ILSC BOARD MEETING NO 292 – Out of Session
Held via Microsoft Teams

22 July, 2022 at 08:30 am ACST

MINUTES

ATTENDANCE:

Mr Ian Hamm	Chair
Mr Roy Ah-See	Director
Ms Gail Reynolds-Adamson	Director
Ms Kate Healy	Director
Mr Nigel Browne	Director
Ms Kristy Masella	Director

APOLOGY:

Ms Claire Filson	Deputy Chair

The following attended all or part of the meeting:

Mr Joe Morrison	ILSC Group Chief Executive Officer
Mr Matt Salmon	ILSC Group Operating Officer
Mr Trevor Edmond	ILSC Group General Counsel
Mr David Silcock	ILSC Executive Director Corporate
Ms Anna Schwartz	Gilbert+Tobin Law Special Counsel
Ms Jane Ifield	PricewaterhouseCoopers Senior Manager
Ms Angela Keane	ILSC Board Secretariat

A copy of the Agenda is attached.

Mr Ian Hamm, Chair (**Chair**), welcomed Directors and declared the meeting open at 08:38 am ACST having noted a quorum of Directors was present.

The Chair acknowledged the lands and waters of various Traditional Custodians upon which we all met, and paid respect to Elders and Traditional Owners, past, present and emerging.

1. STANDING AGENDA ITEMS

[redacted]

[redacted]

[redacted]

[redacted]

2.2 National Centre of Indigenous Excellence Limited (NCIE)

2.2.1 NCIE Divestment Wind Up Contingency

Mr M Salmon, Chief Operating Officer (**COO**) presented the paper outlining what has transpired to date on the divestment of 180 George St, Redfern (**Property**) and the transfer of the ILSC subsidiary, the National Centre of Indigenous Excellence Limited (**NCIE Ltd**) to the New South Wales Aboriginal Land Council (**NSWALC**).

Mr Salmon outlined more recent developments citing that on 24 June NSWALC wrote to the ILSC outlining the transfer of 180 George Street, Redfern was dependent on third parties, but remained on schedule. However, the transfer of NCIE Ltd would be delayed since NSWALC had requested additional time owing to insurance and financial due diligence matters.

Mr Salmon confirmed the Property was successfully transferred to NCIE on 30 June 2022.

Of concern was the NCIE Ltd transfer whereby NSWALC outlined they have had a number of due diligence matters yet for resolution. The ILSC Board met on 29 June to consider such matters and resolved to approve a two-week extension to NSWALC, in addition to a further two-week period to finalise such matters.

On 18 July 2022, NSWALC advised it was no longer interested in pursuing membership and control of NCIE Ltd.

Mr Salmon outlined what Management believed to the next step would be to wound up NCIE Ltd with the necessary steps outlined in Agenda Item 2.2.2. He advised that if this were the situation, all staff would be made redundant.

Mr T Edmond, ILSC Group General Counsel (**GGC**) continued and explained that NSWALC were to originally bring on a third party, PYC for the continuation and employment of such services, however, such negotiations had since ceased. Unfortunately, the only outcome for NCIE was to cease operations.

The Chair opened the floor for Board discussion. Issues raised was the excessive drawing down of funds for a number of years and the impact the closure would mean to the staff, tenants and nearly Indigenous community surrounding the Redfern vicinity. The Board stressed the need for ILSC Management to consider a generous support package for employees.

Following discussion, Mr Morrison, ILSC GCEO concluded that he would be meeting face-to-face with staff in the coming week to outline the situation.

Resolved:
ILSC Board resolved to:

1. **Note the contents of the paper; and**
2. **Resolve to confirm the ongoing support of the ILSC to its subsidiary National Centre of Indigenous Excellence Limited (NCIE Ltd) to enable it to confirm it will meet all debts as and when they fall due.**
3. **Resolve to support NCIE Ltd in the proposed Members' Voluntary liquidation of that entity.**

2.2.2 NCIE Liquidation

The GGC advised Directors he had spoken with Director K Healy (on 21 July) to discuss the potential conflict of interest with respect to her employment with PricewaterhouseCoopers Indigenous Consulting Pty Limited. He confirmed as the ILSC are not engaging PwC as a potential liquidator, there was no conflict of interest for Director Healy.

Mr Edmond having taken the paper as read provided Directors with an outline of next steps following the Board's approval in the above item to support a Members' Voluntary liquidation (**MVL**) and formally wind up NCIE Ltd.

Mr Edmond outlined that a number of next steps following the above resolution. Confirmation would be sought of members confirming that the company would be able to pay its debts within 12 months of the liquidation. Mr Edmond explained the steps during which time NCIE would appoint a liquidator and at which time all powers of Directors would be suspended.

Mr Edmond invited Ms Schwartz to provide further explanations on the legal process going forward.

Mr Edmond outlined ILSC Management are working through issues and contingent liabilities and will present a formal resolution to NCIE Board and back to ILSC Board.

The Chair opened the floor for Board discussion.

Ms J Ifield joined the meeting at 9:38 am ACST

Ms Ifield recommended ILSC Management proceed through the two step process – wound up operations prior to appointment of liquidator (as Directors' and Management powers are suspended). Tax implications – look at timing of when liquidation is initiated. Following, a formal appointment can take place.

Extensive questions ensued focusing on timeline and management of NCIE staff.

Action:

GCEO to contact Minister for Indigenous Australians, Ms Linda Burney.

Resolved:
ILSC Board resolved to:

1. **ILSC Board resolves to provide ongoing support to NCIE Ltd at a level sufficient to allow it to pay its debts in full and for the NCIE Ltd Directors to confirm solvency.**
2. **NCIE Ltd Directors meet to confirm solvency of NCIE Ltd and agree the terms of the Declaration of Solvency.**
3. **NCIE Ltd Directors resolve to take all other steps to proceed with the winding up of NCIE Ltd, including formally calling a meeting of the members of NCIE Ltd to consider resolving to wind up NCIE Ltd.**
4. **ILSC Board meets (as the sole member of NCIE Ltd) to resolve to wind up NCIE Ltd, to appoint a liquidator and to confirm any particular terms for the liquidator.**
5. **NCIE Ltd Board meet to note the resolution and the appointment.**

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Mr Ian Hamm
Chair

Australian Government
Indigenous Land and Sea Corporation

The ILSC GROUP

Board-in-Confidence

ILSC BOARD MEETING No 292 – Out of Session

Friday, 22 July, 2022 commencing at 08:30 am ACST
To be held via Microsoft Teams

Board Members:
Ian Hamm (Chair)
Claire Filson (Deputy Chair)
Roy Ah-See
Kate Healy
Nigel Browne
Gail Reynolds-Adamson
Kristy Masella

AGENDA

		Discussion Leader
1.	**STANDING AGENDA ITEMS**	
	[redacted]	[redacted]
	[redacted]	[redacted]
2.	**STRATEGY, POLICY, LEGISLATION, STAKEHOLDERS**	
	[redacted]	[redacted]
	[redacted]	
	[redacted]	
	[redacted]	
	[redacted]	[redacted]
	[redacted]	
	[redacted]	
2.2	**National Centre of Indigenous Excellence Limited (NCIE)**	COO/GGC
2.2.1	**NCIE Ltd Wind Up Contingency**	
2.2.1.1	Letter from NSWALC re Final Offer Response, 18 July 2022 – Annex A	
2.2.1.2	Letter from ILSC's re NSWALC re Final Offer Response, 20 July 2022 – Annex B	
2.2.2	**NCIE Liquidation – Legal Advice**	
3.	**OTHER BUSINESS**	Chair
4.	**IN CAMERA (if required)**	Chair
5.	**NEXT MEETING – Wednesday, 17 August 2022 to be held at ILSC Offices, Brisbane**	Chair

*** Decision required**

CHAIR - Chair, ILSC and RANC (Ian Hamm)
GCEO - Group Chief Executive Officer (Joe Morrison)
COO – Chief Operating Officer (Matthew Salmon)
GGC - Group General Counsel (Trevor Edmond))
EDC - Executive Director Corporate (David Silcock)