



Australian Government
Indigenous Land Corporation

ILC GROUP *CORPORATE PLAN 2017–18* STRATEGY TO 2021



A photograph of a young plant with bright green, elongated leaves growing from a mossy tree trunk. The plant is positioned diagonally across the frame, with its stem and leaves extending from the bottom right towards the top left. The background is a blurred forest scene with more green foliage.

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STATEMENT BY THE ILC CHAIRPERSON

I present the ILC Group's latest Corporate Plan. As the plan indicates, the ILC is actively progressing the transitions described in our 2016–17 Corporate Plan. I am pleased that a great deal has been set in train – and in that respect this plan is a significant advance on last year's. The ILC Group is focused on enhancing our culture and capability to become a trusted partner to Indigenous Australians in developing the Indigenous Estate.

I regard the Indigenous Estate as a key concept. Loosely defined it comprises all Indigenous assets held collectively across Australia, from land to people to intellectual property. The ILC Board's strategy is to maximise use of these assets through facilitating more strategic and coordinated management and taking advantage of the many opportunities in a rapidly changing world. This will be the work of many years, if not generations. However, it begins with a vision of what might be – the Indigenous Estate as a well-managed entity, a source of prosperity and cultural renewal for Indigenous Australians, and a strong contributor to Australia's national economy.

The ILC Board has this vision, and this plan describes the foundation activities to position the ILC to help realise it.

As the plan makes clear, the development of deeper, more meaningful relations with Indigenous groups through value adding to their projects is critical to Indigenous people's acceptance of the ILC Group vision as an important part of the way forward.

EDDIE FRY

CHAIRPERSON JUNE 2017

INTRODUCTION

The ILC Board, as the Accountable Authority of the ILC, presents the 2017–18 ILC Group Corporate Plan, 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 2017–18 and anticipates developments to 2020–21.

ABOUT THE ILC

The Indigenous Land Corporation (ILC) is a corporate Commonwealth entity under the PGPA Act established 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 was the *Native Title Act 1993* (Native Title Act).

The Aboriginal and Torres Strait Islander Land Account (Land Account) was established at the same time as the ILC as a ‘perpetual’ fund to support the ILC’s land acquisition and land management functions, ensuring the generation of economic, environmental, social or cultural benefits for Indigenous people. The ILC receives an annual payment of at least \$45 million (in 2010–11 values indexed to the Consumer Price Index) derived from the Land Account. The Land Account is administered by the Department of the Prime Minister and Cabinet (PM&C) under delegation from the Minister for Finance.

The ILC’s governance framework is set out in the *Aboriginal and Torres Strait Islander Act 2005* (ATSI Act). The primary decision-making body is a seven-member Board, appointed by the Minister for Indigenous Affairs.

Five of the Directors, including the Chairperson, must be Indigenous Australians. The Board sets strategic directions, determines policy, considers and makes decisions on land acquisition and major land management proposals, and monitors the proper and efficient performance of the ILC’s functions. The Board has formed a number of sub-committees, some with independent members, to oversee key issues and provide advice back to the Board.

The Board appoints the Chief Executive Officer (CEO), a statutory officer in charge of the day-to-day administration of the ILC. The Board’s decision-making powers are devolved in accordance with a Board-approved Schedule of Delegations.

The ATSI Act requires the ILC to develop, publish and revise from time to time a National Indigenous Land Strategy (NILS) over a three-to-five year timeframe, setting out its priorities and strategies. The NILS is tabled in Parliament, and the ILC must have regard to it in performing its land acquisition and land management functions (s191N).

The three subsidiary companies wholly owned by the ILC have their own constitutions and boards appointed by the ILC Board. All subsidiary boards include at least one ILC Director. Each is headed by a CEO. The ILC Group CEO is now an *ex officio* member of each subsidiary board. The subsidiaries are managed by agreements with the ILC under section 191G of the ATSI Act. This ‘Section 191G Agreement’ includes a subsidiary decision and authority framework setting out which decisions are to be made by the ILC Board and which by subsidiary boards.

Individual subsidiaries monitor the performance of their operations. As sole owner of the subsidiaries, the ILC Board has oversight of the ILC Group across the PGPA Act performance framework.



“THE BOARD SETS STRATEGIC DIRECTIONS...”

PURPOSES

The ILC's purposes, as defined in section 191B of the *Aboriginal and Torres Strait Islander Act 2005*, are:

- (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 achieve economic, environmental, social or cultural benefits.

The ATSI Act (s191D[3][b]) requires that the ILC grant land it acquires to Indigenous corporations 'within a reasonable time after ... acquisition'. Section 191S of the ATSI Act sets out that a grantee cannot dispose of or mortgage a property without the ILC's consent.

The ILC's land management functions can be performed only in relation to Indigenous-held land (however that land was acquired) 'under agreements with the holders of the land' and giving priority to 'pursuing sound land and environmental management practices' (s191E).

The ILC's functions are to be exercised 'in addition to, not instead of' the functions conferred on other entities (s191F[3]). The ILC places a high priority on collaboration with other Australian Government and state/territory entities, the private sector, Indigenous groups and non-government organisations to achieve maximum Indigenous benefits from use of the corporation's own funds.

The ILC has a legislative requirement to maximise the use of goods and services from Indigenous-owned businesses and to maximise employment of Indigenous people (s191F[2]).

Section 191L of the ATSI Act restricts the power of the Minister for Indigenous Affairs to direct the ILC; nevertheless, the ILC endeavours to align its functions with key Australian Government priorities, as discussed further under 'Environment' and 'Strategy and capability to 2021'.

ACTIVITIES

The ILC currently achieves its purposes through its land acquisition and land management program, *Our Land Our Future*, and the operation of three subsidiary companies.

OUR LAND OUR FUTURE PROGRAM

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

Commencing in March 2015, the program moved the ILC away from a system based largely on grant rounds to one enabling Indigenous groups to bring forward land-based ideas at any time and to work up these projects collaboratively with the ILC benefiting from the corporation's expertise, investment and ability to attract partners.

KEY FEATURES OF THE PROGRAM ARE:

- **Open timelines** – ensuring opportunities can be harnessed when they emerge and not restricted by set funding rounds
- **Flexibility** – providing a suite of investment products that can be tailored to meet the land needs and land management aspirations of Indigenous groups
- **Sound business principles and value for money** – ensuring the ILC's investment decisions are sustainable, scalable and achieve maximum benefits for Indigenous people
- **Competitive approach** – assessing projects against criteria and in relation to other projects/investment requests
- **Developing capacity** – focusing on building the capacity and independence of Indigenous land holders
- **Demand driven** – informed by the needs and aspirations of Indigenous groups, as well as market and industry opportunities
- **Collaboration** – bringing together the collective efforts, knowledge and contributions of all partners: industry, government and philanthropic, as well as the land owners and associated organisations.

Our Land Our Future has been subject to refinement during 2016–17, with a view to there being a refreshed program offering in 2017–18 and beyond.

LAND ACQUISITION

Land acquisition assists in the growth of the Indigenous Estate, returning previously alienated land to Indigenous ownership. It enables local Indigenous communities to derive land-based benefits, including providing a platform for enterprises, a source of training and jobs, opportunities to look after culturally and/or environmentally significant country, or a centre for new or expanded Indigenous services.

In recent years the ILC's land management function has taken precedence over its land acquisition function, as measured by the number and value of projects. This is in many respects a natural development over the 20+ history of the ILC. It reflects the growing extent of land held by Indigenous people, including more than 190 properties granted by the ILC itself, and significant additions as a result of land rights and (principally) native title processes. The ILC has a legislative obligation to assist, where it can, in ensuring this land is well managed and productive. Land management was also an expressed priority of the former ILC Board.

The current Board is seeking a rebalancing of the ILC's two functions. It is looking to undertake more acquisitions in partnership with Indigenous groups that are aligned with the Board's wider goals. These goals are to see greater Indigenous benefits derived from Indigenous-held land through more active and strategic management and use.

LAND GRANT – DIVESTMENT OF ILC INTEREST IN LAND

The ILC is committed to the sustainable divestment of the land it acquires or holds. The ILC Divestment Policy recognises the need for a land-holding-to-grant phase, typically of three years, to build the capacity of potential land-holding corporations. This phase may include a period when the property is leased to potential owners, allowing the future land-holding entity to build skill and capacity to own and manage the land sustainably into the future. The ILC's preferred approach is to divest land sooner; recent years have seen a number of projects where land is acquired and successfully divested in a short period.

The ILC also has a number of long-held properties where it is directing capacity building efforts to achieve divestment to strong and viable Indigenous groups.

LAND MANAGEMENT

The ILC supports a diversity of projects in relation to Indigenous-held land, from larger multi-year regional projects involving various third-party contributors to small projects providing urgent health and safety remediation. Under the existing program, funding has been provided for purposes including feasibility studies, management and economic-development plans, infrastructure, equipment, property refurbishment/upgrade, landscaping, training, land-based enterprise start-ups, cultural and environmental protection, and capacity building. The ILC Group engages with Indigenous land holders and other parties in developing income streams in areas such as agribusiness, cultural tourism, niche Indigenous products, environmental services, heritage management, urban property development, renewable energy generation and 'carbon farming'. The ILC has been instrumental in co-developing emissions-reduction technologies in relation to Indigenous-held land, including controlled savanna fire management in northern Australia.

REAL JOBS PROGRAM, NT

Since 2007 the ILC has received an appropriation from the Federal Budget to manage the Real Jobs Program in the Northern Territory. This provides training positions for around 150 unemployed Indigenous people annually, to build their capacity and assist their transition into jobs in the land management, tourism and agribusiness sectors.

SUBSIDIARIES

In addition to the ILC's Corporate and Program Delivery divisions, three wholly-owned but independent 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 (Home Valley Station, WA, and Mossman Gorge Centre, Qld) developed and owned by the ILC
- **Australian Indigenous Agribusiness Company Pty Ltd (AIA)** (formerly National Indigenous Pastoral Enterprises Pty Ltd), which manages a number of ILC-developed agribusinesses, all but one involved in the northern Australian beef industry, as well as the ILC Group's carbon farming projects; AIA typically sells around 65 per cent of its cattle annually to the live-export trade with the remainder going to domestic feedlots or abattoirs

“SIGNIFICANT INVESTMENTS IN INDIGENOUS TRAINING AND EMPLOYMENT”



- **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, both from the Sydney community and from across Australia.

Utilising subsidiary companies allows the ILC to perform its functions and employ staff on a more flexible and commercial basis. Subsidiaries can perform only the functions of the ILC itself.

All ILC-developed businesses operate in accordance with sound business principles as required by section 191F(1) of the ATSI Act. AIA and NCIE receive 'back-office' support from the ILC in areas such as human resources, information technology, finance, public affairs, legal and risk management. ILC policy has been to invest any operating profits back into the businesses, or use them to support Indigenous training and employment within subsidiary operations. The ILC's aim is that each subsidiary will become financially sustainable in its own right; improved financial performance measures have been introduced by the current Board. However, the ILC is responsible for underwriting the activities of each of its subsidiaries.

The ILC's purchase of Ayers Rock Resort in 2010–11 and subsequent capital upgrades necessitated loans from the vendor and a commercial bank.

The debt was refinanced in 2016; from 1 July 2016 the ILC received a \$65 million loan from the Commonwealth at concessional interest rates allowing it to retire debt owed to the vendor and shorten the repayment term for this portion of the finance.

The ILC makes significant investments in Indigenous training and employment across the ILC's tourism and agribusiness subsidiaries, in partnership with other funders (principally the Australian Government's Indigenous Advancement Strategy). Graduates are guaranteed the offer of a job on an ILC or other enterprise. The ILC also operates the Merriman Shearing School on an ILC-owned property near Brewarrina, NSW. In addition, the NCIE manages a training program in Sydney focused on hospitality.

ENVIRONMENT

The ILC Group operates in a complex environment influenced by Indigenous people's land-related needs, government policy and general and industry-specific economic conditions. This environment is characterised by constraints on funding for Indigenous programs and public-sector funding more generally. The ILC Group has businesses in the tourism and agribusiness industries that have their own unique opportunities and challenges influenced by external political, economic and environmental factors.

EXTENT OF THE INDIGENOUS ESTATE AND A GROWING, YOUNG INDIGENOUS POPULATION

Indigenous land is now estimated to cover up to 40 per cent of the Australian land mass.¹ This land is subject to a complex array of (mostly communal) land titles, and large areas are marginal in mainstream economic terms. 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 continue to face significant challenges in deriving the shorter and longer term benefits, including intergenerational wealth creation, generally associated with land ownership.

The growth in the Indigenous Estate (with native title and land rights legislation the main drivers of expansion) and the increasing Indigenous population are leading to greater – and different – demands on ILC services and support. The ILC Board's strategy is a response to this changing environment. It acknowledges that the ILC's own available resources are limited and need to be increased. Legislated reforms to the Land Account being advocated by the ILC will address the Account's longer term sustainability. In the meantime the ILC is moving its subsidiaries to financial self-sufficiency and taking a more rigorous approach to return on funds invested in projects. Return could encompass financial return but, in all cases, it means the achievement of economic, environmental, social or cultural benefits for Indigenous Australians.

MACROECONOMIC ENVIRONMENT

The Aboriginal and Torres Strait Islander Land Account, the ILC's principal source of funding, was established by legislation in 1994 to be a self-sustaining perpetual fund (one that preserves capital after inflation in perpetuity). However, the current legislated requirement to provide \$45 million, indexed, annually to the ILC will likely have the effect of eroding the Land Account's capital base in the current low-interest-rate environment, given the Land Account's restricted investment parameters. This was a key finding of the Land Account Expert Advisory Panel, established by the Board in June 2016. The executive summary of the Expert Panel's report, provided to the Board in December 2016, stated:

The current investment environment presents an example where, based on the investment mandate the Land Account will not be able to generate sufficient returns to achieve its purpose. The consequence of this, if the current payments to the ILC are maintained, is that the real value of the Land Account will erode and future payments will be unsustainable. Further, less funds may be available to the ILC for the ILC to carry out its functions and it will fail to deliver on its services to Indigenous Australians, or the Australian Government may be required to contribute additional funding to maintain current levels of service provision.

The Expert Panel made a series of recommendations for reform that are further discussed under 'Strategy and capability to 2021'.



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

“FACILITATING ECONOMIC DEVELOPMENT ON INDIGENOUS-HELD LAND”



AUSTRALIAN GOVERNMENT POLICY

ILC operations intersect with Australian (and other) Government policy and programs. Through its land acquisition and land management functions, the ILC contributes (within its legislative remit) to the objectives of the Australian Government’s overarching Indigenous Advancement Strategy (IAS). The ILC Group 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 Australian Government is pursuing a policy of facilitating economic development on Indigenous-held land. Government initiatives related to this are flowing from the *Northern Australia White Paper* and related *COAG Investigation*. Given its legislative purposes, the ILC is one of a number of parties (across the public, private and not-for-profit sectors) that has a role to play in this area. The ILC Board’s strategy articulates an increasingly active role in facilitating more intensive and strategic economic development in relation to Indigenous land, in partnership with Indigenous Business Australia.

The ILC has been consulted in development of the Australian Government’s Business Sector Strategy (draft released for consultation on 3 May 2017), and ILC functions will continue to play a role in supporting growth of the sector, especially as current program reforms are designed to achieve a greater return, broadly defined, on ILC funds invested. In line with the

Australian Government’s Indigenous Procurement Policy, the ILC has strengthened its Indigenous procurement and reporting systems to track actions and outcomes in this area. Indigenous procurement currently represents 4.2 per cent of goods and services purchased by the ILC. All parts of the ILC Group far exceed the Government’s target of 3 per cent Indigenous employment in the public sector; at the time of writing, around 40 per cent of those employed across the group identified as Indigenous Australians, and the ILC has active policies to build these percentages, as outlined in this plan.

The Australian Government policy nexus relating to energy, the environment and climate change is also an important part of the ILC’s operating environment. Significant income generation and employment opportunities are emerging across a wide spectrum of environment-based activities in relation to Indigenous land, such as carbon farming, environmental offsets, and payments for conservation management.

COMMERCIAL ENVIRONMENT

As the operator of businesses in agriculture and tourism, the ILC Group is affected by factors in the specific industries and general economic environment, in Australia and internationally.

In the tourism sector, global economic conditions and the value of the Australian dollar are important factors underpinning price competitiveness for both inbound and domestic travel in an increasingly competitive international market.

The recent recovery in tourism is expected to continue in the medium term. Ayers Rock Resort is approaching peak occupancy; significant growth over the past two years has been driven by the improved tourism market and considerable ILC Group investment in refurbishments and enhancements to the guest experience including the successful *Field of Light* installation. With strong demand and a favourable outlook, Voyages is investing in the development of additional staff housing which will enable The Lost Camel Hotel, a 100 room 3-star hotel currently utilised for staff accommodation, to be re-opened as additional guest accommodation in 2018. The financial success of Ayers Rock Resort, given its location, is substantially reliant on maintaining airline capacity. In recent years airlines have responded to growing demand for the destination by increasing the number and capacity of flights.

ILC programs also support a number of smaller, locally based Indigenous ecotourism businesses that are likely to benefit from general improvements in the tourism market.

AIA's agricultural businesses are exposed to the same market factors as other pastoral enterprises. These include the state of international trade and global commodity markets, fluctuations in the price of stock, weather conditions and, occasionally, disease outbreaks and other biosecurity factors. The Australian Bureau of Agricultural and Resource Economics and Sciences has indicated that strong international demand for Australian beef will continue over the medium term, helped by a low Australian dollar and trade agreements that will lower tariffs in major markets. Demand for Australian live cattle is also expected to remain high over the medium term. The main risks to this positive outlook are adverse localised weather conditions and unexpected trade disruptions (particularly for live exports).

The Board's forward strategies recognise the opportunities likely to arise, for the ILC and wider Indigenous Estate, from an increasing Asian demand for Australian produce. The Board also envisages a broadening of the Indigenous agribusiness product base – to, for example, horticulture and Indigenous bush foods and fishing/aquaculture (the latter largely dependent on changes to the ATSI Act; see pp.16–17).

The ILC also considers there are significant opportunities for the Indigenous Estate in the national and international need to transition to renewable energy sources. With the transfer to AIA of the ILC's capability in carbon and environment, the ILC Group is adopting a more flexible and commercial approach in this sector, aimed at enabling Indigenous land to be brought into alternative forms of production and fostering non-traditional land-based enterprises.



In this way, the ILC Group can help to shape the emerging conservation economy to create sustainable benefits for Indigenous people.

OTHER VALUE CONSIDERATIONS

The vast extent of Indigenous-held land is in the deserts and pastoral rangelands of northern and central Australia. 'Outback' Australia is one of the world's last remaining natural landscapes, including the most intact tropical savanna. It is also vulnerable to threats including invasive species and extensive wildfires. This makes northern Australia as much a conservation challenge as a development opportunity. Across remote Australia, Indigenous people live on country that may otherwise be unoccupied. In these areas ILC programs can help to maintain Aboriginal people's connection to their culture and customary responsibilities to look after land. Support for Indigenous ranger groups and associated activities enables the management of land for its cultural and environmental values, adding value to Australian and other government programs – for example, Indigenous Protected Areas and the Indigenous Rangers – Working on Country Program, both administered by PM&C.

MEASURING PERFORMANCE TO 2021

This section describes the ILC's approach to measuring performance based on the National Indigenous Land Strategy (NILS) 2013–17. It should be noted that this performance framework is likely to change with development of a new NILS and following improvements to internal and external performance measures that demonstrate greater cost efficiency in delivering on the ILC's mandate and set new growth targets for the ILC's land acquisition and land management functions.

The long-term purpose of the ILC reflects its statutory purpose and functions.

PURPOSE

To assist Indigenous people to acquire land and to manage Indigenous-held land to achieve economic, environmental, social or cultural benefits.

The NILS 2013–17², developed by the former ILC Board and launched in July 2013, sets out the ILC's two Priority Outcomes for the achievement of Indigenous benefits through the acquisition and management of Indigenous land (reflecting the four categories of Indigenous benefit in the ATSI Act) and four Key Priority Areas.

PRIORITY OUTCOMES

1. Access to and protection of cultural and environmental values – prioritising the ILC's efforts to secure access to and protect and maintain land with high cultural and/or environmental significance or values
2. Socio-economic development – prioritising the provision of significant social and/or economic benefits for Indigenous people through training and employment, enterprise development and supporting the delivery of social programs by Indigenous organisations.

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

In the short term, Deliverables and Key Performance Indicators are set annually through the Portfolio Budget Statements (PBS). For the purposes of the PBS, the ILC has only one Outcome, previously agreed by the Australian Government. This is based on the corporation's statutory functions and the two priorities identified in the NILS 2013–17:

Outcome 1: Enhanced socio-economic development, maintenance of cultural identity and protection of the environment by Indigenous Australians through land acquisition and management

The ILC has only one Program supporting that Outcome, again agreed by government:

Program 1.1: Acquisition and management of an Indigenous land base

The ILC revised and streamlined its long-standing indicators in the PBS 2017–18, but further revisions are anticipated for forward years as reviews and implementation of the Board's strategy result in new ways of working. The targets published in the PBS 2017–18 for the out years for the three Deliverables and KPIs 1, 2 and 3 have been modified in this Corporate Plan, to reflect notional growth in the ILC's core functions. The new targets anticipate an increase in acquisitions, and the revised schedule for the divestment of land holdings reflects the grant of existing holdings and an allowance for divestment of new acquisitions.

² A new NILS is expected to be tabled in late 2017 aligned with the Board's strategy and reflecting consultation with Indigenous Australians in the first half of the 2017–18 financial year.

ILC PERFORMANCE MEASURES, 2017-18 TO 2020-21

DELIVERABLES	17-18	18-19	19-20	20-21
DELIVERABLE 1 Properties acquired³	3	4	5	6
DELIVERABLE 2 Properties granted⁴	8	8	7	9
DELIVERABLE 3 Number of active land acquisition and land management projects	100	105	110	115
KPI 1 Indigenous employment a) Number of Indigenous staff directly employed across the ILC Group b) Number of Indigenous employment outcomes enabled by land acquisition and land management projects active in financial year	500 500	525 525	550 550	575 575
KPI 2 Indigenous training a) Number of Indigenous trainees hosted/employed across the ILC Group b) Number of Indigenous training completions enabled by land acquisition and land management projects active in financial year	200 1000	210 1050	220 1100	230 1150
KPI 3 Indigenous business development Number of Indigenous enterprises assisted by ILC Group projects	60	63	66	69
KPI 4 Protection of Indigenous culture, heritage and the environment Proportion of active ILC Group projects (Deliverable 3) that maintained or protected Indigenous culture, heritage and/or the environment	50%	50%	50%	50%
KPI 5 Collaboration Proportion of active ILC Group projects (Deliverable 3) that involved contributions from third parties (beyond immediate beneficiary group)	60%	60%	60%	60%
KPI 6 ILC Group contribution to the Indigenous Estate Qualitative measure				

³ The nature or location of properties acquired cannot be anticipated.

⁴ Most scheduled divestments (grants) are of long-held properties or properties that have had to be re-acquired by the ILC (usually due to deregistration or insolvency of the title holding body, or the latter's failure to pay rates and taxes). Long-held properties are typically those that have proved difficult to divest due to a number of issues including formation of a land-holding corporation capable of managing the land and the capacity of the land itself (quality or scale) to meet its operational costs or support sustainable activities.

To assist in measuring its performance, the ILC has a Benefits Framework that sets out the way the corporation defines, captures, measures and reports on the achievement of the economic, environmental, social or cultural benefits that the ILC is required to deliver under its legislation. The framework seeks to ensure the collection and use of benefit data are accurate and consistent across the ILC Group's activities. Under the Benefits Framework both quantitative and qualitative data is collected from a range of entities including ILC subsidiaries and organisations funded by the ILC for land acquisition and projects in relation to Indigenous-held land. The framework will be reviewed as part of the wider review of ILC Group performance measurement and reporting.

SUBSIDIARIES' CONTRIBUTION TO THE ILC'S PURPOSE IN 2017-18 AND TO 2021

VOYAGES INDIGENOUS TOURISM AUSTRALIA PTY LTD	
FINANCIAL GOALS	<p>To generate consistent and sustainable profits from tourism business activities to:</p> <ul style="list-style-type: none"> • cover capital expenditure requirements • cover financing costs • contribute to the reduction of the Ayers Rock Resort debt • contribute to Indigenous employment and training programs
NON-FINANCIAL GOALS	<ul style="list-style-type: none"> • To create an Indigenous workforce for the hospitality and tourism industry • 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 • To provide employment opportunities through structured training for local communities • To provide authentic Indigenous Australian tourism experiences for guests and contribute to a broader understanding and appreciation of Indigenous culture • To work with local communities in sustainable environmental tourism practices that respect and support local culture • To support the establishment and development of Indigenous businesses • To support work-experience opportunities for students from remote Indigenous communities leading to employment
CONTRIBUTION TO ILC OUTCOMES	<ul style="list-style-type: none"> • 120 accredited Indigenous traineeships each year • 120 Indigenous employment outcomes each year • Active measurement of contribution to Indigenous culture and support for reconciliation through reporting against the Voyages' Reconciliation Action Plan
AUSTRALIAN INDIGENOUS AGRIBUSINESS COMPANY PTY LTD	
FINANCIAL GOALS	<ul style="list-style-type: none"> • To become financially independent of the ILC with income reinvested to support further agribusiness enterprises and activities, including employment to benefit Indigenous people
NON-FINANCIAL GOALS	<ul style="list-style-type: none"> • To increase the performance of the pastoral business • To build financial capacity to enable sustainable investment in the future • To drive the development of new Indigenous agribusinesses, support services and research • To position the company to become a more diverse and successful Indigenous agribusiness company • To enhance Indigenous capability and career progress • To be the partner of choice in growing and realising the potential of Indigenous agribusiness

AUSTRALIAN INDIGENOUS AGRIBUSINESS COMPANY PTY LTD *CONTINUED*

CONTRIBUTION TO ILC OUTCOMES	Improved management and development of Indigenous-held land	<ul style="list-style-type: none"> • Total hectares of Indigenous-held land under managed use, care or improvement • Number of hectares brought back into production
	Indigenous business creation and development	<ul style="list-style-type: none"> • Number of new/expanded Indigenous run/owned businesses • Proportion of revenue re-invested in property infrastructure
	Employment participation	<ul style="list-style-type: none"> • Number of Indigenous employment positions enabled, sustained or directly funded by AIA or the ILC over the year
	Training participation	<ul style="list-style-type: none"> • Number of Indigenous participants undertaking training in the year • Number of training courses completed by Indigenous participants through AIA operations in the year
	Generation of new and/or increased income	<ul style="list-style-type: none"> • Number of businesses/corporations with increased income
	Protection or restoration of environmental heritage values	<ul style="list-style-type: none"> • Number of events to restore/protect environmental values of land • Indigenous people involved in protecting or restoring environmental values • Number of significant environmental sites/hectares protected

NATIONAL CENTRE OF INDIGENOUS EXCELLENCE LTD

FINANCIAL GOAL	<ul style="list-style-type: none"> • To manage the centre to ensure that, over time, its operations become self-supporting, with a progressive reduction in the ILC's operational subsidy
NON-FINANCIAL GOAL	<ul style="list-style-type: none"> • To build capacity and create opportunity with and for generations of young Aboriginal and Torres Strait Islander people both from the local community and across Australia through the delivery of life changing programs and experiences
CONTRIBUTION TO ILC OUTCOMES	<ul style="list-style-type: none"> • 50 Indigenous employment outcomes through operation of the NCIE • 90 training and employment outcomes through NCIE JobReady • 250 care and education outcomes (social benefits) through after-school and school-holiday programs • NCIE leverages its own funding by collaborating with government and corporate partners to maximise Indigenous benefits through delivery of a range of education, sporting and social activities

STRATEGY AND CAPABILITY TO 2021

In line with the Board's vision for the ILC Group, the ILC Group CEO and the group Executive are working to make the corporation's operations more proactive, strategic and commercially astute, so the ILC is capable of taking up a significant role in assisting Indigenous Australians to transform existing land and other assets into a basis for longer term prosperity and wellbeing. The Board's strategies demand new capabilities; these are addressed in the following. Where sensible, the strategies are being pursued in collaboration with Indigenous Business Australia (IBA).

REVIEWS

Underpinning this work is a series of reviews, conducted by independent consultants, at various stages of development; these are set out in the table below. The results of these internal reviews will be available in 2017–18 to inform Board and management decision-making.

REVIEW	PURPOSE	TIMEFRAME
ILC GROUP GOVERNANCE	<ul style="list-style-type: none"> To consider the optimal structure, composition, authority and power of ILC subsidiary boards and Board subcommittees, and associated key documents (charters, constitutions, etc.) 	Report by 31 July 2017
WORK HEALTH AND SAFETY (WHS)	<ul style="list-style-type: none"> To begin with assessment of Voyages' safety system at Ayers Rock Resort To undertake a group-wide review as the basis for a new, consistent WHS framework 	Stage one completed October–December 2017
AGRIBUSINESS	<ul style="list-style-type: none"> To examine AIA management systems, staffing levels and structure, budget and decision-making processes To make recommendations to assist in optimising ILC agribusiness productivity and profitability 	Reported; recommendations endorsed by ILC and AIA Boards
NATIONAL CENTRE OF INDIGENOUS EXCELLENCE	<ul style="list-style-type: none"> To examine and make recommendations on the 'best and highest' use of NCIE's inner-Sydney site 	Reported; recommendations subject to NCIE and ILC Board consideration
VOYAGES (TOURISM) OPERATIONS	<ul style="list-style-type: none"> To consider the efficiency/effectiveness of Voyages management structure, operating performance, management of capital expenditure, etc. To make recommendations for enhanced Indigenous benefits 	Report by October 2017
INDIGENOUS ENGAGEMENT	<ul style="list-style-type: none"> Initially to consider Voyages' engagement with communities around Ayers Rock Resort 	Stage one by 31 December 2017
ILC GROUP PERFORMANCE FRAMEWORK	<ul style="list-style-type: none"> To reassess and revise the ILC's measures of performance and key documents in the performance framework so they align with Board strategy 	Report by 31 December 2017
MAPPING THE INDIGENOUS ESTATE	<ul style="list-style-type: none"> Project undertaken in partnership with IBA 	Incremental

FIVE STRATEGIES

The Board has agreed five strategies to guide reform of the ILC Group⁵. The initiatives below are grouped under these strategies. Some projects under these strategies are necessarily longer term, or overlap several strategies.

STRATEGY 1: CREATING A STRONG VALUE PROPOSITION, LEGITIMACY AND SUPPORT FROM KEY CONSTITUENCIES

Engaging key stakeholders

Achievement of the ILC's purpose is to a large extent dependent on building productive relationships with external stakeholders, in particular Indigenous leaders, organisations, communities and individuals, as well as other parties across the government, business and community sectors. The active development of networks, partnerships and strategic alliances is a focus of the *Our Land Our Future* Program (see below) and a means of raising awareness of the ILC and enhancing its reputation.

Consultations on the redevelopment of the National Indigenous Land Strategy (NILS) in the first half of 2017–18 also provide an opportunity to engage with Indigenous stakeholders about their land-based aspirations as well as build understanding of the Board's agenda. The NILS will set out the ILC's broad strategies over the horizon of this corporate plan.

The ILC is expanding its social media presence and will develop a comprehensive communications and marketing strategy for review by the Board in 2017–18. This will include development of key messages to our stakeholders, a refreshed presentation of how the ILC Group identity is expressed, and the recruitment of increased capability in this area.

The ILC will continue to participate in and/or facilitate policy and other forums relevant to its functions and the Indigenous Estate, including through sponsorships and/or presentations at the annual National Native Title Conference (June) and Garma Festival (August); attendance at agribusiness forums; and contributions to government policy processes at all levels.

The ILC has established engagement schedules with the Minister and his Office and PM&C at various levels for discussion of issues and policy.

Prioritising Indigenous procurement

The ILC is prioritising the procurement of goods and services from Indigenous suppliers through a dedicated Indigenous Procurement Policy. ILC systems have been adjusted to capture Indigenous procurement, and targets of 5 per cent for both procurement and contracts have been set for 2017–18, based on data from 2016–17. By supporting Indigenous suppliers the ILC Group can enhance its role in contributing to Indigenous economic development.

STRATEGY 2: POSITIONING THE ILC TO INVEST IN THE FUTURE

Amending legislative provisions relating to the Land Account

The ILC needs sufficient resources to fulfil its mandate, and to implement the Board's strategy. In 2016 the Land Account Expert Advisory Panel, established by the Board, found that the Land Account may be unsustainable under prevailing investment conditions given current legislative restrictions on investments (see 'Environment' above). The ILC will consult on the panel's recommendations. These are (in brief) to widen the Land Account's investment parameters and to transfer its management to the Future Fund Management Agency, if possible, or to another more proactive funds manager. Consultations will take place in mid-2017, followed by a report to the Australian Government on stakeholders' views regarding the proposed amendments to the ILC's enabling legislation. If broadly supported by stakeholders, implementing the panel's recommendations could assist in securing the future of the Land Account as a self-sustaining capital fund.

Extending the ILC's remit beyond 'land'

The consultations on legislative reform above are also canvassing amendments to extend the ILC's operations to sea and freshwater activities. The ATSI Act is interpreted as currently limiting the ILC to working on land, though other parts of Australian law now recognise important Indigenous water-based rights and interests. Legislative amendments would enable the ILC to achieve Indigenous benefits that are economic (e.g. enabling purchase of fishing licences, support for aquaculture projects), environmental (e.g. providing equipment for water-based environmental-management activities), social (e.g. Indigenous social reconnection based on water country) and cultural (e.g. enabling the continuation of cultural practices related to water country and passing this knowledge on to future generations).

⁵ Agreed in March 2016.

Securing financial self-sufficiency of subsidiary operations

The ILC Board and Executive is working with ILC subsidiaries to put them on a path to financial independence from the ILC. The reviews listed above will inform this work.

- Voyages will continue to deliver capital upgrades and enhanced visitor experiences at Ayers Rock Resort and work to improve financial returns across ILC-developed tourism businesses. In recent years Voyages has established strong demand for the Ayers Rock Resort destination and grown occupancy through the pursuit of a volume strategy; its strategic focus will shift to growing yield (rates) to increase profitability and support capital investment and debt repayment. The planned reopening (scheduled for 2018) of The Lost Camel Hotel will support further revenue and profit growth over the medium term.
- AIA's Agribusiness Strategy 2017–21 commits the company to ensuring the agribusinesses are self-supporting.
- NCIE is considering the best and highest use of its inner-city site.

In addition to the initiatives above, the ILC is making a number of internal reforms to its own allocation processes and to its principal program, *Our Land Our Future*, to help ensure more effective and efficient use of funds, as set out below.

STRATEGY 3: DEVELOPING THE ILC AS A HIGH PERFORMING, MORE COMMERCIAL ENTITY

Revising funding allocation processes (implemented from 1 July 2017)

The ILC is implementing a new funding framework that will:

- give greater definition to ILC Group investment and disposal principles, including the development of a uniform ILC Group business-development process and template
- promote a healthy internal environment (across the ILC Group) of competitive 'bidding' for the ILC's investment resources rather than a negotiated annual entitlement
- improve accountability and visibility of outcomes by tracking the performance of approved investments against anticipated deliverables.

For major projects, an independent investment committee is being established.

Refreshing the *Our Land Our Future* Program (implemented 1 July 2017)

From 2017–18 *Our Land Our Future* has been adjusted to reflect better the new budget allocation process and the Board's strategy. The refreshed program includes the offer of new flexible investment products that can be tailored to the individual needs, aspirations and opportunities of Indigenous land owners. The focus remains on developing collaborative projects with Indigenous corporations that may involve grants (for smaller projects), repayable grants, joint ventures and equity partnerships.

The renewed program is guided by the following *Investment Principles*:

- Increase the productivity, value and profitability of the Indigenous Estate.
- Support new and emerging markets where evidence supports opportunity and sustainability.
- Any investment must present value for money focusing on cultural, social, environmental and/or economic returns.
- The ILC invests in socially responsible, sound, ethical and sustainable projects.
- Support Indigenous-held land to remain within the Indigenous Estate.
- ILC investment should maximise Indigenous procurement and employment opportunities through sourcing Indigenous benefits through the supply chain.

The following *Priority Areas* will shape investment activities:

- Providing protection and long-term management of land with cultural and environmental values and assets
- Developing and investing in land-based enterprises that create training, employment and other significant benefits for Indigenous people
- Maximising the productivity and use of Indigenous-held land that will deliver the greatest benefit for Indigenous people
- Investing in land assets and enterprises that are economically sustainable, can leverage investment and take advantage of emerging markets and supply-chain opportunities.

Establishing more rigorous processes for granting property

The ILC has strengthened its divestment principles to assist Indigenous land holders create and sustain the economic, environmental, social and cultural benefits of ownership.

Additional emphasis is placed on the governance and financial capacity of Indigenous land owners and the ILC's providing the support prospective land holders need. The ILC is also strengthening its post-grant monitoring activities, striking a balance between oversight and land-holder support and development. These more rigorous divestment procedures will help to preserve and protect Indigenous land ownership.

Assessing highest and best use of existing assets

The Board is committed to considering more commercial development of significant existing assets with a view to supporting their longer term sustainability. Assessment of ILC assets the National Centre of Indigenous Excellence, in Redfern NSW and Clontarf Campus in Perth WA, has commenced and further investigations relating to the future of these sites will be progressed in 2017–18.

Enhancing performance monitoring and reporting

Further work is required on reassessing the ILC's measures of performance in light of the Board's strategy, and establishing new measures. This will involve adjustments to internal systems to ensure capture of appropriate data and reporting in real time.

STRATEGY 4: ENSURING THE ILC CAN TAKE ADVANTAGE OF CURRENT/EMERGING MARKETS

Pursuing dedicated industry strategies

The ILC is developing specific strategies to shape and drive efforts in urban development, renewable energies and niche products (Indigenous bush food and other products from Indigenous-held land), in addition to its long-standing focus (through subsidiary companies) on agribusiness and tourism.

- The *urban strategy* acknowledges the need to serve urban-living Indigenous people who form the majority of the Indigenous population. The strategy focuses on opportunities to expand and maximise use of the urban Indigenous Estate, protect cultural and historical places, build social capital and economic benefits, and develop strong partnerships for co-investment with ILC subsidiaries and government and non-government entities.
- The ILC is working to pursue opportunities in *renewable energies*, in particular the development of infrastructure (solar or wind) on Indigenous-held land to provide secure and affordable energy and income-generating opportunities. Ayers Rock Resort has installed a 1.8MW solar system producing up to 30 per cent, on average 15 per cent, of the resort's electricity; further increases in renewables at the resort are planned.

- In collaboration with a working group of northern Indigenous land holders, the ILC is progressing due diligence to investigate the feasibility of an Indigenous-owned and controlled supply chain for the harvest, processing and sales of bush food Kakadu plum (also known as gubinge in Western Australia); this project aligns with the Board's focus on *niche products*. The Kakadu plum has potential uses in the food and pharmaceutical industries.
- The ILC's *tourism* subsidiary, Voyages, will remain a national leader in the development and *marketing of Indigenous cultural experiences* at the sites it manages. It is also being positioned to advise and assist other Indigenous tourism enterprises to establish and/or expand operations.
- The ILC's agribusiness subsidiary, AIA, is in the early stages of implementing its *Agribusiness Strategy 2017–21* to improve the performance of the pastoral businesses and to diversify the business, creating opportunities for Indigenous land holders through investments in innovative and emerging markets. AIA is seeking to work with Indigenous land holders through more commercial mechanisms, such as joint-venture arrangements and equity partnerships, to unlock value and bring land into production. From early 2017 AIA has been managing a savanna fire management program to be implemented with Indigenous land owners across the Northern Territory in partnership with the INPEX-operated Ichthys LNG Project. This project will run for 20 years, creating commercial benefits, reducing greenhouse-gas emissions and helping to protect biodiversity and cultural sites.

Entering into strategic alliances with Indigenous groups

The ILC is working with Indigenous land holders to build capacity, networks and strategic alliances to pursue opportunities in new and emerging markets at different points along the supply chain.

Alliances are being pursued at three levels:

1. *Networks* – connecting the ILC to interests in the wider Indigenous Estate
2. *Partnerships* – cooperation and collaboration between the ILC and Indigenous land holders on key projects and activities
3. *Strategic alliances* – formal arrangements involving the ILC, key Indigenous land-holding bodies, industry partners and/or government partners.



“...THE ILC IS WORKING WITH INDIGENOUS LAND HOLDERS TO BUILD CAPACITY, NETWORKS AND STRATEGIC ALLIANCES”



The pursuit of strategic alliances will require more disciplined frameworks and resources. Formal strategic alliances could be pursued in circumstances where:

- There is a collective and longer-term (minimum two-year) commitment involving the ILC, Indigenous land owners and other partners.
- There is a shared vision, values and objectives.
- There are tangible opportunities to develop the Indigenous Estate (size, value, production and return on investments).
- There are opportunities for the ILC to invest and/or bring its extensive expertise and experience in agribusiness, tourism and land management (including through its subsidiaries).
- There are strategic opportunities in new and emerging markets.
- There are opportunities for the ILC to achieve more targeted, higher impact and scalable investments.

A number of alliances are being pursued with key Indigenous groups across Australia.

The ILC is also working with IBA in establishing a forum of Northern Australian Indigenous land holders to liaise with the Office of Northern Australia and to identify Indigenous projects

that could be supported by the Australian Government’s Northern Australia Infrastructure Facility and other programs flowing out of the Northern Australia White Paper.

STRATEGY 5: BUILDING AN ILC STRUCTURE, CAPABILITY AND CULTURE TO DRIVE STRATEGIC INTENT

Strengthening ILC Group alignment

The governance review will lead to refinements aimed at achieving a more integrated group, where each element (ILC core and subsidiaries) is focused on the Board’s strategy. The ILC Group CEO is now an *ex officio* member of all subsidiary boards, and regular ILC Group leadership meetings are held to advance integration in areas such as financial frameworks, reporting and work health and safety. The Statements of Expectation issued to each subsidiary will be revised to express the focus on alignment of ILC Group strategy and objectives. It is also anticipated that the governance review will recommend a streamlining of the ILC Group structure and governance processes and stress the importance of subsidiaries reaching self-sufficiency in an expeditious timeframe.

Building staff capability through change management

Change management will be a focus of ILC Executive work in 2017, to ensure all ILC staff are committed, confident and capable in the execution of the Board's directions. The ILC is also building a change agenda centred on the need to change the ILC Group's interaction with its Indigenous stakeholders, away from the administration of grants to more active alliance building and business co-development.

Strengthening WHS policies and practices

The Board and management place very high emphasis on WHS, given the risks in the span of activities in which the ILC Group is engaged. An ILC Board Work Health and Safety Committee, assisted by a WHS Coordinator, oversees WHS across the ILC Group. WHS expertise has been recruited by all subsidiaries, and subsidiary management engaged to promote a culture of WHS awareness and continuous improvement.

A major project (agreed by the Board, December 2016) is currently underway to provide a consistent set of best-practice safety expectations across the ILC Group. This process involves establishing an ILC Group WHS Framework comprising a series of corporate standards, policies, toolkits and training programs. Consultants are undertaking an initial review as a basis for this project.

Continuing and strengthening policies for Indigenous development and employment

The ILC Group prioritises Indigenous training and job creation; around 40 per cent of ILC Group staff currently identify as Indigenous.

All subsidiaries deliver Indigenous training-to-employment programs. The focus in Voyages and AIA is now on developing Indigenous leaders through supervisor and management-development training. An Indigenous Senior Executive from the ILC was appointed as the first full-time CEO of AIA from 1 August 2016. The NCIE has had an Indigenous CEO since inception.



“...TO RECRUIT AND RETAIN INDIGENOUS STAFF, AND DEVELOP CAREER PATHS”

The ILC's Indigenous Employment Strategy (within the ILC Corporate and Program Delivery divisions) seeks to recruit and retain Indigenous staff, and develop career paths. The strategy is overseen by an Indigenous Consultative Group comprising Indigenous staff from across ILC offices. In addition, two special programs are being progressed, supplementing this strategy:

- Indigenous Executive Development Program, to promote Indigenous executive succession and mobility across the ILC, IBA and subsidiaries. A consultant has been engaged to develop details of the program
- Establishing an Indigenous Alumni Program, seeking to link all Indigenous participants in the ILC Group (past, present and future) at all levels (trainees/entry-level staff; middle management; executive) through a digital engagement platform. The aim is to have a cohort of skilled Indigenous people in touch with the ILC Group and familiar with its work.

The ILC will develop an overarching Reconciliation Action Plan for the ILC Group in 2017–18.

Implementing an Electronic Document and Records Management (EDRM) System

The ILC is incrementally implementing an EDRM system to comply with the Australian Government's Digital Transition Policy and to provide administrative and cost efficiencies and improved access to ILC information assets. The EDRM project is scheduled to be completed by December 2018.

Building technical expertise and supporting innovation

The Board is prioritising increased ILC investment in collaborative research and development in relation to agribusiness and innovative land uses. The environment, carbon and heritage team, transferred to AIA in 2016, has developed strong capacity to assess, develop and deliver new projects across these areas.

Carbon farming is a new land-based industry that has the potential to deliver significant benefits for Indigenous people. The ILC continues to support the development of new methods, technologies and ways to protect Indigenous people's intellectual property to increase the potential to generate future income from Indigenous-held land through emissions-reduction activities.

The ILC is currently working with various partners, including CSIRO, The Nature Conservancy, Meat & Livestock Australia and Charles Darwin University, to support the development of new carbon farming methodologies that will significantly increase the volume of carbon credits able to be generated through savanna burning in northern Australia.

The ILC's Geographic Information Systems (GIS) Services provides mapping and related services to support the ILC and its subsidiaries in their land acquisition and land management functions. The ILC is examining options to extend the service beyond the current data on ILC-funded projects. A proposal will be put to the Board to build on the GIS system, incorporating information from government and other databases on Indigenous-held land. This extension would support the Board's agenda to achieve more strategic mapping of the Indigenous Estate, identifying potential areas for development.

Ensuring animal welfare

AIA's core business involves the production of animals (cattle and sheep) for export and domestic markets, giving rise to legal obligations and an associated duty of care to protect the welfare of livestock under the company's control. Ensuring the health, welfare and wellbeing of animals in its care is a key priority for AIA. AIA's animal welfare policy, which incorporates adherence to the Australian Animal Welfare Standards and Guidelines that apply to cattle and sheep, was revised in May 2017. A company-wide Animal Welfare Management System is currently under development.

Collaborating with IBA

The ILC's future directions involve closer relations and collaboration with IBA, including co-location around Australia, more shared projects and, where practicable, actively seeking ways to share capabilities. While the ILC and IBA have different legislative mandates, the functions, products and resources of the two agencies are in many ways complementary. On key Indigenous projects both agencies may need to be involved in order to achieve greater and more sustainable benefits for Indigenous Australians.



RISK OVERSIGHT AND MANAGEMENT TO 2021

The ILC Board has overall responsibility for identifying strategic risks and setting the risk appetite, tolerance and culture for the management of risk across the ILC Group.

The Board and management value a positive risk culture:

- recognising there is risk in everything we do, requiring an integrated prudent approach to the management of risk, based on sound judgment
- acknowledging that effective risk management enables achievement of our purposes and opens opportunities for improvement and innovation
- balancing risk, performance opportunity and benefits for Indigenous people

Priority is given to the protection of:

- people
- assets
- heritage and the environment
- finances
- the ILC Group's reputation.

One of the primary functions of the ILC Board's Audit and Assurance Committee (AAC) is to review the appropriateness of the systems of risk oversight and management and control. The AAC provides advice and assurance to the Board, which has ultimate responsibility for the ILC Group's Risk Management Framework and Risk Management Policy. Subsidiary boards align their risk management practices with this group framework.

The AAC has an independent chair while all subsidiary boards have audit committees with at least one independent member.

The ILC and subsidiary management teams are responsible for the management of risk within the appetite and tolerance levels set by the respective boards. It is expected that all staff will maintain a positive risk culture by participating in working groups that undertake risk assessments, policy and procedural redevelopment or change, following procedures and utilising tools provided that embed endorsed risk treatments.

The risk-based Internal Audit Program is a control component of the framework that extends across the ILC Group. The audit committees and management of the respective subsidiaries are consulted in setting the program.

Management maintains key risk plans across the ILC Group's operations in relation to:

- corporate risks (fraud, security, safety and business continuity)
- program risks
- project risks (each individual project/subsidiary).

The ILC participates annually in the Comcover risk management benchmarking survey, aligning an entity's risk management maturity against the nine elements of the Commonwealth Risk Management Policy. The ILC consistently achieves an 'integrated' level of maturity, indicating risk management policies are well developed, processes are becoming increasingly embedded, and responsibility has been assigned and is clearly defined across the entity. In line with the Board's strategy, articulated throughout this plan, enhanced risk management (in a more commercial context) is a priority for the future.



“ ... MORE STRATEGIC MAPPING OF THE
INDIGENOUS ESTATE ”

people LAND opportunity

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