

Indigenous Land and Sea Corporation Group

2019-20 Inaugural Modern Slavery Statement

Chairman and CEO Statement

The ILSC was established by the Aboriginal and Torres Strait Islander Act 2005 (Cth) in response to the Mabo Judgement (1992) and the Native Title Act 1993 (Cth) which recognised common law native title rights to land. Importantly the ILSC was established to provide for the contemporary and future land, and now water, needs of Indigenous Australians, particularly those unlikely to benefit from Native Title or Land Rights. The ILSC is an Indigenous Portfolio Body within the Prime Minister and Cabinet Portfolio, accountable to the Parliament through the Minister for Indigenous Australians.

The ILSC's purpose is defined by its legislative mandate, being to assist Aboriginal persons and Torres Strait Islanders to: (i) acquire land and water-related rights; and (ii) manage Indigenous-held land and waters so as to provide economic, environmental, social and cultural benefits.

At the ILSC, we are continually working towards our long-term vision for Indigenous people to enjoy the rightful entitlements, opportunities, and benefits that the return of country and its management brings. We do so with a recognition of the immediate correlation between past policies and practices of dispossession and exploitation, and the social, cultural and economic disadvantage of Indigenous Australia.

The ILSC's genesis is one built on the foundations of rights and entitlements to land and water country, and compensation for the loss and exploitation of these.

As a purpose-driven entity, the ILSC aspires to a high standard of corporate responsibility, one which: ensures its own business is of a high ethical standard; seeks a high standard from its business partners; and values the part it plays in global efforts to protect the rights of disadvantaged, dispossessed and vulnerable citizens.

The ILSC welcomes a greater awareness to the prevalence of modern slavery both within Australia and around the world. It also welcomes resulting legislation being the Modern Slavery Act 2018 (Cth) (the "Act").

The ILSC as an organisation does not condone any form of labour exploitation. It holds itself to the highest of standards in its employment regimes and expects the same from those it works with.

The ILSC is committed to supporting this legislation, and:

- Continuing to ensure its own employment systems, practices and culture protect the rights of its employees and are free of exploitation.
- Developing policies and procedures to develop a supply chain that addresses present modern slavery risks.
- Developing policies, as well as monitoring and accountability mechanisms, to ensure appropriate employment standards and procurement practices exist in projects to which the ILSC provides funding and assistance.
- Developing policies and mechanisms to ensure its investment, commercial and operational partners have processes and policies in place to address modern slavery risks.

To achieve this the ILSC is committed to undertaking a detailed exercise to identify, assess and address modern slavery risks within its own operations and supply chain streams, as well as within the activities and partnerships that it funds. We are also committed to a culture of continuous business improvement, one where our policies, systems and practices are continually maturing to address the risks of modern slavery.

While the ILSC is yet to develop formal policies and procedures addressing modern slavery risks, we believe we have the goodwill, understanding and relevance on which to build.

Over many years the ILSC has actively facilitated fair, equitable and rewarding training and employment opportunities and conditions for Indigenous people. We have targeted industries where Indigenous people have been historically exploited, despite their longstanding connections to country which underpin industry viability.


The historical, cultural and moral obligations of the ILSC are significant. They are embedded in how we deliver our legislative mandate and provide a solid foundation to the ILSC's commitment to the Modern Slavery Act. Our commitment to the Modern Slavery Act will require us to look broader at areas where we may unintentionally support exploitation and slavery.

Our immediate focus will be on our own operations, ensuring that the application of our employment instruments is consistent and deliver equitable conditions as intended. We will interrogate our supply chain, including services procured to support our operations. We will also begin working with our partners to focus on addressing modern slavery risks associated with the operations of our funding and partnership programs.

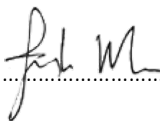
As part of our response to the Act we will identify our exposure risks in these areas and develop mitigating strategies to these. We have outlined the various steps we have taken to do this throughout this statement.

This is an acknowledgement of our moral, social and legal duty to comply with the Act.

This inaugural Modern Slavery Statement is made pursuant to the Australian Modern Slavery Act 2018 (Cth) and has been approved by the ILSC Group Board on behalf of Indigenous Land and Sea Corporation and Voyages Indigenous Tourism Australia Pty Limited.

Signed.....

Mr Edward Fry
ILSC Group Chair

Signed.....

Mr Joe Morrison
ILSC Group Chief Executive Officer

30 March 2021

Reporting Entities and Structure

This is a joint statement made as per section 14 of the Modern Slavery Act 2018 (Cth) (the Act) on behalf of the reporting entity **Indigenous Land and Sea Corporation**, and our subsidiary **Voyages Indigenous Tourism Australia Pty Ltd** (Voyages), which is also a reporting entity under the Act. It covers the reporting period 1 July 2019 – 30 June 2020 (the Reporting Period).

How to read this statement

The term 'the ILSC' has been used throughout this statement to refer to the parent organisation of the ILSC Group, along with the subsidiaries Primary Partners, Yamanah, NCIE and The Owners Strata Plan No 86156, which are not classified as reporting entities in their own right.

As a separate entity under the Act, information regarding Voyages has been reported under accompanying headings, however as a subsidiary of the ILSC, information regarding the overall Group structure and consultation is also relevant to Voyages.

About us

Our details:

- ILSC's Australian Business Number is 59 912 679 254, and registered office location is 70 Franklin Street, Adelaide, SA 5000.
- Voyages' ABN is 82 146 482 591, and registered address is Level 9, 179 Elizabeth Street, Sydney, NSW 2000.

The ILSC is the parent organisation of the following subsidiaries:

- Voyages Indigenous Tourism Australia Pty Ltd
- Primary Partners Pty Ltd (Primary Partners)
- National Centre of Indigenous Excellence Ltd (NCIE)
- Yamanah Investments Pty Ltd (Yamanah)
- The Owners Strata Plan No 86156

The table below outlines our structure for the Reporting Period:

ILSC Group at 30 June 2020 Indigenous Land and Sea Corporation Head office: Adelaide, SA ABN 59 912 679 254		
Voyages Indigenous Tourism Australia Pty Ltd ABN 82 146 482 591 Head office: Sydney, NSW CEO: Grant Hunt	Primary Partners Pty Ltd (Formerly Australian Indigenous Agribusiness Company Pty Ltd) ABN 28 108 266 548 Head office: Adelaide, SA CEO: (Acting) Leo Bator, 8 May to 17 June 2020, (Acting) Tricia Stroud Commencing 18 June 2020 Yamanah Investments Pty Ltd ABN 83 637 596 617 Head office: Adelaide, SA CEO: Jason Collins	National Centre of Indigenous Excellence Ltd ABN 98 133 644 579 Office: Redfern, NSW CEO: Clare McHugh The Owners Strata Plan No 86156 ABN 33 616 401 350 Head office: Sydney, NSW

The ILSC's subsidiaries are governed by the ATSI Act (Part 4A) and by the Corporations Act 2001. Under the PGPA Act (Section 86), the ILSC must ensure that subsidiaries not do anything that the ILSC does not have power to do. Similarly, under the ATSI Act (Section 191G), the ILSC may make arrangements for subsidiaries to perform functions corresponding to the ILSC's functions, namely the acquisition and management of land and water-related interests for the benefit of Aboriginal or Torres Strait Islander corporations as defined in the ATSI Act.

Our primary decision-making body is a Board appointed by the Minister for Indigenous Australians. The Board is responsible for overseeing the proper and efficient performance of the organisation, setting the strategic direction, while our management team is responsible for implementing Board decisions and the day to day management of the ILSC.

Process of Consultation with Owned or Controlled Entities

This statement is submitted as a joint statement covering the entities comprising the ILSC. The ILSC's subsidiaries each have their own boards and their activities are managed by agreements with the ILSC under s.191G of the ATSI Act. The ILSC Board has issued a Statement of Expectation to each subsidiary setting out the ILSC's expectations including outcomes to be achieved by subsidiaries. The ILSC Board appoints directors to subsidiary boards; they include some ILSC Directors as well as independent members.

Given the ILSC's Group reporting structure, this has directed our approach in relation to subsidiary engagement and consultation. Each subsidiary has been engaged in the initial phase of analysing both operational and supply chain risk assessments as well as adhering to the ILSC's central policies and procedures, including in regard to Modern Slavery.

Consultation has also taken place with various business units across the ILSC, which include the People and Culture, Legal, Risk, Program Delivery and Finance teams.

Moving forward, the ILSC intends to add structure around engagement across the group on matters relating to modern slavery.

Operations

The ILSC's legislated purpose, as defined in section 191B of the ATSI Act, is to assist Aboriginal persons and Torres Strait Islanders:

- a) to acquire land and water-related rights; and
- b) 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.

In practice, the ILSC:

- Acquires land and water-related interests to divest to Aboriginal and Torres Strait Islander corporations;
- Supports Indigenous people to preserve and protect culture through reconnection with country;
- Builds the capacity and capability of Indigenous people to sustainably manage and protect country; and
- Partners with Indigenous people to drive and influence opportunities for their country.

The Indigenous Land and Sea Corporation had 104 employees for the year ending 30 June 2020, 25 of which identify as Indigenous.

The table below outlines the operations of each subsidiary, excluding The Owners Strata Plan No 86156, which is classified as a non-trading entity:

	<p>Voyages is a for-profit entity established to provide economic, environmental, social, training and development and cultural benefits for Aboriginal people and Torres Strait Islanders. The principal activities of Voyages are the operation of:</p> <ul style="list-style-type: none"> (i) Ayers Rock Resort in the Northern Territory, which provides accommodation, food and beverages, retail and touring experiences; (ii) Mossman Gorge Centre in Queensland, which provides food and beverages, retail and cultural experiences; and (iii) Home Valley Station in the east Kimberley region of Western Australia (up until 30 June 2020). <p>Voyages also provides enterprise-based training programs for Indigenous Australians conducted at the above properties through the National Indigenous Training Academy.</p> <p><i>744 employees at 30 June 2020, 290 of which identify as Indigenous</i></p>
	<p>NCIE manages the ILSC-developed social enterprise of the same name in Redfern, Sydney, New South Wales (NSW). NCIE is a social enterprise that builds capability and creates life-changing opportunities for Aboriginal and Torres Strait Islander people to positively impact wellbeing.</p> <p><i>110 employees at 30 June 2020, 51 of which identify as Indigenous</i></p>
	<p>Primary Partners employs labour to operate and oversee nine agribusiness operations (at 30 June 2020) on land that is either owned by the ILSC or leased from Indigenous organisations, mainly in the northern Australian beef industry.</p> <p><i>151 employees at 30 June 2020, 105 of which identify as Indigenous</i></p>
	<p>Yamanah was established in January 2020 as a pilot program seeking to identify and accelerate the ILSC's partnership opportunities in the Murray-Darling Basin region of NSW.</p> <p><i>7 employees at 30 June 2020</i></p>

Supply Chain

The ILSC

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

The ILSC has a legislative requirement to maximise the use of goods and services from Indigenous-owned businesses (s191F [2], ATSI Act). In line with the Australian Government's commitment to Indigenous procurement, the ILSC has previously established a group-wide Indigenous Procurement Policy with a view to maximising procurement of Indigenous goods and services and supporting Indigenous businesses to grow and employ more Indigenous people.

The ILSC has over 1,500 suppliers, predominantly based in Australia, across approximately 250 expenditure codes. A very small number of suppliers are located in:

- USA (providing seminars/courses, and license fees);
- New Zealand (providing office supplies); and
- Ireland providing (software/licenses).

In FY20 we procured a range of goods and services that included consultancy services, property management services, agriculture products, employment agent services, IT equipment and services, business travel and general office procurement.

Voyages

Voyages procures goods and services across a variety of areas, with food and beverage and capital projects being the most significant. Voyages' food and beverage spend is both independent and facilitated through a franchise agreement with Accor, which provides the benefits of pre-negotiated rates and consistency of supply.

Voyages' spend is predominantly with Australian companies, however it also has over 50 international suppliers based in the following countries: Austria; Canada; China; Estonia; France; Germany; Netherlands; New Zealand; Norway; Poland; Singapore; Sweden; Switzerland; UK; and USA.

Modern Slavery Risks

Operational Risks

The ILSC

The ILSC's primary functions sees it provide funding to Indigenous groups to deliver management activities on Indigenous-held land and water assets. This regularly includes training and employment of Indigenous people.

The ILSC also plays a role in bringing third party investment and capability to these management activities, directly facilitating partnerships between Indigenous groups and corporate entities.

The ILSC complies with all labour, employment and whistleblower laws of Australia, across all states and territories, including the Fair Work Act and other applicable industrial instruments and is committed to the safety and wellbeing of our employees.

We have an internal audit program to assure the effectiveness of our risk management framework and compliance with our policies.

While we consider the potential for us to cause or contribute to incidents of modern slavery within our direct operations to be low, we recognise we are potentially linked to modern slavery risks through our third-party interactions.

Areas of vulnerability include:

- Workforce practices of grantee organisations;
- Procurement of certain goods, including electronic items, branded garments and uniforms; and
- Labour contracting, such as cleaning, security and building maintenance and repairs.

Voyages

Risks within Voyages are driven by its tourism and hospitality business focus, as well as those associated with some procurement activities:

- Contracting for construction projects;
- Labour contracting for maintenance services;
- Procurement of designed and branded goods, such as retail products and uniforms; and
- Purchasing higher risk goods, such as cleaning products and chemicals, electronic goods, food and beverages, and manufactured clothing and retail products in the retail space.

Supply Chain Risks

ILSC

We recognise that supply chain visibility is central to managing exposure to modern slavery risk and acknowledge that our supply chain represents an area in which the potential for incidents of modern slavery is heightened.

We have systems in place that allow us to review our spend at a granular, activity-based level, and for identification and filtering of spend in sectors recognised as higher risk as per the Global Slavery Index (GSI).

We engaged external expertise to assist us in assessing the potential supplier risks across our spend categories with potential risks for modern slavery determined according to the following indicators: industry sector; commodity/ product; and geographic location.

Only a small number of our suppliers are based outside of Australia. Whilst Australia is a lower risk country according to the GSI, we acknowledge that on any given day in 2016 an estimated 15,000 people were living in conditions of modern slavery in Australia. In accordance with findings from the GSI, the ILSC has identified the following potentially high-risk areas of spend: Agriculture; Cleaning; Construction; Food Services and Hospitality.

Our spend, supplier and category risk prioritisation work will inform our ongoing modern slavery risk management, supplier engagement and review program. We recognise modern slavery risk management as a challenging and evolving process and aim for continuous improvement.

Voyages

Voyages procures manufactured clothing and branded goods which are sold within the gift shops at Ayers Rock Resort and Mossman Gorge Centre. We recognise that some of these items may be manufactured overseas, and that textiles have been identified as a higher risk import, therefore have identified this as a higher risk part of our supply chain.

Voyages' remote operations may expose us to higher potential for supplier dependency, as in some places there may only be one supplier available. We understand that our supplier engagement and leverage will vary depending on the size and nature of our relationship with each individual supplier, therefore recognise this as a risk to consider as we enhance our supplier management processes moving forward.

Actions taken to Assess and Address Risk

We engaged an external consultant to conduct a review of the ILSC's current approach to modern slavery risks in both operations and supply chain for the year ending 30 June 2020. This review was informed through a document review of policies and procedures, interviews with key staff across the organisation, and desktop research into the ILSC's operations.

The UNGP (Principle 19) makes it clear that the way you respond to modern slavery risks depends on whether you are causing, contributing to, or are directly linked to each risk. We acknowledge that our response should be tailored to the modern slavery risks we have identified as being most significant.

We are at the beginning of our journey to fully understand and respond to modern slavery risks within our supply chain and operations. Moving forward, our initial steps will be to:

- Carry forward risk assessments of modern slavery risks within our operations and supply chain. This will primarily focus on the ILSC's central operations, with Voyages carrying out a separate assessment;
- Establish a modern slavery working group across the organisation;
- Developing a Supplier Code of Conduct to guide our procurement decisions and set out our expectations from our suppliers and service providers.

These activities will provide us with a solid foundation for our response to modern slavery. We will also be finalising and implementing a three-year Modern Slavery Act roadmap to guide our activities moving forward and assist in directing our efforts to increase our impacts and prioritise our response.

The activities under this plan will include:

- Training and communications;
- Reviewing and uplifting our policies and monitoring and accountability mechanisms from a modern slavery perspective;
- Enhancing our risk identification, management and reporting processes;
- Reviewing our grievance mechanisms and ensuring we are prepared to better respond to any reports; and
- A number of activities regarding supplier management, including increased due diligence and supplier engagement.

We are not currently engaging with external groups or forums on matters relating to modern slavery. We have identified third-party grantee organisations and investment partners as a potential area for engagement to have a positive impact and will consider options to work with these groups to share learnings and insights.

Voyages

We recognise that supply chain visibility is integral to managing and mitigating modern slavery risk. In 2019, Voyages initiated a strategy to assess modern slavery risks in our supply chain and commenced a risk-based review of our suppliers. However, due to the impact of COVID-19 on Voyages' business, workforce and our suppliers' businesses, we have not been able to effectively progress our supply chain risk assessment and implement our modern slavery risk assessment strategy.

As part of the ILSC-wide roadmap, Voyages will continue to implement its supply chain risk assessment which will include developing a supplier engagement strategy and implementing enhancements to our procurement processes.

Informed by the Act, our risk assessments and our growing awareness of modern slavery, we will be considering how we can use this process to increase visibility of our supply chain, and therefore be better placed to assess and address our risks.

COVID-19 Response

During the second half of the financial year, COVID-19 had a significant impact on all businesses, including our suppliers, partners and grantee organisations. We acknowledge the impact COVID-19 has also had on global supply chains, which has increased the risk of modern slavery occurring for people who are already vulnerable to exploitation.

The ILSC took a proactive approach with its suppliers, in particular Indigenous suppliers and suppliers located in remote areas, by making concerted efforts to pay invoices prior to the stated payment terms so as to reduce any increased pressure on suppliers and, in turn, to reduce the risk of any exploitative practices occurring as a result of COVID-19.

From the perspective of our subsidiary, Voyages Indigenous Tourism Australia Pty Ltd (Voyages), which operates Ayers Rock Resort in the Northern Territory and the Mossman Gorge Centre in Queensland, the impact of COVID-19 was immediately disruptive for the tourism and retail industries. Demand for travel to Ayers Rock Resort and Mossman Gorge Centre halted as a result of the closure of both international and domestic borders, state and territory governments imposing lockdown restrictions and the health risks posed by COVID-19. This necessitated the temporary closure of Ayers Rock Resort and the Mossman Gorge Centre during 2020.

As a consequence, Voyages implemented changes to its workforce and to the way it conducts its business. To support suppliers during this difficult time Voyages implemented targeted payment plans for creditors, rental

waivers and reductions for heavily impacted partners and stakeholders. An agile approach to supply chain patterns was also adopted to respond to changes in business needs.

During this period the ILSC ensured compliance with all industrial instruments and associated employee entitlements, with all response measures aimed at sustaining the business and minimising negative effects on its employees including preserving as many jobs as possible and providing all reasonably practicable support.

Furthermore, the resources required to deal with the disruption caused by COVID-19 greatly impacted our capacity and the capacity of our subsidiary, Voyages, to make progress on building the modern slavery framework during the reporting period. The ILSC's modern slavery framework will take a continuous improvement approach and represents an ongoing journey as we increase our knowledge and understanding of modern slavery risks.

Assessing Effectiveness

We understand that one of the challenges in the fight against modern slavery is that, as a criminal activity, it is complex and often hidden. It is essential that we hold ourselves to account and consider ways to monitor our efforts and progress.

As an initial step, and as noted earlier, we will establish a working group to have ownership of the delivery of our modern slavery roadmap.

We will develop key performance indicators to ensure the robustness of our monitoring process. These actions will also allow us to ensure we have collected relevant information throughout the 2020-21 year to inform our second Modern Slavery Act Statement.

We also plan to share lessons learned, best practice and guidance across the ILSC. Collaboration is essential to ensure we make an impact and partner with all our subsidiaries on this journey.