Australian Government
Indigenous Land and Sea Corporation

The ILSC GROUP

BOARD DECISION PAPER
BOARD MEETING NO 293 – 3 AUGUST 2022

AGENDA ITEM: 2.1
TITLE: NCIE LTD
PREPARED BY: MR T EDMOND, ILSC GROUP GENERAL COUNSEL

1. PURPOSE

To provide the Board with an update on the status of National Centre of Indigenous Excellence Limited (**NCIE**) and to seek approval for a further funding proposal for NCIE and appoint Mr Joseph Morrison as the representative of the Indigenous Land and Sea Corporation (**ILSC**) at all meetings of members of NCIE.

RECOMMENDATION:

That the ILSC Board:

1. **Note the contents of the paper;**
2. **Revoke Items 2,3 and 4 in ILSC Board Decision 758 and the whole of ILSC Board Decision 770;**
3. **Resolve to approve the change of control of National Centre of Indigenous Excellence Limited (NCIE) from the ILSC to the New South Wales Aboriginal Land Council (NSWALC) and to appoint the ILSC Group Chief Executive Officer, Mr Joseph Morrison (GCEO) as the ILSC's representative to undertake all steps and sign all documents as required to facilitate the change in control;**
4. **Subject to the completion of matters referred to in Resolution 3, resolves to approve the granting of moneys to NCIE under s191E of the *Aboriginal and Torres Strait Islander Act 2005 (*Cwth*)* to assist in it meeting the costs of operating the Fitness and Aquatic activities and corporate functions for a period of 3 years commencing on the date NSWALC take control of NCIE with an initial contribution of $3 million for year 1 and a further $3 million to be provided as requested by NCIE over the remaining 2 years, upon such terms as the GCEO shall approve and to enter into a Deed of Grant otherwise on the ILSC's standard terms and conditions of grant;**
5. **Resolve to approve the ILSC's participation in a tripartite review of NCIE's operational effectiveness and abilities with NSWALC and NCIE to be undertaken within 18 months following the date NSWALC take control of NCIE;**
6. **Resolve to authorise the affixing of the ILSC Common Seal to the Deed of Grant referred to in Resolution 4 and any documents required under Resolution 3 in accordance with ILSC Board Decision 615.**

2. BACKGROUND

Directors are aware of the prior determinations based upon the previously unsuccessful negotiations with the New South Wales Aboriginal Land Council (**NSWALC**) for the effective

transfer of control of National Centre of Indigenous Excellence Limited (**NCIE**) at or about the time the property at 180 George Street Redfern was transferred by the ILSC to NSWALC.

Directors are also aware that, due to that, and based on the ILSC's prior stated positions on stepping out of subsidiary operations on divestment, the ILSC Board determined to only support NCIE and its activities through the process of winding down operations and eventually the winding up of NCIE.

Based on that, NCIE had commenced steps to wind down operations, including providing notice to NCIE staff on 1 August 2022 of the decisions.

These steps have led to a considerable public response, both for staff, community around Redfern and the broader Sydney community. This has also led to discussions with both the Minister for Indigenous Australians and NIAA.

This response has warranted that both the ILSC and NSWALC reconsider their respective final decisions as discussed at the ILSC Board meeting of 22 July, leading to an amended proposal being put to NSWALC by the ILSC on 2 August 2022. A copy of the letter from the ILSC GCEO to the Chair of NSWALC is attached at **Annexure A**.

The Board of NSWALC is meeting this morning (3 August 2022) and an update of their response will be provided at the meeting. It is understood however that, at the very least, to allow NSWALC to expand NCIE's membership to include community entities, a request will be made to remove the condition that NSWALC remain the only member of NCIE during the proposed funding period. If that request is made, it would be ILSC's recommendation to agree to it.

3. ASSESSMENT

(a) Risk Analysis

Enterprise Risk Management Pillar [Our overall risk appetite is moderate, which aligns to our strategic vision of being able to engage with risk to pursue opportunity when engaging with our partners. However, our risk appetite is low in relation to the health, safety and wellbeing of our employees; of the unauthorised disclosure of official information; and fraudulent conduct] p	**Risk** Explain the risk/s of the proposal to this Pillar – e.g. meets, tests, exceeds appetite	**Opportunity** Outline or highlight how the proposal pursues or extends operational/strategic objectives (include here if additional funding, resources etc could achieve the objective earlier or mitigate against realising a risk)
1. Meet our statutory obligations, including ATSI / PGPA Act	N/A	N/A
2. Be a valued and trusted partner to the Indigenous Estate	The previous failure to reach a concluded position with NSWALC as to the future of NCIE has led and will continue to lead the ILSC into disputation with members of the Redfern community and others. There	While there will no doubt continue to be some reputational issues, the ability to conclude and announce a completed deal that revives NCIE and allows it to continue to operate from the Redfern property, will go a long way to reduce that and stop any ongoing significant reputational issues.

	has already been reputational damage done and it will continue if there is no concluded position.	

(b) Strategic Realisation

N/A

(c) Financial Implications

Budget Position	Assessment
Is spend budgeted?	No
Impact on current approved budget	Not applicable
Impact on forecast budget	Not applicable

4. PRIOR BOARD RESOLUTIONS

Title	Decision No.	Meeting Date
NCIE Ltd Wind Up Contingency	770	29 July 2022
NCIE Liquidation	769	22 July 2022
NCIE Divestment Wind Up Contingency	768	22 July 2022
NCIE Divestment Update	765	29 June 2022
NCIE Divestment Update	759	15 June 2022
NCIE Divestment	758	5 May 2022
NCIE Ltd – Transition Plan	731	18 Aug 2021
NCIE Ltd Review	719	16 Jun 2021
NCIE Divestment Deed	708 – CR	25 Apr 2021
NCIE Review	688	17 Feb 2021
NCIE Divestment Strategy	677	09 Dec 2020
NCIE – Divestment Plan Progress Update	665	21 Oct 2020
NCIE Funding	623	27 May 2020
Common Seal	615	26 Mar 2020

5. ENDORSEMENT

In making this recommendation, I confirm there are no, and I am not aware of any, conflicts of interest:

☒ Prepared: Trevor Edmond, General Counsel

☒ Endorsed: Matt Salmon, Chief Operating Officer

☒ Endorsed: Joe Morrison, Group CEO

ANNEXURE:

A. Letter from ILSC GCEO to NSWALC Chair

Australian Government
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The ILSC GROUP

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BOARD RESOLUTION

Board Resolution No

BOARD MEETING NO: 293
MEETING DATE: 3 AUGUST 2022

FOR: **NCIE LTD**

THE BOARD OF DIRECTORS OF THE INDIGENOUS LAND AND SEA CORPORATION

It is recommended that the ILSC Board resolve the following:

1. **Note the contents of the paper;**
2. **Revoke Items 2,3 and 4 in ILSC Board Decision 758 and the whole of ILSC Board Decision 770;**
3. **Resolve to approve the change of control of National Centre of Indigenous Excellence Limited (NCIE) from the ILSC to the New South Wales Aboriginal Land Council (NSWALC) and to appoint the ILSC Group Chief Executive Officer, Mr Joseph Morrison (GCEO) as the ILSC's representative to undertake all steps and sign all documents as required to facilitate the change in control;**
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SIGNED, Ian Hamm, Chair: ..... Date: 3 August 2022