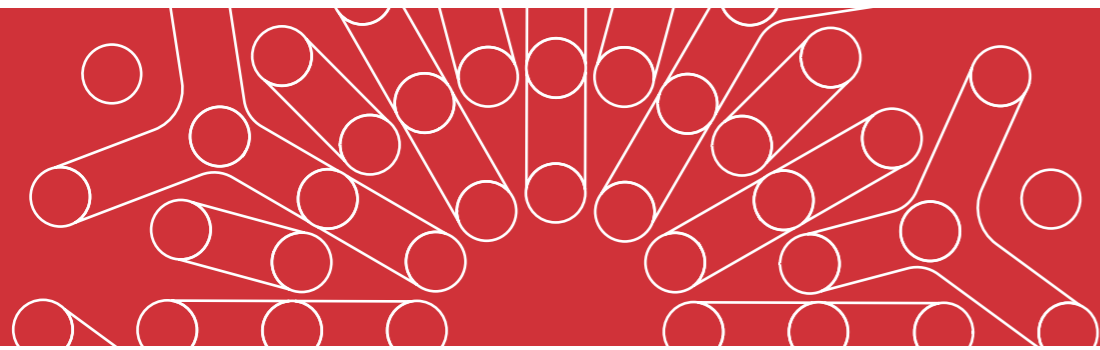
The Deliverables and KPIs set out below, adapted from those used in previous years, therefore remain. The Deliverables relate to the ILSC's statutory acquisition and management functions, and the KPIs to the Indigenous benefits set out in the ILSC's legislation: economic, environmental, social and/or cultural. The out years beyond 2020–21 are not included, given the imminent development of new measures based on the Program Logic framework, however, it is anticipated that these will be reformed for PBS post 2020–21.

The performance measures for 2019–20 are based on the existing Benefits Framework, which defines the way the corporation captures, measures and reports on the achievement of the economic, environmental, social or cultural benefits that the ILSC is required to deliver. The framework ensures the collection and use of benefits data are accurate and consistent across the ILSC. Both quantitative and qualitative data is collected from a range of entities including subsidiaries and organisations funded by the ILSC for acquisition and management projects.

ILSC performance measures, PBS 2019–20 to 2022–23	19–20	20–21 and beyond
<b>DELIVERABLE 1</b> <b>Interests in land and waters acquired</b>	5	5
<b>DELIVERABLE 2</b> <b>Interests granted</b> The targets set relate to both newly-acquired interests and the ILSC's long-held properties. The ILSC has a Divestment Schedule, setting out notional timing of divestments according to the anticipated degree of ease/difficulty in granting properties to viable Indigenous title-holding bodies.	8	8
<b>DELIVERABLE 3</b> <b>Number of active acquisition and management projects</b> This measure encompasses acquisition and management projects in implementation at any stage in the financial year, longer-term acquisitions where there is active divestment action or other engagement; <i>Our Land Our Future</i> projects that are the subject of active work prior to formal approval; and projects within ILSC Group subsidiaries.	110	110
<b>KPI 1</b> <b>Indigenous employment</b> <ul style="list-style-type: none"> <li>a) Number of Indigenous staff directly employed across the ILSC Group</li> <li>b) Number of Indigenous employment outcomes enabled by ILSC-funded projects active in financial year</li> </ul> The ILSC achieves Indigenous employment outcomes both directly and indirectly, the latter through funding or assisting projects managed externally; the targets are flow figures encompassing all categories and durations of employment.	550	550
<b>KPI 2</b> <b>Indigenous training</b> <ul style="list-style-type: none"> <li>a) Number of Indigenous trainees hosted/employed across the ILSC Group</li> <li>b) Number of Indigenous training completions enabled by ILSC-funded projects active in financial year</li> </ul>	140	140
<b>KPI 3</b> <b>Indigenous business development</b> Number of Indigenous enterprises assisted by ILSC Group projects This measure encompasses all types of assistance including funding (for planning, start-ups, consolidation and extension), as well as advisory services. Assistance may be provided via the ILSC or its subsidiaries.	66	66
<b>KPI 4</b> <b>Protection of Indigenous culture, heritage and the environment</b> Proportion of active ILSC Group projects (Deliverable 3) that maintained or protected Indigenous culture, heritage and/or the environment This measure involves the collection of data on Indigenous access to country, number of cultural events, number of Indigenous people involved in events or accessing country, and numbers of Indigenous sites or hectares of land protected.	50%	50%
<b>KPI 5</b> <b>Collaboration</b> Proportion of active ILSC Group projects (Deliverable 3) that involved contributions from third parties (beyond immediate beneficiary group) The ILSC prioritises the inclusion of third-party collaborators in projects. These partners strengthen the projects, bringing resources and/or expertise.	60%	60%
<b>KPI 6</b> <b>ILSC Group contribution to the Indigenous Estate</b> The ILSC contributes to the Indigenous Estate through advocacy and policy inputs, as well as the efficient and strategic performance of its acquisition and management functions.		







People. Country. Opportunity.

## ACRONYMS AND ABBREVIATIONS

AIA	Australian Indigenous Agribusiness Company Pty Ltd
ATSI Act	The Aboriginal and Torres Strait Islander Act 2005
ATSILFF	Aboriginal and Torres Strait Islander Land and Sea Future Fund
COAG	Council of Australian Governments
CSIRO	Commonwealth Scientific and Industrial Research Organisation
IAS	Indigenous Advancement Strategy
IBA	Indigenous Business Australia
IL(S)C	Indigenous Land Corporation, Indigenous Land and Sea Corporation
ILSC	Indigenous Land and Sea Corporation
LNG	Liquid Natural Gas
MDB	Murray–Darling Basin
Native Title Act	Native Title Act 1993
NCIE	National Centre of Indigenous Excellence Ltd
NIAA	National Indigenous Australians Agency
NILS	National Indigenous Land Strategy
NILSS	National Indigenous Land and Sea Strategy
NT	Northern Territory
PBS	Portfolio Budget Statements
PGPA Act	Public Governance, Performance and Accountability Act 2013
PM&C	Department of the Prime Minister and Cabinet
RILSS	Regional Indigenous Land and Sea Strategy
SFM	Savanna Fire Management
Voyages	Voyages Indigenous Tourism Australia Pty Ltd







**Australian Government**

**Indigenous Land and Sea Corporation**



**The ILSC GROUP**

**PEOPLE. COUNTRY. OPPORTUNITY.**

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