

BOARD DECISION PAPER
BOARD MEETING No 221—21 February 2018

**NATIONAL CENTRE OF INDIGENOUS EXCELLENCE—
TRANSITION OPTIONS**

Purpose

To provide the Board with options regarding the transition of National Centre for Indigenous Excellence Ltd (NCIE).

Recommendation

That the Board endorses Option B, that is:

- *to amend the membership of the NCIE Board to two ILC Directors*
- *to place further work on the integration of NCIE Ltd into the ILC on hold until a detailed Divestment Strategy for the property and operating entity is developed and endorsed by the ILC Board.*

Link to Strategic Intent

Strategy 2: *Positioning the ILC to invest in the future* by reducing the financial dependency of NCIE on ILC funds via the divestment of the asset and operating entity.

Strategy 5: *Building an ILC structure, capability and culture to drive strategic intent* by aligning the governance structure of NCIE to that of the ILC.

Executive Summary

In 2017 the ILC Board commissioned a Baseline Review of ILC Governance and Structures. The review found that the current subsidiary governance arrangements limit the ILC's ability to perform at a higher level and have resulted in a situation where:

- Subsidiary Boards operate autonomously under individual charters, which could lead to misalignment of activities and non-delivery of strategic intent
- In some cases subsidiary Boards have become large and unwieldy with an inappropriate mix of skills that limit the ability of the ILC Group to deliver on strategic intent
- The existence of subsidiary Boards and their Committees adds expense and burden to the ILC Group and reduces the ability to deploy scarce resources to meet strategic intent.

At its August 2017 meeting, the ILC Board resolved that:



It is also important to consider potential changes to NCIE's operating environment in transition planning, particularly in light of emerging divestment discussions with the New South Wales Aboriginal Land Council (NSWALC). Should divestment discussions progress as anticipated, the ILC could be considering a divestment decision for NCIE within six to 12 months.

Therefore, it is recommended that further work on the integration of NCIE's operations into the ILC be considered in the broader context of a detailed Divestment Strategy for NCIE. The recommendation is based on the following rationale:

- The ILC is obliged under the *Aboriginal and Torres Strait Islander Act (2005)* to divest all properties it acquires within a reasonable timeframe and is committed to developing divestment strategies for each of its landholdings
- Since its establishment, a detailed divestment strategy has not been in place for NCIE
- NSWALC is a financially secure statutory landholding body with a mandate to acquire culturally significant and economically viable land, pursuing cultural, social and economic independence for Indigenous people in NSW
- The integration of NCIE Ltd's operations into the ILC may hinder, as opposed to assist, in the divestment of the property and the operating entity
- Issues outlined within the Board commissioned Baseline Review of ILC Governance and Structures (outlined above) can be addressed at the governance level via structural changes to the NCIE Board.

While integration of NCIE's operations into the ILC should follow the development of a Divestment Strategy, the Board can still pursue changes to NCIE's governance structure with a view to addressing alignment issues outlined in the Baseline Review of ILC Governance and Structures.

It is imperative that NCIE is fully aligned and committed to the implementation of the Divestment Strategy the ILC Board endorses. With this in mind, it is also recommended that the NCIE CEO commence a reporting line to the ILC Group CEO.

Therefore, two options are proposed for Board consideration:

- A. Develop NCIE Divestment Strategy—current Board and administration arrangements are maintained while a detailed Divestment Strategy is developed for the NCIE property and operating company (with integration considered within the Divestment Strategy), or
- B. Develop NCIE Divestment Strategy and amend governance structure—while a detailed Divestment Strategy is developed for both the NCIE property and operating company, NCIE Board membership is amended to include only two ILC Directors to maintain basic compliance and operational matters. Key strategic decisions such as the highest and best use assessment and divestment related activity should be referred to the ILC Board.

Recommendation

That the Board endorses Option B, that is:

- to amend the membership of the NCIE Board to two ILC Directors
- to place further work on the integration of NCIE Ltd into the ILC on hold until a detailed Divestment Strategy for the property and operating entity is developed and endorsed by the ILC Board.

Endorsements
<p>Recommended by:</p> <p>Tim Larkin Integration Project Manager</p> <p>5 February 2018</p> <p>In recommending this, I declare I have no conflict of interest</p>
<p>Supported by:</p> <p>John Maher ILC Group CEO</p> <p>... February 2018</p> <p>In supporting this recommendation, I declare I have no conflict of interest</p>



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BOARD DECISION

Decision No

BOARD MEETING No: 221
MEETING DATE: 21 February 2018
PROJECT NAME: NCIE Transition Options

THE BOARD OF DIRECTORS OF THE INDIGENOUS LAND CORPORATION:

1. **Notes** the information in the briefing paper entitled *National Centre of Indigenous Excellence—Transition Options*.
2. **Endorses** the ILC to develop a detailed Divestment Strategy for the NCIE asset and operating company.
3. **Agrees** to place further work on the integration of NCIE Ltd’s operations into the ILC on hold until the ILC Board endorses a Divestment Strategy.
4. **Agrees** to amend the membership of the NCIE Ltd Board to include only two ILC Directors.
5. **Agrees** the NCIE CEO is to commence a reporting line to ILC Group CEO.

SIGNED, Edward Fry, Chairperson

Date: 21.02.18



Australian Government
Indigenous Land Corporation



The ILC GROUP

ILC BOARD MEETING No 221

Wednesday, 21 February 2018
Adina Treasury, Adelaide, SA

MINUTES

ATTENDANCE:

Mr Edward Fry	Chair
Mr Joseph Elu AO	Deputy Chair
Mr Anthony Ashby	Director
Ms Patricia Crossin	Director
Dr Donna Odegaard AM	Director
Ms Tanya Hosch	Director

Apology:

Nil.

Not attending:

Mr Bruce Martin	Director
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The following attended all or part of the meeting:

Mr John Maher	ILC Group CEO
Ms Tricia Button	ILC Deputy CEO
Mr Nigel Wilson	General Counsel
Ms Leah Ritchie	ILC Associate Counsel
Ms Rachel Martinson	ILC Para-Legal
Mr Tim Larkin	ILC Integration Project Leader
Ms Jodie Stevens	ILC Group Director People and Culture
Mr John Edmunds	ILC WHS Coordinator
Ms Maria Storti	ILC AAC Chair (by telephone)

A copy of the agenda is attached.

The Chair welcomed participants and opened the meeting at 8.40am ASCT.

IN CAMERA SESSION (Directors and Mr Wilson attending)

8.45am Director Hosch attending

9.05am Close of *in camera* session

Mr Maher, Ms Button, Ms Ritchie and Ms Martinson attending

WELCOME TO COUNTRY (by ILC Chair)

1.1 APOLOGIES/APPROVED LEAVE OF ABSENCE

No apologies.

The Board noted that Director Martin did not join the meeting and had not been given an approved leave of absence.

1.2 DECLARATIONS OF CONFLICT OF INTEREST

Directors confirmed they had no additional interests to declare.

2. IN CAMERA SESSION

(in camera session was held at 8.40 am – above)

3. PRESENTATION BY DIRECTOR

Dr Odegaard gave a presentation about her understanding of culture from a personal perspective. She explained how it informs her role as a Director of the ILC and reflected on her recent experience in relation to the Port Smith divestment. She spoke of her experiences on behalf of the Larrakia people and in the Kenbi land claim. She concluded by discussing the “Ask First” book, the guide to respecting indigenous heritage places and values. She acknowledged the privilege she feels in being involved in the ILC Board.

4. MINUTES OF PREVIOUS MEETING

4.1 Meeting No 219 of 6 December 2017

The Minutes of Meeting No 219 of 6 December 2017 were accepted as a true and accurate record.

4.2 Meeting No 220 of 1 February 2018 (Teleconference)

The Minutes of Meeting No 220 of 1 February 2018 were accepted as a true and accurate record.

4.3 Actions Arising Status Report

Report noted.

5. CHAIR’S REPORT

The Board noted the written report on the Chair’s meetings and correspondence since his last verbal report to the Board on 6 December 2017.

Report noted.

6. CHIEF EXECUTIVE OFFICER’S REPORT

The Group CEO presented his Report to the Board and answered questions from Directors. Director Hosch requested to be informed on a confidential basis regarding the NBY claim. Director Hosch thanked the Group CEO for organising the pre-Christmas visit to Roebuck Plains Station.

Action: Group CEO to inform Director Hosch on a confidential basis of NBY claim.

Director Crossin asked about progress with the EBA. ILC Group CEO provided an update.

Report noted.

10.2 HOME VALLEY BUDGET – JANUARY TO JUNE 2018

The Board:

1. **rejected the submission and requested that Voyages be requested to resubmit the budget in a revised format incorporating a strengthening of the financials and providing a number of possible options/ modelling based on those revised financials.**

9. GOVERNANCE

9.1 AMENDMENTS TO SUBSIDIARY CONSTITUTIONS

The Board:

1. **approved the proposed amendments to the Constitutions of its subsidiaries, Voyages Indigenous Tourism Australia Pty Ltd (Voyages), National Centre of Indigenous Excellence Ltd (NCIE) and Australian Indigenous Agribusiness Company Pty Ltd (AIA) as per Attachments A, B and C to the Briefing Paper respectively.**

9.2 INVESTMENT COMMITTEE CHARTER

The Board **noted** that consideration of this agenda item had been deferred to the next Board Meeting.

9.3 APPOINTMENTS TO BOARD COMMITTEES

The Board:

1. **noted that the Remuneration and Nomination Committee (RANC) had considered the merits of each appointment and endorses the recommendations**
2. **agreed to reappoint Ms Maria Storti as independent chair of the AAC for a further two years**
3. **agreed to reappoint Director Crossin as Chair of the WHSC for a further two years or until expiry of her appointment as an ILC Director, whichever is the sooner**
4. **agrees to appoint an additional ILC Director, Dr Donna Odegaard, to the WHSC, in accordance with the requirements of the WHSC Charter**
5. **agreed to appoint Mr Jim Kent as an independent member of the WHSC for a period of two years.**

Board Decision No 508 refers

10.20am (Mr Wilson, Ms Button, Ms Ritchie and Ms Martinson were requested by the ILC Chair to leave the meeting)

9.4 APPOINTMENT TO VOYAGES BOARD

In camera Board discussion.

10.45am

(Mr Wilson, Ms Button, Ms Ritchie and Ms Martinson were requested by the ILC Chair to re-attend the meeting)

The Board:

1. Noted the briefing paper entitled *Subsidiary Board Appointment—Independent Chair of Voyages Indigenous Tourism Australia*.
2. Noted that the Remuneration and Nomination Committee has considered the proposed reappointment and recommends the appointment of Mr Rick Allert as Voyages Chair.
3. Appointed Mr Rick Allert as a Director and Chair of Voyages Indigenous Tourism Australia for a further period of 12 months, noting the timeframe of this appointment is subject to any decision of the ILC Board with regard to the transition of Voyages into the ILC.

(Ms Button was requested by the ILC Chair to leave the meeting.)

9.5 DEPUTY CEO DELEGATIONS

The Board:



1. Noted the briefing paper entitled *Delegations—Position of Deputy CEO*.
2. Agreed to extend the delegations applicable to the position of Executive Director Program Delivery to the position of Deputy CEO.
3. Authorised the affixing of the Seal on the attached Instrument of Delegation regarding the Deputy CEO.

Board Decision No 507 refers

9.7 REPORTS AGAINST 2017 SUBSIDIARY STATEMENTS OF EXPECTATIONS

The Board noted that Voyages had not provided their SOE.

The Board:

1. Noted the statues of subsidiary reporting against 2017 SOEs.
2. 
3. 

Action:



9.6 SENATE ORDER ENTITY CONTRACTS

The Board:

1. Noted the briefing paper entitled *Senate Procedural Order of Continuing Effect: Entity Contracts—ILC Contract List 2017 Calendar Year*.
2. Approved the ILC 2017 Contract List as referred to in Attachment A to the above briefing paper.
3. Authorised the publication of the above Contract List on the ILC website in accordance with the Senate Procedural Order.

Board Decision No 510 refers

12.3 REPORTS FROM BOARD COMMITTEES – WORK HEALTH AND SAFETY COMMITTEE

The ILC Chair stated that the ILC is to have a say as to who is appointed as the new GM, WHS, at Voyages.

Action: The ILC is to have a say as to who is appointed as the new GM, WHS at Voyages.

The ILC Group CEO acknowledged the extensive work undertaken by Director Crossin in relation to ILC WHS.

The Board:

1. Noted the contents of the Brief.

12.2 REPORTS FROM BOARD COMMITTEES – REMUNERATION AND NOMINATION COMMITTEE

Nil to report.

10.1 FINANCE AND CORPORATE REPORTS – FINANCIAL PERFORMANCE REPORT – ILC, SUBSIDIARIES AND CONSOLIDATED GROUP

ILC Group CEO drew attention to Attachment A.

Director Hosch inquired about Director Martin.

12.30 pm (The ILC Chair requested Mr Wilson, Ms Ritchie and Ms Martinson to leave the meeting).

In camera discussion.

ILC Board's discussion regarding Director Martin was superceded by resolutions at 7.1 – AIA REVISED TRANSITION PLAN (below).

The Board resolved in relation to the Finance and Corporate Report:

1. Noted the key matters and the contents of the Report.

13.1 OTHER BUSINESS – AUSTRALIAN GOVERNMENT PROPOSED LEGISLATION – ATSI LAND AND SEA FUTURE FUND AND EXTENSION TO WATER BASED ACTIVITIES

Paper tabled together with *Confidential and Privileged* Memorandum of Advice from the General Counsel.

The Board:

1. Noted the contents of the brief and ILC General Counsel advice provided at Attachment A;
2. Supports the approach of PMC to progress the reforms to the Land Account through separate legal instruments noting that the ILC will maintain a watching brief on the legislative process.

10.3 FINANCE AND CORPORATE REPORTS – LAND ACCOUNT

The Board:

1. Noted the contents of the brief and the attached reports.

12 noon:

8.5 STRATEGIC ISSUE – REVIEW OF VOYAGES' STAKEHOLDER ENGAGEMENT - IN CAMERA PRESENTATION BY MS KERRYNN LIDDLE

The Board:

1. Resolved that the ILC Chair attend all future Voyages Board meetings including in relation to implementation of this Review which had been commissioned by the ILC.
2. Tabled and approved the Recommendations in the Review to take effect.
3. Requested that the ILC Chair write to the Voyages Chair enclosing a copy of the Review on a confidential basis for distribution to Voyages Board members
4. Requested that Ms Liddle attend the next Voyages Board meeting on Wednesday 28 February 2018. The ILC Board also requested that Mr Tim Larkin be involved in the implementation process.

Actions:

1. ILC Chair attend all future Voyages Board meetings including in relation to implementation of this Review which had been commissioned by the ILC.
2. Request that the ILC Chair write to the Voyages Chair enclosing a copy of the Review on a confidential basis for distribution to Voyages Board members
3. Request that Ms Liddle attend the next Voyages Board meeting on Wednesday 28 February 2018. The ILC Board also requested that Mr Tim Larkin be involved in the implementation process.

1pm: LUNCH

8.1 CONSULTATION ON THE REGIONAL INDIGENOUS LAND STRATEGIES (RILS) 2018-2022

The Board:

- 1. Noted that stakeholder consultation supporting the preparation of the RILS commenced on 31 January.**
- 2. Notes that the RILS will be presented for Board endorsement at its April 2018 meeting.**

8.2 STRATEGIC ISSUES – NEW GROUP PERFORMANCE MEASURES

ILC Chair sought confirmation of measures.

Action: A4 landscape dashboard to be provided to next ILC Board meeting on a weighted basis of 4 regions and indexed to 5 strategic intents.

Director Crossin raised the issue of whether it has the potential to measure carbon projects. Director Hosch queried whether reputational value can be measured and encouraged the promotion of NILS to improve the ILC brand.

The Board:

- 1. Noted the content of the briefing.**
- 2. Requested a rework of the presentation of the statistics.**
- 3. Requested that the scope of work add value regarding the NILS and enhanced the value of the Native Title workshop sponsorship.**

Actions:

1. Rework of the presentation of the statistics.
2. Scope of work be revised to add value regarding the NILS and enhanced the value of the Native Title workshop sponsorship.

8.3 STRATEGIC ISSUES – ACHIEVEMENTS OF THE 60-DAY COMMUNICATIONS PLAN

The Board:

- 1. Noted the achievements of the 60-Day Communications Plan.**
- 2. Acknowledges the work of the ILC Executive Team.**

8.4 KPMG AUDIT REPORT OF VOYAGES AYERS ROCK RESORT

The Board:

- 1. Notes the findings of the KPKG Audit Report of ARR.**
- 2. Approved the provision of the KPMG Report to the Voyages Chair (and Voyages Board members only) on a confidential basis together with the Voyages' Management Response.**

Action: The KPMG Report to be provided to the Voyages Chair (and Voyages Board members only) on a confidential basis together with the Voyages' Management Response.

2.15 PM

(The ILC Chair request Nigel Wilson to leave the meeting)

IN CAMERA

7.1 TRANSITION IMPLEMENTATION – AIA REVISED TRANSITION PLAN – IN CAMERA

The Board noted current work underway by AIA to review its operating footprint and which properties were 'washing their face' and/or 'generating significant Indigenous Benefits'.

Revised tax advice suggests that Tax liability is negligible and transferring stock to ILC doable.

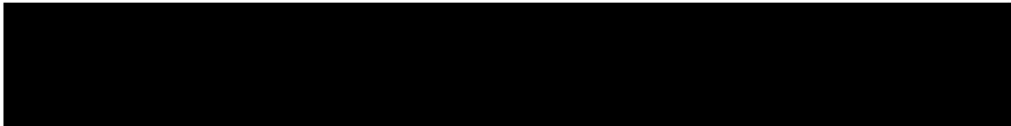

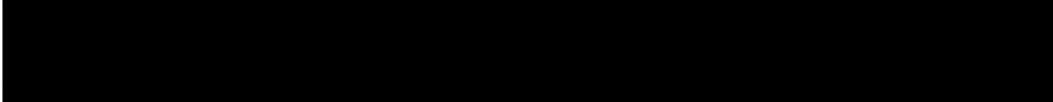
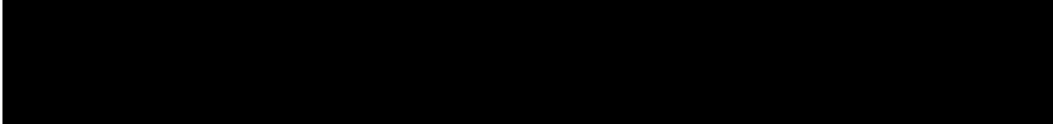

Board discussed remuneration of AIA CEO as it relates to independent Mercer Exec Rem Review.

Actions: Further Paper Recommendation F the AIA CEO will join the ILC Executive Team reporting to the Group CEO.

Matter of AIA CEO Remuneration to be resolved to reference with independent Rem Reviews.

Bring to June Board future directions of agribusiness paper including (a) review of AIA properties and operating footprint; and (b) views on capability requirements.

The Board:

1. **Noted the contents of the AIA Transition Plan**
2. **Endorsed the revised key recommendations from the AIA Transition plan, outlined below:**
 - a. 
 - b. 
 - c. **The AIA Board is restructured with membership limited to two ILC Directors (unpaid) to maintain compliance obligations only**
 - d. **An unpaid Advisory Committee consisting of two Agribusiness experts is established to provide ongoing technical and commercial advice to the ILC Agribusiness Directorate and, where required, the ILC Board**
 - e. 
 - f. 
 - g. 
 - h. **The AIA Stakeholder Engagement Plan provided in Attachment A of the AIA Transition Plan is noted and endorsed.**

7.3. TRANSITION IMPLEMENTATION – RECOMMENDED STRUCTURE FOR ILC FINANCE AND IT – IN CAMERA

The Board noted the merits and value add of having a highly experienced Group CFO.

The Board noted the need to ensure stability and the need to recruit quickly.

The Board:

1. Noted the findings and recommendations outlined in the paper and its attachments
2. Endorsed the ILC Group CEO to appoint an ILC Group Chief Financial Officer and an ILC Group Chief Information Officer.

7.4. TRANSITION IMPLEMENTATION – RECOMMENDED GROUP STRUCTURE FOR ILC LEGAL – IN CAMERA

The Group CEO acknowledged the merits of a Group legal structure if transition of subsidiaries is approved.

The Board:

1. Noted the information provided in the Board Paper
2. Noted that work was underway to consider the most appropriate structure to deliver legal services to the ILC Group

(The ILC Chair requested Nigel Wilson to reattend the meeting)

Director Crossin left the meeting.

3PM

12.1 REPORTS FROM BOARD COMMITTEES – AUDIT AND ASSURANCE COMMITTEE

Ms Maria Storti attending (by teleconference)

12.1 AUDIT AND ASSURANCE COMMITTEE REPORT

The Board:

1. Noted the contents of the Brief.

12.1.1 AUDIT AND ASSURANCE COMMITTEE – COMCOVER BENCHMARKING SURVEY

The Board:

1. Noted the briefing paper and acknowledged these responses accurately reflect the ILC Group's current risk management practices.
2. Approved and authorised the submission of the ILC Group's response to Comcover Risk Management Benchmarking Survey 2018.

Board Decision No 211 refers

Action: Submission of the ILC Group's response to Comcover Risk Management Benchmarking Survey 2018 to be made.

12.1.2 AUDIT AND ASSURANCE COMMITTEE – RISK MANAGEMENT FRAMEWORK

The Board:

1. Noted the contents of the paper.
2. Endorsed the revised 2018 ILC Group Risk Management Framework, Policy, Procedure, Plan and attachments.
3. Noted the draft status of the detailed Strategic and Operational Risk Register and Action Plan.

Board Decision No 212 refers

Ms Maria Storti left the meeting by teleconference.

3.25pm

(ILC Chair requested Nigel Wilson to leave the meeting)

7.2. TRANSITION IMPLEMENTATION – NCIE TRANSITION OPTIONS – IN CAMERA

(3.25pm ILC Chair requested Director Ashby to leave the meeting)

Board briefed on due diligence of NSWALC divestment options.

Board noted the merits of deferring integration until Divestment Strategy and future directions is established.

Recommendations of the Paper were not accepted by the Board.

Actions:

1. Implementation Plan Manager to bring back to Board (out of session) a Paper with revised options which: (a) sets out a co-operative approach between the ILC and NCIE Boards towards Divestment; (b) ensures strategy alignment; and (c) sets out the non-negotiables for joint NCIE and ILC future strategy on divestment and future operations.

9.8 CYBERSECURITY – THE DIRECTOR'S ROLE

Deferred to the next meeting.

Action: Cybersecurity – The Director's Role presentation to be given at April 2018 meeting.

There being no further business, the Chair closed the meeting at 4.15pm.

A handwritten signature in cursive script, appearing to read "Edward Fry".

Mr Edward Fry
Chair

Board-in-Confidence

ILC BOARD MEETING No 221

8.30 am to 4.30 pm

Wednesday, 21 February 2018

Old Cabinet Room
Adina Apartment Hotel Adelaide Treasury
2 Flinders Street
ADELAIDE

AGENDA

		<i>Discussion Leader</i>
1. Apologies/Declarations		Chair
1.1	Apologies/Approved Leave of Absence	
1.2	Declarations of Interest	
2. In Camera Session		Chair
3. Presentation by Director		Dir Odegaard
4. Minutes of Previous Meetings		Chair
*	4.1 Meeting No 219 of 6 December 2017	
*	4.2 Meeting No 220 of 1 February 2018 (Teleconference)	
	4.3 Actions Arising Status Report	
5. Chair's Report		Chair
6. Chief Executive Officer's Report		CEO
7. Transition Implementation (<i>in camera</i>)		IPM
*	7.1 Australian Indigenous Agribusiness—Revised Transition Plan	
*	7.2 National Centre of Indigenous Excellence—Transition Options	
*	7.3 Recommended Group Structure for ILC Finance and IT	
*	7.4 Recommended Group Structure for ILC Legal	
8. Strategic Issues		
8.1	Regional Indigenous Land Strategies	DCEO
8.2	New Group Performance Measures	DCEO
8.3	Achievements of the 60-Day Communication Plan	DCEO
8.4	KPMG Audit Report on Voyages Ayers Rock Resort	P&C
8.5	Review of Voyages' Stakeholder Engagement (<i>in camera</i> presentation from 12.00-12.45 pm by Kerryne Liddle)	Chair
9. Governance		GC
*	9.1 Amendments to Subsidiary Constitutions	

	9.2	Investment Committee Charter - DEFERRED	
*	9.3	Appointments to Board Committees	
*	9.4	Appointment to Voyages Board	
*	9.5	Deputy CEO Delegations	
*	9.6	Senate Order Entity Contracts	
	9.7	Reports against 2017 Subsidiary Statements of Expectations	
	9.8	Cyber Security—The Director's Role (<i>one hour presentation by Nigel Wilson, ILC General Counsel</i>)	
10. Finance and Corporate Reports			COO
	10.1	Financial Performance Report—ILC, Subsidiaries and Consolidated Group	
*	10.2	Home Valley Budget—January to June 2018	
	10.3	Land Account	
11. Land Acquisition, Land Management and Divestments—Nil			
12. ILC Board Committees			
	12.1	Audit and Assurance Committee Report	AAC
*		12.1.1 Comcover Benchmark Survey	
*		12.1.2 Risk Management Framework	
	12.2	Remuneration and Nomination Committee Report	Chair
	12.3	Work Health and Safety Committee Report	WHSC
13. Other Business			Chair
14. In Camera Session			Chair
15. Supplementary Reading			
	15.1	ILC Subsidiaries—Management Reports	
		15.1.1 Voyages Indigenous Tourism Australia	
		15.1.2 National Centre of Indigenous Excellence	
		15.1.3 Australian Indigenous Agribusiness Company	
	15.2	Reports for Information	
		15.2.1 Major Land Management Projects	
		15.2.2 Power of Attorney Register	
		15.2.3 Common Seal Register	
		15.2.4 Media and Communications Update	
	15.3	Attachments to Briefing Papers	

*Decision required

CEO—Chief Executive Officer (John Maher)
DCEO—Deputy Chief Executive Officer (Tricia Button)
GC—General Counsel (Nigel Wilson)
COO—Acting Chief Operating Officer (Hanne Damgaard)
P&C—Group Director, People and Culture (Jodie Stevens)
IPM—Integration Project Manager (Tim Larkin)
AAC—Chair, Audit and Assurance Committee (Maria Storti)
WHSC—Chair, Work Health and Safety Committee (Director Crossin)



Australian Government
Indigenous Land Corporation



The ILC GROUP

ILC BOARD MEETING No 223

Wednesday, 18 April 2018
Kamberrri Room (IBA)
Level 2, 15 Lancaster Place
Majura ACT

MINUTES

ATTENDANCE:

Mr Edward Fry	Chair
Mr Joseph Elu AO	Deputy Chair
Mr Anthony Ashby	Director
Ms Trish Crossin	Director
Ms Tanya Hosch	Director

Apology:

Dr Donna Odegaard AM	Director
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Not attending:

Mr Bruce Martin	Director
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The following attended all or part of the meeting:

Mr John Maher	ILC Group CEO
Mrs Tricia Button	Deputy CEO
Mr Tim Larkin	Integration Project Leader
Ms Jodie Stevens	Group Director, People and Culture
Mr David Silcock	ILC Group CFO
Ms Maria Storti	ILC AAC Chair (by telephone)
Ms Leah Ritchie	Associate Counsel (Minute taker)
Representatives from Gresham	
Representatives from Newgate	
Representatives from Gilbert and Tobin (by telephone)	

A copy of the agenda is attached.

The Chair welcomed participants and opened the meeting at 10.30 am AEST.

1. **APOLOGIES/DECLARATIONS**
- 1.1 **APOLOGIES/APPROVED LEAVE OF ABSENCE**

Apology from Director Odegaard.

The Board noted that Director Martin did not join the meeting and had not been given an approved leave of absence.

1. APOLOGIES/DECLARATIONS
1.2 DECLARATIONS OF INTEREST

Directors confirmed they had no additional interests to declare.

2. IN CAMERA SESSION

Actions:

That the ILC's *Bullying and Harassment Prevention Policy* and the *Public Interest Disclosure Scheme Procedures* be revised and updated. Following this, that staff are made aware of these documents through relevant communications.

3. PRESENTATION BY DIRECTOR

Deferred to next meeting.

4. MINUTES OF PREVIOUS MEETINGS
4.1 MEETING No 221 OF 21 FEBRUARY 2018

Amendment to be made to page 4 to strike the action under Item 9.4 and remove the wording "Board Decision 508 refers" and on page 10 to replace the word "note" with the word "not" of the Minutes for Meeting No 221.

Excepting the changes needing to be made as described above, the Minutes of Meeting No 221 of 21 February 2018 were accepted as a true and accurate record.

4. MINUTES OF PREVIOUS MEETINGS
4.2 MEETING No 222 OF 9 MARCH 2018 (Teleconference)

Action:

Deputy CEO to follow up with Director Crossin and Director Ashby. Circular resolution of the minutes of Meeting No 222 to follow.

4. MINUTES OF PREVIOUS MEETINGS
4.3 ACTIONS ARISING STATUS REPORT

Report noted.

5. CHAIR'S REPORT

Report noted.

5. CHAIR'S REPORT

5.1 EXTENSION OF ILC GROUP CEO CONTRACT OF EMPLOYMENT

(in camera—Directors only attending)

The Chair reported that the Board had resolved to offer the ILC Group CEO a further two-year contract, noting forward strategic imperatives.

Agreed to extend the ILC Group CEO Contract of Employment for a period of 2 years.

Board Decision No 514 refers

6. CHIEF EXECUTIVE OFFICER'S REPORT

Mr Maher asked the Chair to assist by asking Voyages to provide benchmark data on the Tourism sector. Further to the YTD performance, it was noted that there was no great shift in properties at risk; two properties have been acquired this year to date; and six Grants of Land have been approved to date and pending legal transfer of titles, at which point they count as divestments for annual reporting purposes. It was noted that the ILC maintains an effort (with Legal support required) to have transfers of titles executed in a more timely matter, with some taking over 12 months.

With regard to an update on Group treasury arrangements, the Acting Group CFO stated that changes to the Group policy would be put to the June Board meeting.

Action:

Legal to communicate with the Lands Offices in each jurisdiction with regard to the amount of time it takes to divest land.

7. TRANSITION IMPLEMENTATION (IN CAMERA)

7.1 AUSTRALIAN INDIGENOUS AGRIBUSINESS—GOVERNANCE ARRANGEMENTS

The Board:

- 1. *Noted the briefing paper entitled Australian Indigenous Agribusiness Company – Governance Arrangements***
- 2. *Approved that pursuant to clause 55.3 of the AIA Constitution the ILC will give notice in writing to AIA that the maximum number of Directors of AIA shall be two.***
- 3. *Agreed to remove Mr Bruce Martin as a Director of AIA and to replace him with Tricia Crossin.***
- 4. *Agreed to remove Ms Kimberley Bridge as a Director of AIA.***
- 5. *Agreed that Mr John Maher will continue in the role of Director of AIA on an ex-officio basis in accordance with s 63A of the AIA Constitution.***

6. *Approved the AIA Section 191G Agreement provided at Attachment A to the briefing paper.*

Board Decision No 518 refers

7. TRANSITION IMPLEMENTATION

7.2 NATIONAL CENTRE OF INDIGENOUS EXCELLENCE—TRANSITION OPTIONS

The Chair advised that a letter was sent to the Chair of NCIE, confirming that transition has been put on hold until a Divestment Strategy is developed. Clarity was sought on the content of the letter and the extent it reflected the February Board discussions and the subsequent discussions with Director Ashby, Chair and Group CEO. It was acknowledged that Director Ashby had excused himself for some of the February Board discussions on NCIE transitional matters. It was reported that the NCIE Board was concerned by the outcomes of the February Board meeting as they were presented in the ILC Chair's letter. It was agreed that a follow-up meeting between Director Ashby, Alison Page, Clare McHugh, Chairman Fry, Tim Larkin and Group CEO would provide further clarity of the ILC Board's February decision concerning NCIE transition.

The focus on pursuing a divestment strategy for NCIE was discussed, and remains the immediate priority, noting that both the ILC and NCIE needed to undertake their own due diligence on NSWALC as a divestment option. It was noted that a Divestment Strategy, as opposed to a detailed and specific Divestment Plan (agreed to by the ILC and the future THB) would be presented to the June meeting.

Action:

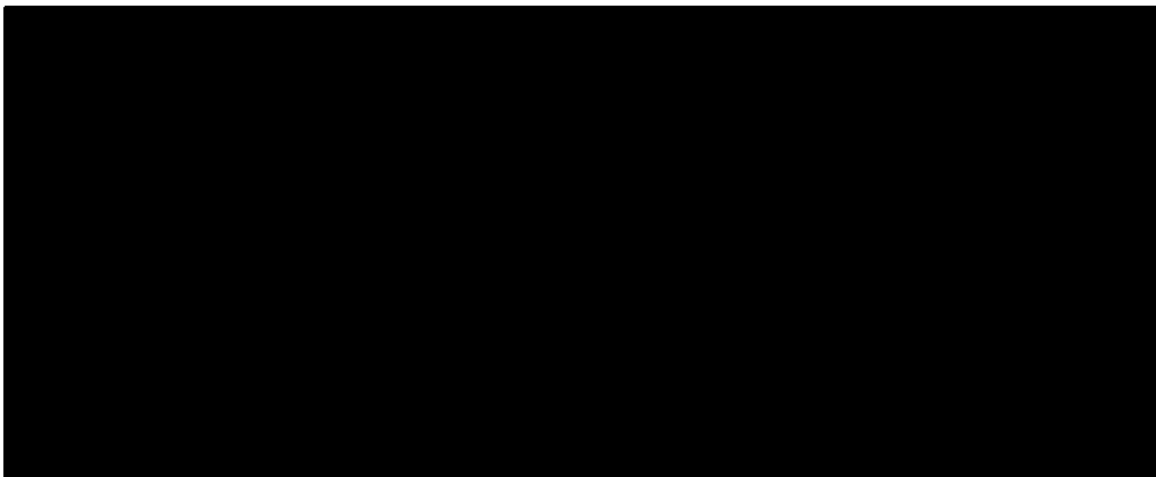
A follow-up meeting between the NCIE Chair, NCIE CEO, Transition Project Manager, ILC Group CEO and ILC Chair be convened to discuss this matter and provide clarity on transition arrangements and the ILC Board's decision.

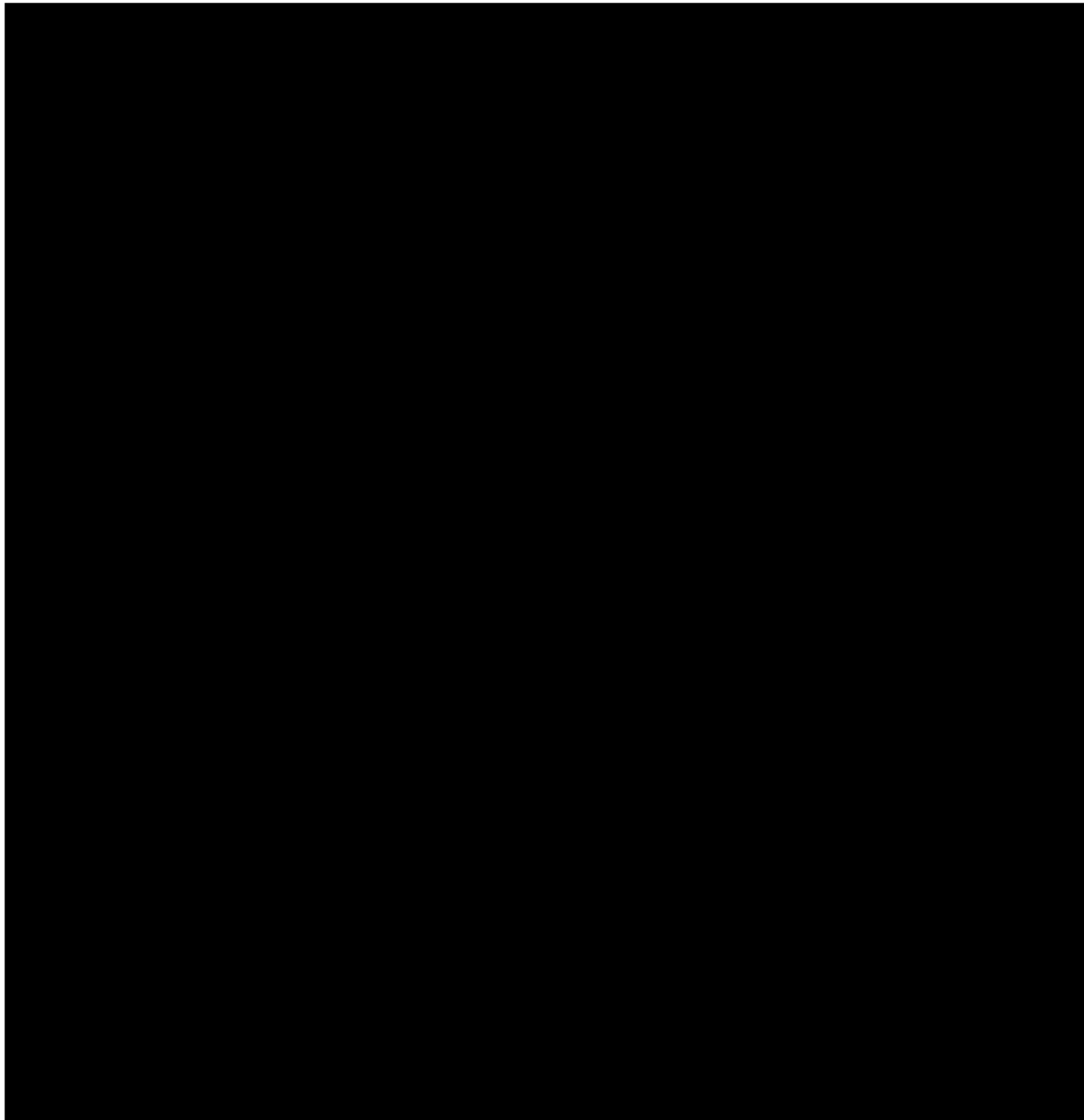
7. TRANSITION IMPLEMENTATION

7.3 PROJECT AURORA

(Two-hour presentation by Gresham)

Transition Project Manager opened this session explaining the rationale and objectives.





Actions:



The Board:

- 1. Noted the recommendations outlined in the Decision Sheet, as presented in the Gresham Partners Report, Gilbert + Tobin Report and Newgate Communications Plan.***
- 2. Resolved to put all matters on hold noting the Actions to be undertaken before the June Board meeting.***

8. STRATEGIC ISSUES

8.1 NCIE STRATEGIC PLAN 2018-2020

The Board:

1. *Noted the content of the paper entitled NCIE Strategic Plan 2018-20; and*
2. *Approved the NCIE Strategic Plan 2018-20, commencing 1 July 2018.*

8. STRATEGIC ISSUES

8.2 ILC GROUP AGRIBUSINESS SECTOR INVESTMENT STRATEGY

The Chair reflected that this report was sad given the number of properties not making money. ILC Group CEO set out the rationale for needing to diversify the agribusiness portfolio, highlighting the risks with live export as the current major market for AIA.

The benefits of quarantining capital freed up from exiting northern cattle operations for future diversified agribusiness investments was discussed. It was noted that freed up cash would sit in Group Treasury until viable agribusiness investments were established as part of diversifying agribusiness.

The Board Approved the ILC Group Agribusiness Sector Investment and Operating Principles outlined in the paper.

8. STRATEGIC ISSUES

8.3 REGIONAL INDIGENOUS LAND STRATEGIES

The Deputy CEO provided an update of RILS consultations and the development of four bioregional RILS. The Deputy CEO confirmed that a full RILS report would be included in the June Board meeting for approval. It was noted that the NILS, focus areas and shift to bio-regions has been well received externally to date.

The Board:

1. *Noted the progress on consultation of the RILS 2018-2022*
2. *Noted that, subject to any additional comments and recommendations for change in style of text, design and layout, three additional RILS will be finalised based on the version at Attachment A.*

8. STRATEGIC ISSUES

8.4 ATSI ACT REFORM BILLS

The Board was advised that an extension had been granted for the ILC to make a submission to the Senate Finance and Public Affairs Legislation Committee, allowing the ILC to put it to the Board for consideration at this meeting.

The Group CEO and Deputy CEO provided an update on the ILC's policy team and legal team's analysis of the proposed Bills, and discussions with PM&C. The Board was advised of the PM&C concern with the ILC expressing any opinion or recommendations in their Submission to the Senate Finance and Public Affairs Legislation Committee. The Board was apprised of the risks of raising concerns with: a weakening of reporting on the ATSILSFF Account; or with powers of the Ministers to make discretionary payments if they contradict the Future Fund Board of Guardian's advice. It was agreed that payments to the ILC, whether over or under what the FF Board recommends would warrant justification.

It was agreed that the two concerns relating to discretionary payments and weaker reporting should form part of the ILC's submission but that the tone of the Submission should clearly demonstrate the ILC's support for the legislative changes.

The Directors agreed fully that the ILC had an obligation to argue that it should have no lesser reports on the ATSILSFF Account, noting that it was subject to questioning at the March Senate Estimates Hearing, and noting that the ILC's constituents would expect the ILC to seek reports on the performance of funds held in perpetuity on behalf of Indigenous people.

The matter of how the Bill extended the ILC's remit to water rights was discussed with it noted that the proposed Bill affords powers to the ILC with acquiring water rights being less than its land acquisition powers. It was noted that the Bill specifically prevents the ILC from holding water rights and managing them before divestments—something the ILC can do with regard to land. It was not believed this was a large concern.

The Board:

1. *Noted that legislation reforming the Aboriginal and Torres Strait Islander Act (2005) was introduced to the Australian Parliament on 28 March 2018.*
2. *Noted that reform is to be enacted through three separate Bills:*
 - a. *Aboriginal and Torres Strait Islander Land and Sea Fund Bill 2018*
 - b. *Aboriginal and Torres Strait Islander Land and Sea Future Fund (Consequential Amendments) Bill 2018*
 - c. *Aboriginal and Torres Strait Islander Amendment (Indigenous Land Corporation) Bill 2018*
3. *Noted that an inquiry into the provisions of the Bills by the Senate Finance and Public Administration Legislation Committee has been announced and that the ILC will make a formal submission to this inquiry, canvassing key issues set out in the paper.*
4. *Noted that the ILC will likely be invited to attend a hearing of the inquiry*
5. *Noted that the ILC Legal team has provided advice on the Bill (Attachment A) and has had input into the authorship of the paper.*

8. STRATEGIC ISSUES

8.5 KPMG AUDIT REPORT ON VOYAGES AYERS ROCK RESORT—UPDATE

The Board noted the progress of the actions arising from the KPMG Audit Report of Voyages and Ayers Rock Resort.

9. GOVERNANCE

9.1 INVESTMENT COMMITTEE—CHARTER AND MEMBERSHIP

In relation to the Charter the Chair queried:

1. How much of the information would go to AAC; and
2. Should the two be combined?

The Board agreed that combining the two Committees can be moved to a different time.

The Board:

- 1. Noted the content of the briefing paper entitled *Investment Committee Charter and Membership***
- 2. Approved the *Investment Committee Charter (2018)***
- 3. Appointed Mr Geoff Lovell (IBA Nominee) as a member of the *Investment Committee* for a period of two years**
- 4. Noted that a second IBA nominee is yet to be received by the ILC and noted that the *Committee cannot convene until a second appointment is made***
- 5. Agreed that there is no longer a need for the *Finance, Legal and Investment Committee of the ILC Board.***

Board Decision 515 refers

9. GOVERNANCE

9.2 REVISED DELEGATIONS—GROUP CHIEF FINANCIAL OFFICER

The Board:

- 1. Noted the content of the briefing paper entitled *Delegations – Position of Group Chief Financial Officer (Group CFO)***
- 2. Agreed to extend the same delegations afforded to the position of *Chief Operating Officer* to the position of *Group CFO***
- 3. Authorised the affixing of the Seal on the *Instrument of Delegations* regarding the *Group CFO.***

Board Decision No 516 refers

9. GOVERNANCE

9.2.1 ILC Authorised Persons—Administration of Investment Transaction

The Group CFO raised an extra item for approval of the Board regarding ILC Authorised persons for administration of Investment Transactions. He distributed a paper and Board Decision document to Directors during the meeting.

The Board:

- 1. Noted the briefing paper entitled *ILC Authorised Persons – Administration of Investment Transactions***
- 2. Approved the change in ILC's authorised persons from *Jodie Lindsay and Hanne Damgaard* to the individuals in the positions of *ILC's Group Chief Financial Officer, Manager – Finance and Accountant.***

Board Decision No 517 refers

9. GOVERNANCE
9.3 REPORT AGAINST 2017 STATEMENT OF EXPECTATIONS

The Board:

- 1. *Noted the Voyages report against the 2017 SoE***
- 2. *Noted the NCIE Board-approved report against the 2017 SoE.***

10. FINANCE AND CORPORATE REPORTS
10.1 FINANCIAL PERFORMANCE REPORT—ILC, SUBSIDIARIES AND CONSOLIDATED GROUP

It was discussed the benefit of representing the social returns.

Reporting of Indigenous Procurement was discussed and it argued that this reporting sits better in the Financial Reports.

Actions:

Indigenous Procurement to be incorporated in future Finance reports. Financial Performance Forecasting for the Group to be implemented.

The Board noted the key matters and content of the report.

10. FINANCE AND CORPORATE REPORTS
10.2 LAND ACCOUNT

Report noted.

11. LAND ACQUISITION, LAND MANAGEMENT AND DIVESTMENTS

Nil.

12. ILC BOARD COMMITTEES
12.1 AUDIT AND ASSURANCE COMMITTEE REPORT

The Board noted the content of the Report

12. ILC BOARD COMMITTEES
12.2 REMUNERATION AND NOMINATION COMMITTEE REPORT
(in camera)

12. ILC BOARD COMMITTEES
12.3 WORK HEALTH AND SAFETY COMMITTEE REPORT

Discussions on the merits of having a WH&S sub-committee were held. It was agreed that once a consolidated and consistent approach to WH&S across the ILC Group is embedded, a standalone sub-committee should not be needed.

The Board noted the content of the Report.

13. OTHER BUSINESS

It was noted that while Directors utilise BoardPad there are at times papers that are preferred in hardcopy. Was agreed that upon reading BoardPad Directors would advise Secretariat which papers they wanted sent out in hardcopy.

Issue of the Voyages EA was raised with a view that it did not meet the better off overall test (BOOT). It was agreed that nothing could be done prior to the Voyages Board meeting however it was noted that Voyages not renegotiating its EA was not ideal.

It was discussed that any thought of Voyages to not renegotiate an EL and give a 2.5% pay rise would not be supported.

There being no further business, the Chair closed the meeting.



Mr Edward Fry
Chair

Board-in-Confidence

ILC BOARD MEETING No 223

10.15 am to 4.30 pm
Wednesday, 18 April 2018

Kamberri Room (IBA)
Level 2, 15 Lancaster Place
MAJURA ACT

AGENDA

		<i>Discussion Leader</i>
1.	Apologies/Declarations	Chair
1.1	Apologies/Approved Leave of Absence	
1.2	Declarations of Interest	
2.	<i>In Camera</i> Session	Chair
3.	Presentation by Director (<i>deferred to next meeting</i>)	
4.	Minutes of Previous Meetings	Chair
*	4.1 Minutes of Meeting No 221 of 21 February 2018	
*	4.2 Minutes of Meeting No 222 of 9 March 2018 (teleconference)	
	4.3 Actions Arising Status Report	
5.	Chair's Report	Chair
*	5.1 Extension of ILC Group CEO Contract of Employment (<i>in camera</i>)	
6.	Chief Executive Officer's Report	CEO
7.	Transition Implementation (<i>in camera</i>)	PD
*	7.1 Australian Indigenous Agribusiness—Governance Arrangements	
	7.2 National Centre of Indigenous Excellence—Transition Options (<i>verbal</i>)	
*	7.3 Project Aurora (<i>two-hour presentation by Gresham</i>)	
8.	Strategic Issues	
*	8.1 NCIE Strategic Plan 2018-2020	
*	8.2 ILC Group Agribusiness Sector Investment Strategy	CEO
	8.3 Regional Indigenous Land Strategies	DCEO
	8.4 ATSI Act Reform Bills	DCEO/GC
	8.5 KPMG Audit Report on Voyages Ayers Rock Resort—Update	P&C

9. Governance			
*	9.1	Investment Committee—Charter and Membership	CEO
*	9.2	Revised Delegations—Group Chief Financial Officer	GC
	9.3	Report against 2017 Statement of Expectations	GC
10. Finance and Corporate Reports			CFO
	10.1	Financial Performance Report—ILC, Subsidiaries and Consolidated Group	
	10.2	Land Account	
11. Land Acquisition, Land Management and Divestments—Nil			
12. ILC Board Committees			
	12.1	Audit and Assurance Committee Report	AAC
	12.2	Remuneration and Nomination Committee Report	Chair
	12.3	Work Health and Safety Committee Report	WHSC
13. Other Business			Chair
14. In Camera Session			Chair
15. Supplementary Reading			
	15.1	Project Updates	
	15.1.1	Rezoning of Lot 707 'Warriparinga'	
	15.2	ILC Subsidiaries—Management Reports	
	15.2.1	Voyages Indigenous Tourism Australia	
	15.2.2	National Centre of Indigenous Excellence	
	15.2.3	Australian Indigenous Agribusiness Company	
	15.3	Reports for Information	
	15.3.1	Major Land Management Projects	
	15.3.2	Power of Attorney Register	
	15.3.3	Common Seal Register	
	15.3.4	Media and Communications Update	

*Decision required

CEO—Chief Executive Officer (John Maher)

DCEO—Deputy Chief Executive Officer (Tricia Button)

GC—Acting General Counsel

CFO—Acting Group Chief Financial Officer (David Silcock)

P&C—Group Director, People and Culture (Jodie Stevens)

PD—Executive Director, Program Delivery (Tim Larkin)

AAC—Chair, Audit and Assurance Committee (Maria Storti)

WHSC—Chair, Work Health and Safety Committee (Director Crossin)



Australian Government
Indigenous Land Corporation



The ILC GROUP

ILC BOARD MEETING No 225

Wednesday, 20 June 2018

MINUTES

ATTENDANCE:

Mr Edward Fry	Chair
Mr Joseph Elu AO	Deputy Chair
Mr Anthony Ashby	Director
Ms Patricia Crossin (telephone)	Director
Dr Donna Odegaard AM	Director
Mr Bruce Martin	Director

Apology:

Ms Tanya Hosch	Director
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Not attending:

Nil

The following attended all or part of the meeting:

Mr John Maher	ILC Group CEO
Ms Tricia Button	ILC Group Deputy CEO
Mr David Silcock	ILC Group CFO
Mr Tim Larkin	ILC Transition Manager
Mr Craig North	ILC Executive Director Agribusiness
Ms Jodie Stevens	ILC Group Executive Director People and Culture
Mr Barry Petty	Acting ILC Group General Counsel (minute taker)
Mr Mark Seatree	Voyages, CFO
Mr Neville Spry	Gresham, Director
Mr Simon Weller	Gresham, Director
Ms Maria Storti	ILC Audit and Assurance Committee, Chair

A copy of the agenda is attached.

The Chair welcomed participants and opened the meeting at 9:10am AEST.

1. APOLOGIES/DECLARATIONS

1.1 Apologies/Approved Leave of Absence

No apologies.

1.2 Declarations of Conflict of Interest

Director Crossin declared a conflict of interest in being a Director of AIA.

The Chair acknowledged that various attendees held Board appointments with ILC subsidiaries.

No other conflicts of interest were declared.

2. IN CAMERA SESSION

3. PRESENTATION BY DIRECTOR

The Director's presentation was cancelled.

4. MINUTES OF PREVIOUS MEETING

4.1 Minutes of Meeting No 223 of 18 April 2018

Resolved: minutes accepted as a true and accurate record.

4.1 Minutes of Meeting No 224 of 11 May 2018

Resolved: minutes accepted as a true and accurate record.

4.3 Actions Arising Report

Director Crossin asked about progress towards a reconciliation action plan. The CEO said that ILC was working towards a plan to be finalised by 18 December 2018, as agreed previously by the Board.

The Chair asked about the roll out of the 2020 Vision strategy document. The CEO said that he and other executives had been conducting 2020 Vision information sessions as part of the regular CEO roadshows across the ILC's divisions.

Action: provide a copy of the 2020 Vision to all Board members.

Resolved: the Actions Arising Report was noted.

5. CHAIR'S REPORT

The Minister has asked for the ILC to produce an information memorandum on key aspects of the ILC. The Chair said that the financial, benefits, KPI etc information in the information memorandum must be succinctly put and closely scrutinised to ensure accuracy and consistency across all ILC publications and public statements. The Chair directed the CEO to make this happen.

Action: the information memorandum must be prepared and key financial, benefits and KPI information in the information memorandum must be carefully internally and externally reviewed to ensure accuracy and consistency.

Resolved: the Chair's Report was noted

6. CHIEF EXECUTIVE OFFICER'S REPORT

Discussion held around the bargaining process towards a new Enterprise Agreement (EA). It was acknowledged that the previous ILC Board had decided to follow the Government's bargaining policy and that the current Board had agreed to continue that approach. Negotiation has continued for past five years with staff insisting on inclusion of clauses around consultation and domestic violence leave that is outside of the Government policy. Staff have not received a pay rise during this period and the bargaining process is affecting morale.

The Chair said that he does not want the ILC to bargain or accept an EA that is outside of the Government policy. The Chair explained that staff understood that the ILC was negotiating in good faith but that the Government policy has so far prevented agreement. Rather than bargaining outside of the policy it is preferable that the matter brought to the Fair Work Commission and that the Commission makes orders on how the matter can be resolved.

Director Crossin noted that ILC was offering staff a 6% pay increase over three years and, considering that staff have been without a pay raise for the past five years, this was difficult for staff to accept. Director Crossin suggested a 6% pay raise over a shorter period, perhaps two years. Other directors thought that the 6% over three years was not the issue holding up agreement so there was no need to make the pay increase over a shorter period.

It was discussed that the two issues preventing agreement so far were the inclusion of domestic violence leave and clauses forcing the ILC to consult with staff before any work place changes, both of which are outside of the Government policy.

Director Elu explained that domestic violence was an issue particularly among indigenous Australians but the cause was deeper social issues that must be addressed to deal with the problem.

Resolved: ILC management was directed to bargain within the Government policy and for a 6% pay raise over three years. If application is made to the Fair Work Commission to decide on the domestic violence leave and consultation clause issues then the ILC will not resist orders for inclusion of such clauses in the EA.

Action: a message should be sent to ILC staff that the ILC Board had instructed the ILC Executives to negotiate in good faith and supports the version of the EA that was circulated in December 2017. Further, the ILC is willing to go to the Fair Work Commission to resolve the matter.

Discussion moved to the \$26M funding for the Real Jobs Program. Director Crossin raised that the ILC was engaging 13 service providers as part of the project and that it was a lot of money to spend on each job created. The CEO explained that last year the average spend for each job

was \$69,000 per year but it varied depending on the agency being supported. The 13 service providers were constantly being reviewed for performance and cost. This was an instance of ILC taking over from the Commonwealth Government's CDEP program and the ILC receives and administration fee for its work on the project.

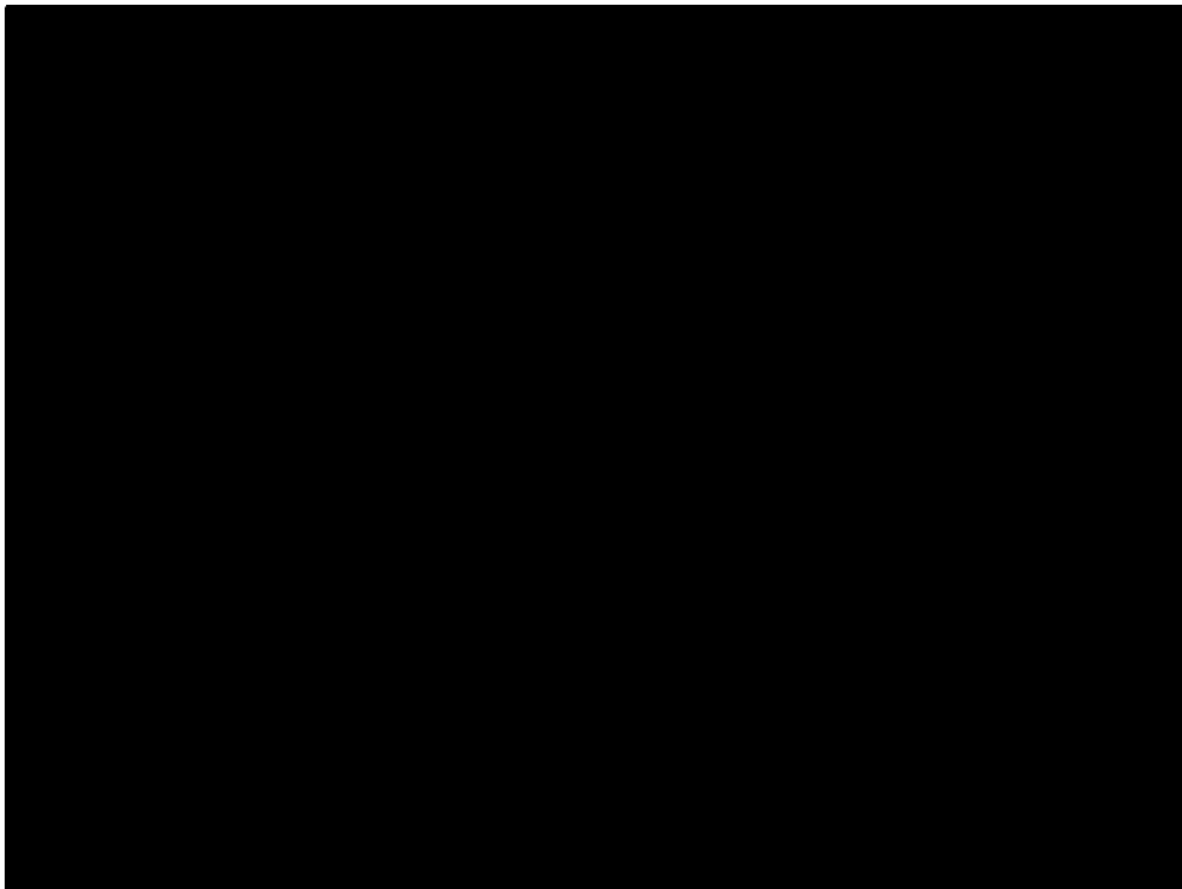
Discussion on Item 11, Program Delivery, and that land acquisition and divestment targets will not be achieved. ILC reports, including the Annual Report, should be worded to show that divestment decisions had been made. A forecast should be included to show these matters will be completed in the future. Also, a forward statement in the Annual Report can explain the progress the ILC is making towards land acquisition and divestment.

Discussion on work health and safety (WHS) issues especially around Voyages. ILC needs to get Voyages safety under control and this can be done through continuing to attempt to convince Voyages of the benefits of ILC group alignment on a health and safety policy framework. Director Crossin said that there was a lack of employee involvement and that employees are not properly trained to deal with WHS issues.

Resolved: the CEO's Report was noted.

7. TRANSITION IMPLEMENTATION

7.2 Voyages Indigenous Tourism Australia



Action: send slides of Gresham's presentation to the Directors.

Resolved: items 1 to 6 approved.

7.1 National Centre of Indigenous Excellence

Discussion was held around preparation of the ILC's divestment strategy for the NCIE facility. The Board put that it needed a detailed analysis of the proposed divestment and a complete understanding of the legislative remit and the stakeholder groups of the potential grantee, NSW Aboriginal Land Council (NSWLAC).

When asked by the Board, the Deputy CEO said that the ILC had not gone through a formal expression of interest process to find potential grantees. While the ILC has not been actively searching for potential grantees it is aware of the relevant organisations that operate in the area and could not readily identify a group that provided better indigenous representation, had better capacity to hold the land, and that's legislative mandate was better aligned to the purpose of the NCIE facility.

It was mentioned that NSWLAC would potentially be the landholder and also the facility manager. This would have to be factored into the divestment decision, for example the effect that this would have on NCIE staff, the community and the facility itself would have to be considered separately from any due diligence process on NSWLAC.

Director Ashby (a NCIE Director) mentioned that there was frustration from the NCIE Board and staff caused in part from the ILC Board shifting strategy from NCIE integration to divestment in the past 12 months. This has affected morale. There is a need to assess the matter as quickly as possible including undertaking community consultation. Until this is complete, NCIE staff are working in an uncertain environment and there is the potential for loss of key staff.

The Chair said that the ILC was not pro or anti NSWLAC but in any case needed the analysis to be performed and strategy to be completed properly and quickly, and that the ILC could include ILC looking outside of the local area for potential grantees. The Chair also asked that any strategy includes analysis on the implications for NCIE staff and whether any of the existing functions of NCIE can continue post divestment.

Action: prepare a NCIE divestment strategy by the August ILC Board meeting and keep NCIE management informed of the process.

Resolved: the Board notes the content of the paper.

8. STRATEGIC ISSUES

8.1 Regional Indigenous Land Strategy

Comments were made on the draft Regional Indigenous Land Strategy (RILS). The Board thought that there was RILS should reflect that the ILC's strategy is to be the partner of choice for urban

as well as regional indigenous land projects. To achieve this the ILC must leverage its resources much better and ensure that all indigenous Australians understand how the ILC's resources can be of benefit to them. Also, stakeholders expected the ILC to take a collaborative approach and to be key enablers for indigenous land projects both large and small.

Director Ashby said that the ILC must act in the interest of the most disadvantaged and dispossessed indigenous Australians many of whom are located in the eastern States particularly urban NSW.

Discussion was held around the timing of the RILS considering the ATSI Act amendments that are before Parliament. The Deputy CEO acknowledged that the RILS would have to be re-written to include water based projects if the relevant amendments Bills pass into law.

Resolved: item 1 approved and item 2 noted.

8.2 Corporate Plan

It was discussed that the draft Corporate Plan was prepared on the presumption that the legislative changes would pass and that the ILC would have the legislative mandate to carry out water based projects in the near future. ILC must keep a watching brief on the legislative amendments and be ready to quickly change the Corporate Plan if the relevant Bills are not passed into law. The Board acknowledged that this was not ideal but that the ILC had to take the issue week by week in the circumstances.

Action: provide clarification on whether the August deadline for the Corporate Plan involves ILC merely providing the plan to the Minister; publishing it on the ILC's website; or, for the Minister to actually approve the plan.

Resolved: the Board endorsed, notes and agrees to items 1 to 4.

8.3 Executive Remuneration Review

After a brief discussion on the review, there was a unified view that executive remuneration should be put on hold until the staff enterprise agreement was agreed upon. Thereafter it can be returned for consideration by the Board.

Resolved: the Board does not approve item 2 regarding the recommendations in the brief. The matter will be brought back to the Board once a new ILC enterprise agreement is in place.

12. ILC BOARD COMMITTEES

12.1 Audit and Assurance Committee Report

Chair of the Audit and Assurance Committee (AAC), Ms Maria Storti, joined the meeting and began by giving a brief overview of the financial statement process, the financial risk report and the subsidiary letters of comfort.

Discussion moved to the Ayers Rock Resort (ARR) valuation for approval by the ANAO. The Chair said that the values gave an indicative ARR value of \$410M but questioned what the consequences would be if ANAO disagreed with the valuation. The Chair said that there was a

presumption of a lower discount rate, this coupled with higher room occupancy meant that the value should increase this year. Ms Storti said that the value was on the high end but was acceptable according to Ernst and Young's audit performed on behalf of ANAO.

Ms Storti mentioned that the ILC needs to ensure there are proper systems in place for the ACC to give assurance around performance auditing and annual compliance statements.

Brief discussion also held around the need to combine the AIA and ILC AACs.

Action: update the strategic and legal risk management framework in coordination with the ATSI Act amendments.

Action: bring in external assistance to complete the review of the ILC's Fraud Control Plan.
Resolution: noted item 1 and endorsed the Chair to sign the letters of comfort as per item 2.

8. STRATEGIC ISSUES

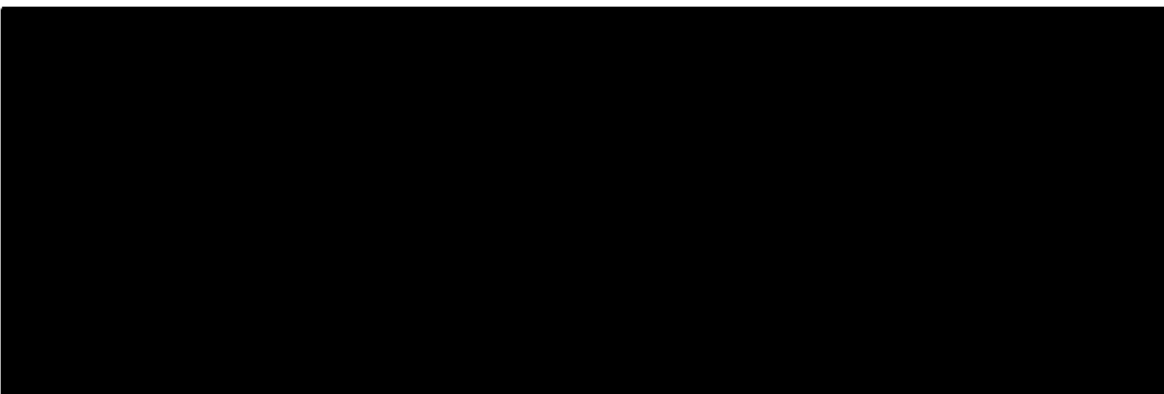
8.4 Update—ATSI Act Reforms

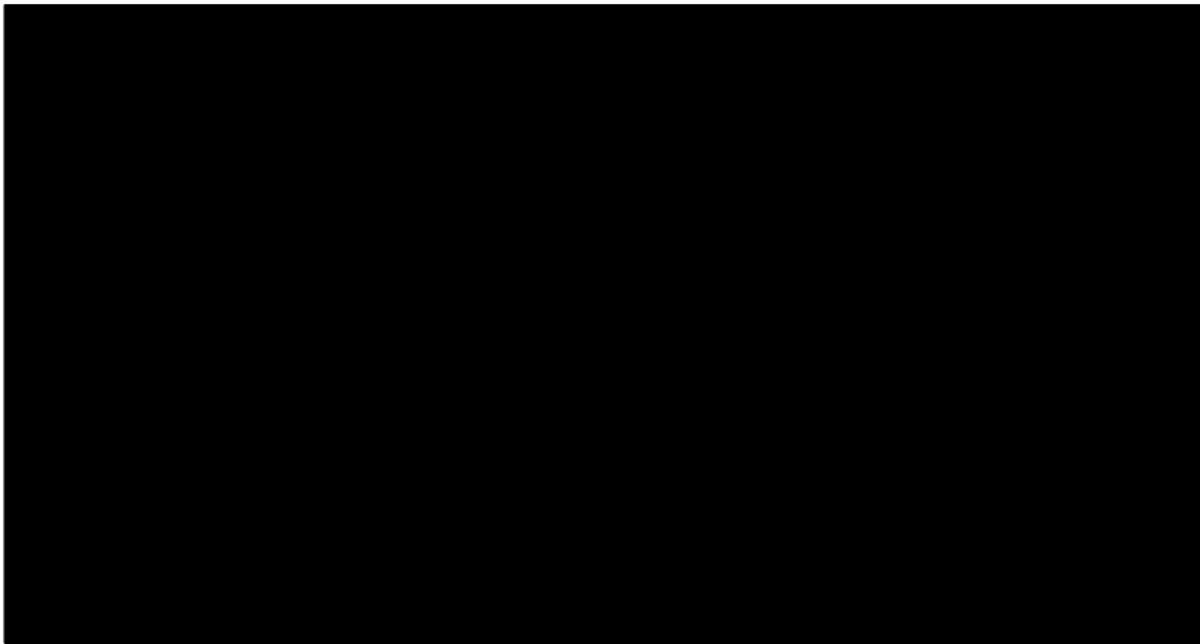
On the legislative reform issue generally, Director Crossin raised that the Labour Members of Parliament may not be fully aware of the purpose of the legislative reform because they were not separately briefed. They, along with the Greens Members, were briefed in conjunction with Minister Scullion, which was a forum where the Labour and Greens Members might not have raised any concerns in a candid manner. Director Crossin said that the fact that the matter had been pushed back to the August sitting of Parliament meant that it was not expected that the Bills would pass easily and that Labour Members would have amendments. Director Crossin thought that the ILC should take action to further brief Labour and Greens Members in a private forum and request confirmation from Minister Scullion that Labour Members would give the Bills complete support.

The Chair said that he had met with Minister Scullion and various Labour advisors and received no indication that late amendments would hold up the legislative process.

Resolved: the Board notes items 1 to 3.

8.5 Northern Australia Infrastructure Fund Loan





Resolved: the Board notes the content of the paper.

8.6 ILC Agribusiness Portfolio Plan

The Agribusiness Portfolio Plan was explained by the Executive Director of Agriculture including that it will result in some of the agribusiness properties being transferred from AIA to ILC and others being exited. The plan also involves support for indigenous entities that will take over some of the exited agribusiness properties.

Director Ashby commented that the ILC Group plans to continue to operate on three properties have been identified as not viable. It was discussed that these properties could be made viable if the operating model changes.

A transition process needs to be put in place for groups that currently rely on ILC Group leases and sublease to operate their property. This might involve the ILC providing some land management support but would no longer be achieved through the ILC Group continuing to operate at a loss on these properties. The focus must be on the indigenous benefits created but not through the ILC Group continuing to operate marginal businesses.

The Board asked that the exit and divestment of the relevant agribusiness properties should be fast tracked but expediency must be balanced against the obligations relating to transacting with biological assets. Further there is a need to carefully manage the communications on this matter.

Resolved: the Board notes items 1 and 2.

9. GOVERNANCE

9.1 NCIE Appointments

The Board discussed the reappointment of Ms Alison Page as NCIE Chair or Executive Chair and Ms Clare McHugh as Acting CEO. There was discussion about the potential overlap with having

a CEO and an Executive Chair considering an Executive Chair ordinarily performs the same executive functions as a CEO. The Board understands that any overlapping authority will probably be resolved through close cooperation between the CEO and Executive Chair. The issue could also be resolved by the ILC issuing a letter to both the Executive Chair and the CEO that describes the limits of their authority in each role in a way that will prevent overlap. However, the Board decided that the safest course was to reappoint Ms Alison Page as Chair but not Executive Chair.

Resolved: the Board notes items 1 to 3 and resolves to reappoint Ms Alison Page as Chair for a further term of 12 months and Ms Clare McHugh as acting CEO for a further term of 12 months.

9.2 Voyages Directors' Deed of Indemnity

It was explained that the ILC Board had an existing resolution to offer all ILC subsidiary Directors a three party deed of indemnity where the primary obligations extend from the subsidiary to the Director. A lawyer that purports to act for Mr Rick Allert and other Voyages Directors that have been asked to sign such a deed of indemnity has requested that the deed is amended so that the primary indemnity extends from the ILC and not Voyages. Considering there is an existing ILC Board decision on the form of the deed of indemnity, the Board was asked whether the ILC would enter into such negotiations or insist that the deed remains in its current form.

Director Crossin questioned why Voyages Directors had not signed deeds of indemnity when they were first appointed and why the matter was being brought to the ILC Boards attention at this late stage.

Resolved: the ILC will enter negotiations on the content of the subsidiary deed of indemnity and agree in principle on a draft deed in similar terms to the existing ILC deed of indemnity. The new draft subsidiary deed will be brought back to the ILC Board for final approval whereupon it will be offered to all ILC subsidiary Directors.

10. FINANCE AND CORPORATE REPORTS

10.1 Financial Performance Report—ILC, Subsidiaries and Consolidated Group

Discussion was held around the need to move towards one source of truth for the financial records in the ILC Group. The CFO explained that this was difficult with the current systems, which requires manual entry of information from various sources into the financial reports. Work is being undertaken to improve the systems that will include one source of truth and consistency around reported information.

Director Ashby commented that the reports described previous information and that this needs to change to a focus on forward looking data.

Action: prepare an ILC Group wide plan on use of free cash.

Resolved: the Board noted the content of the report.

10.2 ILC Group 2018-19 Budget (Subsidiary Business, Corporate and Program)

Discussion was held around the Group Budget and the Chair raised that the projections include that there should be \$130M of free cash by the end of June 2019. The Group CEO said that he expects the ILC will invest heavily in water projects when the legislative change is achieved, which might reduce this free cash flow significantly.

Director Ashby raised that there was a large increases in administration budgets. The CFO explained that this was due to a plan of system improvements and increases to capabilities, both long overdue, that will require increased administration costs to achieve. These costs are front loaded, it is expected that the increased costs will result in system efficiencies and costs will come back down in future years.

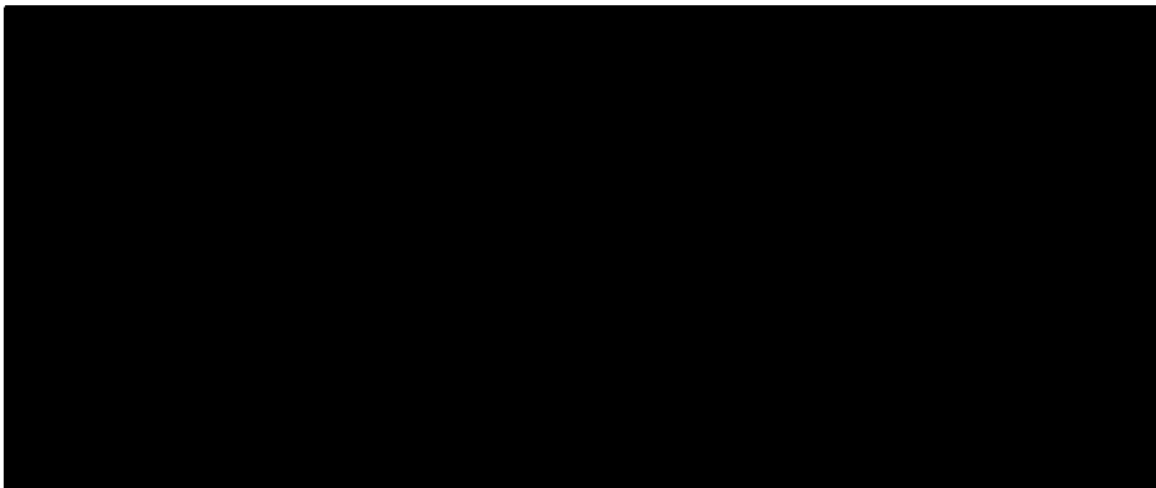
Discussion moved to the Real Jobs Program (RJP) and Director Odegaard questioned ILC's risk exposure in the event that the Government pulled funding after the ILC had entered into binding obligations on the spend of RJP funding.

Action: check ILC's liability in the event that RJP funding is cut and include detail in the next CEO report

Resolved: the Board notes item 1 and approves items 2 and 3.

11. LAND ACQUISITION, LAND MANAGEMENT AND DIVESTMENTS

11.1 Warriparinga— 



Directors agreed that this goes to the ILC's key vision of use of assets in cooperation with indigenous stakeholders to achieve good commercially focused outcomes. Staff working on the project were praised for their efforts.

Resolved: the Board approved item 1 and noted item 2.

12. ILC Board Committees

12.2 Remuneration and Nomination Committee Report

The Board noted that there was nothing to report

12.3 Work Health and Safety Committee Report

The Board noted that the numbers of incidents was flat lining and expected improvement. The Board expects significant effort to drop lost time injury frequency rates before Christmas.

Resolved: the Boards notes the content of the brief

There being no further business, the Chair closed the meeting at 4:50 pm AEST.



Mr Edward Fry
Chair

23rd of November 2018.

Board-in-Confidence

ILC BOARD MEETING No 225

8.30 am to 4.30 pm
Wednesday, 20 June 2018

Office of Voyages Indigenous Tourism Australia
Level 9
179 Elizabeth Street
SYDNEY NSW

AGENDA

		<i>Discussion Leader</i>
1.	Apologies/Declarations	Chair
1.1	Apologies/Approved Leave of Absence	
1.2	Declarations of Interest	
2.	<i>In Camera</i> Session	Chair
3.	Presentation by Director	
4.	Minutes of Previous Meetings	Chair
*	4.1 Minutes of Meeting No 223 of 18 April 2018	
*	4.2 Minutes of Meeting No 224 of 11 May 2018 (Teleconference)	
	4.3 Actions Arising Status Report	
5.	Chair's Report	Chair
6.	Chief Executive Officer's Report	CEO
7.	Transition Implementation (<i>in camera</i>)	PD
	7.1 National Centre of Indigenous Excellence	
*	7.2 Voyages Indigenous Tourism Australia (<i>10.00 am presentation by Gresham</i>)	
8.	Strategic Issues	
*	8.1 Regional Indigenous Land Strategies	DCEO
*	8.2 ILC Corporate Plan	DCEO
*	8.3 Executive Remuneration Review (<i>in camera</i>)	P&C
	8.4 Update—ATSI Act Reforms	DCEO
	8.5 Northern Australia Infrastructure Facility Loan—ILC Management Due Diligence	DCEO/CFO
	8.6 ILC Agribusiness Portfolio Plan	AG

9. Governance		GC
* 9.1	NCIE Appointments	
* 9.2	Voyages Directors' Deed of Indemnity	
10. Finance and Corporate Reports		CFO
10.1	Financial Performance Report—ILC, Subsidiaries and Consolidated Group	
* 10.2	ILC Group 2018-19 Budget (Subsidiary Businesses, Corporate and Program)	
11. Land Acquisition, Land Management and Divestments		DCEO
* 11.1	Warriparinga— [REDACTED]	
12. ILC Board Committees		
12.1	Audit and Assurance Committee Report (11.30-11.50 am)	AAC
12.2	Remuneration and Nomination Committee Report	Chair
12.3	Work Health and Safety Committee Report	WHSC
13. Other Business		Chair
14. In Camera Session		
15. Supplementary Reading		
15.1	Land Account	
15.2	ILC Subsidiaries—Management Reports	
15.2.1	Voyages Indigenous Tourism Australia	
15.2.2	National Centre of Indigenous Excellence	
15.3	Reports for Information	
15.3.1	Major Land Management Projects	
15.3.2	Power of Attorney Register	
15.3.3	Common Seal Register	
15.3.4	Media and Communications Update	
15.4	Attachments to Briefing Papers	

*Decision required

CEO—Chief Executive Officer (John Maher)

DCEO—Deputy Chief Executive Officer (Tricia Button)

GC—Acting General Counsel

CFO—Group Chief Financial Officer (David Silcock)

P&C—Group Director, People and Culture (Jodie Stevens)

PD—Executive Director, Program Delivery (Tim Larkin)

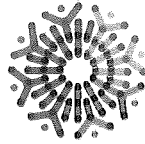
AG—Executive Director, Agribusiness (Craig North)

AAC—Chair, Audit and Assurance Committee (Maria Storti)

WHSC—Chair, Work Health and Safety Committee (Director Crossin)



Australian Government
Indigenous Land and Sea Corporation



The ILSC GROUP

ILSC BOARD MEETING No 233

Tuesday 19 February to Wednesday 20 February 2019

MINUTES

ATTENDANCE:

Mr Edward Fry	Chair
Mr Joseph Elu AO	Deputy Chair
Mr Anthony Ashby	Director
Ms Patricia Crossin	Director
Dr Donna Odegaard AM	Director
Mr Bruce Martin	Director
Ms Tanya Hosch	Director

Apologies:

Nil

Not attending:

Nil

The following attended all or part of the meeting:

Mr John Maher	ILSC Group CEO
Ms Tricia Stroud	ILSC Group Deputy CEO
Mr Trevor Edmond	ILSC Group General Counsel
Mr David Silcock	ILSC Group CFO
Mr Craig North	ILSC Executive Director Agribusiness
Mr Tim Price	ILSC Group CIO
Mr Tim Larkin	ILSC Integration Project Manager
Ms Jodie Stevens	ILSC Group Director People and Culture
Mr Neville Spry	Gresham, Director
Mr Simon Weller	Gresham Director

A copy of the agenda is attached.

The Chair welcomed Directors and opened the meeting at 8.30 am ACDT on the 19th February having noted a quorum of Directors was present. The Chair noted Director Hosch was an apology at that stage, as she had a prior commitment, but would join the meeting as soon as she could.

1. IN CAMERA SESSION

The Board moved out of the In Camera Session to an open session to note the following actions arising.

Actions:

- 1. That any third party consultant/adviser would be subject to a "silent confirmation" by the Chair, Group CEO, Chair & CEO of subsidiary (if relevant) and GGC.**

- 2. That a Group wide email drafted by the GGC and settled by the Chair advising of a group wide "lockdown" on communication with the media during the forthcoming election period is to be circulated.**

The Chair adjourned the meeting at 9.45 am to allow the Strategic Planning Day to commence and asked that the Executive Officers attend the meeting

Actions from Planning Day:

- 3. That the Board receive a strategic update at the August and February meetings and that the update become a standing item for those meetings.**

- 4. Notwithstanding Delegations, any "Signature" projects are to come before the Board for approval.**

- 5. That Renewable Energies be removed as a Focus Area, replaced by culture and heritage, reflecting the current client need and demand.**

- 6. That a policy and delegations paper for attendance at overseas conferences be prepared, including a report on why the conference is supported and subsequently that a report of outcomes is tabled at the next Board meeting.**

- 7. While general agreement is received around the shift in language and positioning for the ILSC performance reporting/ program logic, the wording needs to be worked on and brought back to the Board.**

- 8. The three dot points in the presentation on rebranding are approved.**

9. An analytics report on clicks on Social Media articles immediately after significant media articles is to be undertaken and reported to the Board.

10. A copy of the planning day presentations, a summary of the agreed actions and major outcomes, a request for any feedback and comments to be forwarded to each Director.

The Chair thanks the Executive for the various presentations during the day and reconvenes the Board meeting at 3.55 pm on the 19th February.

2 STANDING AGENDA ITEMS

2.1 Apologies/Approved Leave of Absence

It was noted Director Hosch had confirmed she was still engaged in her earlier appointment and was an apology for today's sessions. She did confirm her availability for the 20th February.

The Chair then noted there were three applications for retrospective leave, one from Director Odegaard for the meeting of 12 December 2018, one from Director Martin for the same meeting and one from Director Hosch for the meeting on 1 February 2019. The Chair asked those Directors present to leave the meeting and Directors Odegaard and Martin left the room.

After discussion as to the circumstances of each Director, the remaining Directors approved retrospective leave for each.

Resolved: That the Board grant the following applications for retrospective leave, namely:

1. Director Odegaard for meeting No 231 of 12 December 2018;
 2. Director Martin for meeting No 231 of 12 December 2018; and
 3. Director Hosch for meeting No 232 of 1 February 2019,
- and that the records of the Corporation be amended accordingly.**

Directors Odegaard and Martin re-joined the meeting.

Action:

11. A copy of the Mandarin and related correspondence to be sent to Director Ashby.

2.2 Declarations of Conflict of Interest

There were no conflicts of interest to declare.

2.3 Minutes of Previous Meetings

2.3.1 Meeting No 231 of 12 December 2018

The Chair noted the draft minutes in the Board Pack. The Directors confirmed they had read the draft, had no edits and resolved to adopt them as a true record.

2.3.2 Meeting No 232 of 1 February 2019

The Chair noted the draft minutes in the Board Pack. The Directors confirmed they had read the draft, had no edits and resolved to adopt them as a true record

2.4 Actions Arising

The Chair noted the table of actions arising from previous meetings.

On Action No 225-11, Director Crossin asked as to the status of the Deeds of Indemnity. Group General Counsel advised the terms and format of the draft had been agreed with Voyages Directors through their solicitor and the Deeds were ready to roll out. It was confirmed all Directors of subsidiary entities were to receive the new Deed and a similar Deed would be prepared for the Directors.

There being no other matters raised, the Actions Arising Status Report was noted.

Action:

12. Complete the form of the Deed of Indemnity for directors of subsidiary entities and circulate.

13. Draft and circulate new Deeds of Indemnity for the ILSC Directors.

2.5 Chair's Report

The Chair's Report was taken as read and no Directors wished to raise any matters.

2.6 CEO's Report

The CEO's report was taken as read.

The Group CEO highlighted the work being undertaken as a result of the extension of remit to water, including the branding work being undertaken.

The Group CEO pointed out the Comcover safety audit rating and provided an update on the Enterprise Agreement. Director Crossin noted the fantastic outcome on the Enterprise Agreement vote and hoped the new agreement would be ratified as soon as possible. Director Crossin also expressed the wish that negotiations like this not take so long again.

The Directors discussed the Blackhall and Pearl benchmarking currently being undertaken and previous benchmarking. The Chair states we are undertaking this to ensure the Board and Directors are in sync and notes the ILSC Directors do not want to be the subject of recommendations like those arising from the Banking Royal Commission.

Director Crossin asked what plans the ILSC had for the National Indigenous Training Academy if it were to be transferred to the ILSC. The Group CEO confirmed the ILSC would be driving growth

at the Academy and one of the reasons for the transfer from Voyages was the ability for the ILSC to obtain NAIF funding that Voyages would not receive. Director Ashby stated he understood that and asked if there was Group CEO confirmed that is the thinking.

The Directors were also briefed on the REM Review being undertaken and the matters that would be the subject of that review by the Director People & Culture.

There was also a discussion of the LITFR results and some disappointment on the Agribusiness numbers was raised.

The Directors then noted the contents of the Report.

3 STRATEGY, POLICY, LEGISLATION, STAKEHOLDERS

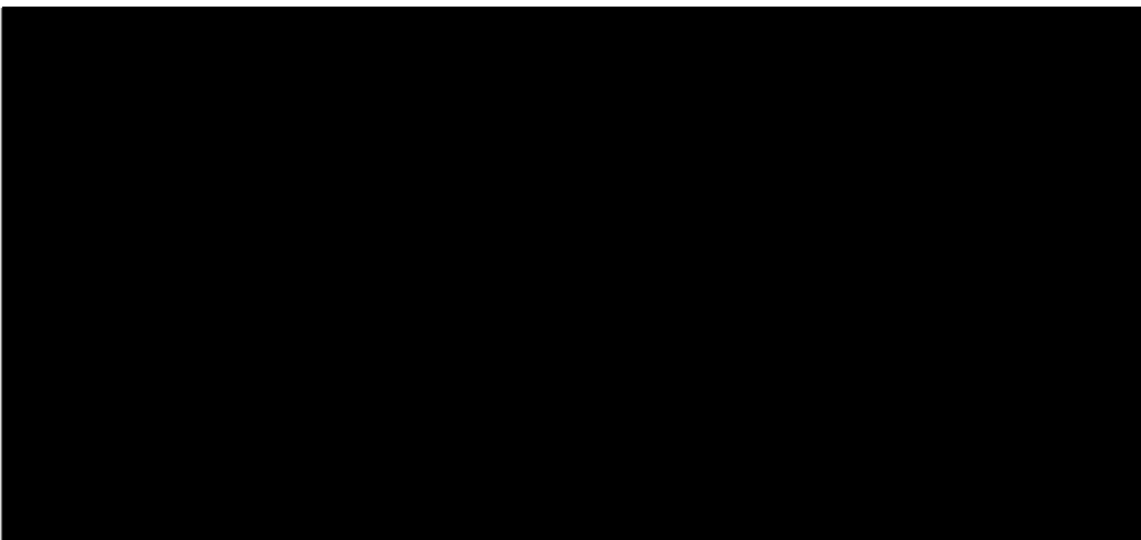
The Chair noted Item 3.1 was to be the subject of detailed discussion tomorrow and moved to item 3.2.

3.2 Amendment to the ILSC Group Funding Allocation Framework

The Group CFO tabled and spoke to the paper. It was noted the paper addressed the request from the Board at the December 2018 meeting and amended the previously published paper.

Resolved: the Board approves the proposed amendment to the Group Funding Allocation Framework Policy noted in the briefing paper.

3.3 Bullimanu Baru Joint Venture: ILSC and Yawuru, WA



3.4 Amendment to ILSC Group Media and Representation Protocol

The Deputy CEO tabled and spoke to the paper. The Deputy CEO noted that the NCIE were seeking the same exemption to the old protocol in terms similar to that recently granted to Voyages

Director Crossin, while agreeing in with the general provisions of the proposal, raised the question of whether any releases dealing with “high level” visits by Government and/or Industry should also be included as a matter for the ILSC Chair’s approval under resolution 3. After discussion it was agreed to amend resolution 3 accordingly.

Resolved: the Board:

1. **Notes the contents of the briefing paper**
2. **Approves that Voyages and NCIE authorise their own media and representation that are trade related, non-contentious and relate to their core business**
3. **Agrees that Voyages and NCIE media and representation that are contentious, or have a link of accountability to the ILSC continue to require the ILSC Chair’s authority, including engagement with significant government or industry representatives.**
4. **Approves revisions to the ILSC Group Media, Communications and Representation Protocol as per these changes**
5. **Approves the distribution of revised protocols to subsidiaries.**

The Chair noted Item 3.5 of the Agenda was a matter for discussion on the 20th and moved to the next item.

3.6 Name Change Update

The Deputy CEO tabled and spoke to the paper.

Resolved: the Board notes the contents of the briefing paper.

3.7 Murray Darling Basin Funding

The Deputy CEO tabled and spoke to the paper. The Deputy CEO noted that there were still a number of issues being worked through, including strategic matters and the need to ensure the funding arrangement was at least cost neutral to the ILSC. There may be a need for an “out of session” meeting to discuss this item at a later date.

Action:

14. **Arrange for “out of session” Board meeting to approve acceptance of the funding.**

After discussion concerning the possibility of an administration fee being charged and the capabilities within the ILSC to deal with the disbursement of the funds, the Board resolved as follows:

Resolved: the Board:

1. **Notes the contents of the briefing paper.**
2. **Notes that the Board may be requested to hold an out of session meeting to approve the ILSC’s receipt of \$40 million to acquire water entitlements for Indigenous organisations in the Murray Darling Basin prior to its April 2019 Board meeting.**

3.8 Voyages Lease Assignment – Longitude 131

The GGC tabled and spoke to the paper. Director Ashby noted the paper showed no grounds to refuse consent and the Chair noted there did not appear to be a change in management so far as the operations were concerned. The Group CEO noted his belief the need to meet with the new owners and to be satisfied they would honour the Indigenous staffing commitments in the lease.

Director Crossin suggested the resolutions being sought should be reversed, with the second resolution being the first to be proposed.

Resolved: the Board:

- 1. The ILSC Board endorses ILSC Management meeting with the KSL Group as soon as possible to understand first hand its aspirations and way of doing business.**
- 2. That subject to satisfactory evidence being provided as to the commitment of the KSL Group to honour all the terms contained in the Longitude lease, the Voyages Board are to be advised that the ILSC Board has no objection to the proposed assignment.**

4 MANDATE AND INVESTMENTS

4.1 Land Acquisitions

Nil to report.

4.2 Land Management Investments

Nil to report.

4.3 Divestments

Nil to report.

The Chair, noting it was 5.02 pm, adjourned the meeting until 8.30 am on Wednesday the 20th February.

The meeting reconvened at 8.35 am on Wednesday the 20th February.

5 FINANCE, RISK AND COMPLIANCE

5.1 ILSC Group Financial Performance Report

The Group CFO tabled and spoke to the paper.

Director Ashby noted that reported EBITDA was \$2 million down and asked how that meant the ILSC was tracking so far as the statutory result was concerned. The Director enquired if the ILSC was at risk of producing a loss in its end of year accounts?

Director Ashby noted that the risk needs to be considered, that the Board needs some oversight and if need be the Department of Finance need to be contacted.

The Chair then asks if the ILSC is in good standing and is able to meet its debts, to which the Group CFO answers yes to both enquiries.

The Directors also discussed the possible impact on the value of cattle owned by the ILSC the recent floods would have on the ILSC's balance sheet.

Resolved: the Board notes the key matters and the contents of the report.

5.2 Comcover Risk Management Benchmarking Survey

The GGC tabled and spoke to the paper. It was noted this was a requirement of Comcover and reflected similar surveys previously dealt with.

Resolved: the Board:

- 1. Notes the briefing paper and acknowledges the responses at Attachment A accurately reflects the ILSC Group's current risk management practices**
- 2. Authorises the Chair to sign off the submission of the ILSC Group's response to the 2019 Comcover Risk Management Benchmarking Survey as recorded at Attachment A.**

Director Hosch joined the meeting at 9.00 am. Apologised for the being unavailable yesterday and took her seat at the Board.

5.3 2019-20 Budget – Preliminary View

The Group CFO tabled and spoke to the paper.

Director Crossin noted the capex figure for Voyages, but indicated that the figure contained in Voyages Board papers was quite different and there could be a big jump in the amount for capex based upon the extent of works being suggested.

Director Ashby, having again declared his position as a director of NCIE, wished to raise certain issues in the budget. He noted the previously adopted position from the ILSC concerning the reduction of the subsidy paid to NCIE, but suggested the budget as proposed would be difficult, a "bridge too far", meaning a cut to staff, services or the subsidy to members. He asked the Board to reconsider what had been previously approved and to increase the budgeted subsidy from \$2 million to \$2.2 million.

Director Ashby then excused himself to allow the remaining Directors to discuss the matter and left the meeting.

The remaining Directors discussed the matter and the Chair asked the GCFO if the ILSC could cover the increased amount to which he replied yes.

Director Hosch asked if the increase was enough and if the Board was confident it had the number correct. The Chair noted the amount was what was being asked for, but it may need to be revisited at some later stage.

Resolved: The Board:

Authorises the ILSC to vary the amount of the subsidy to be paid to NCIE from \$2 million to \$2.2 million.

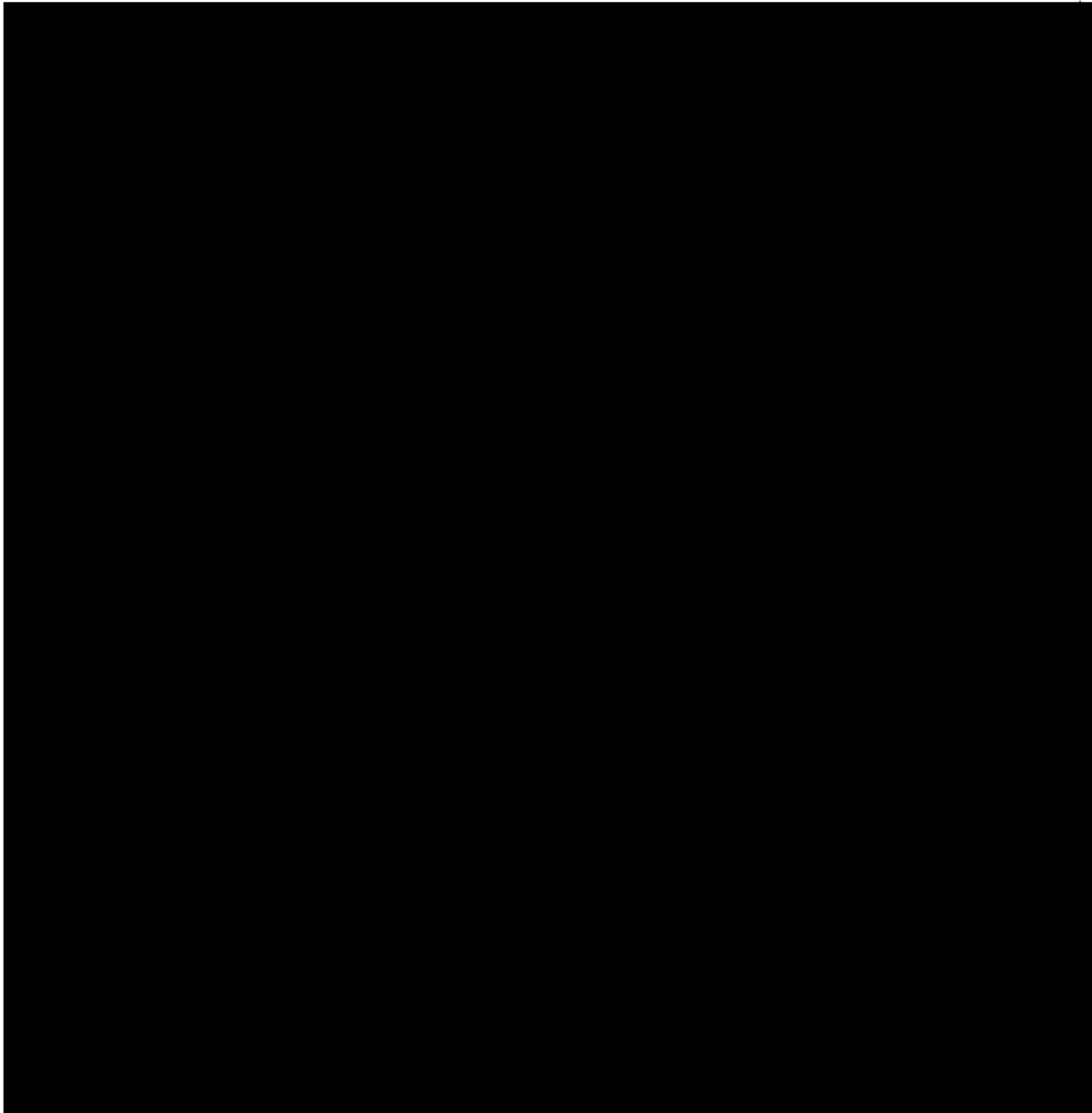
Director Ashby re-joined the meeting.

The Board: notes the contents of the paper.

The Chair noted the representatives from Greshams had arrived and invited them and the ILSC Integration Project Manager to join the meeting.

3 STRATEGY; POLICY, LEGISLATION, STAKEHOLDERS (resumed)

3.1 Project Aurora Update



2.

3.

4.

Actions:

15.

16.

17.

18.

6 GOVERNANCE AND ADMINISTRATION

6.1 Board Leave of Approval Protocol

The GGC spoke to the paper. It was noted the Board at the out of session meeting in November asked that an updated protocol around the issue of granting of leave be prepared. The protocol in the paper deals with both prospective and retrospective leave.

The Directors noted the contents and asked once approved, if a copy of the protocol could be sent to each of them, as well as ensuring it was a part of any induction pack for new directors.

Action:

- 19. A copy of the Leave of Absence Protocol be provided to each Director and included in the Induction Pack for new directors.**

Resolved: the Board approves the procedure for prospective and retrospective leave of absence for part-time ILSC Directors' attendance at Board meetings as described in the paper tabled at the meeting.

6.2 Senate Order Entity Contracts

The GGC spoke briefly to the paper. It was noted there was a minor error typographical error in one of the schedule items which the GGC undertook to have corrected before the information was sent.

Resolved: Subject to amending the minor typographical error, the Board provides sign-off of the ILSC Contract list for the 2018 calendar year.

6.3 Adoption of New Common Seal

The GGC spoke to the paper. He indicated this was the first of several papers dealing with formalities that needed to be dealt with arising from the change of the ILSC's name. The GGC advised under the Act, the ILSC had a common seal to use to execute documents and the Board needed to approve the seal before it could be used. It was also noted the former seal should be destroyed as a matter of good governance.

Resolved:

- 1. That the Common Seal affixed to this briefing paper be adopted as the Common Seal of the Indigenous Land and Sea Corporation.**
- 2. That the Common Seal of the Indigenous Land Corporation be destroyed.**

6.4 Revised Delegations

The GGC talked to this paper and noted that the purpose of the resolutions was to simply update the existing delegations to avoid any argument that they did not extend to water based rights, as now permitted. The GGC noted there will most probably be a need for a more detailed review, but those being sought now were necessary to avoid all water related matters to come to the Board.

Resolved:

- 1. The Board resolves to amend the ILSC Schedule of Delegations in the manner described in the briefing paper.**
- 2. The Board ratifies any decision made by those now empowered with delegated rights that may have been made between 1 February 2019 and 20 February 2019.**
- 3. The Common Seal of the Indigenous Land and Sea Corporation be affixed to the Instrument of Delegation in the form attached to the briefing paper.**

6.5 Updated Powers of Attorney

The GGC tabled and spoke to the paper. It was noted this was another matter arising as result of the name change to the ILSC. It was pointed out existing Powers of Attorney may not be acceptable and in any event referred to positions now not used, for example General Manager. The GGC noted there was a need to make a minor amendment to resolution 2. Since preparing the resolutions, it has been brought to our attention that there some drafting modifications needed to allow registration in certain States and on that basis, it is proposed to amend resolution 2 to note the powers of attorney will be as per the schedule as modified to allow for registration in each State.

Resolved:

- 1. To execute and register a new Power of Attorney in each Australian jurisdiction**
- 2. That the content of the new Power of Attorney, including the donees and specific powers, are as described in Attachment A to the briefing paper and amended as necessary to permit registration in each State and Territory.**
- 3. To revoke the existing Power of Attorney documents in each Australian jurisdiction.**

6.6 Overseas Travel

The Directors discussed the issue of there being no delegation for overseas travel or to attend conventions. The Directors noted the details of the specific conference referred to in the paper and the Chair confirmed he provided approval as bookings had to be made.

The Directors indicated their approval for this sort of activity, provided that there was genuine merit in who was going and noted the discussion during the Strategic Planning Day.

The Directors agreed to ratify the decision but asked that going forward details of who is going, the basis for the decision and that each person sent be required to provide a report to the Board be worked up as a protocol.

Resolved:

- 1. That the Board ratifies the decision of the Chair to approve ILSC funding the costs of travel to and attendance at the Maori Fishing Conference in March 2019.**
- 2. That Management be directed to work up a protocol for future overseas travel and attendance, including details of who is to attend, what is expected and that any attendee needs to prepare a paper for Board review.**

Actions:

- 20. That Management work up a protocol for future overseas travel and attendance, including details of who is to attend, what is expected and that any attendee needs to prepare a paper/presentation for Board review.**

The Chair, noting item 6.7 was to be an in camera session, moved to remaining items under the heading of Governance and Administration.

6.8 Audit and Assurance Committee Report

The Directors noted there was no report on this topic, the ILSC Audit and Assurance Committee not having met since Board Meeting No 231.

6.9 Remuneration and Nomination Committee

The Chair, as the Chair of RANC spoke to the paper.

The Directors noted some possible confusion as to who were currently members of the various ILSC Committees and asked if an up to date list could be circulated.

Resolved: the Board:

1. Notes that RANC has considered the proposed reappointment and endorses the recommendation.
2. Agrees to reappoint Mr Rick Allert as Director and Independent Chair of Voyages for a further period of two years.

Actions:

21. The ILSC Group General Counsel to circulate an up to date list of members of the various ILSC Committees.

6.10 Work Health and Safety Committee Report

The Directors noted there was no report on this topic, the ILSC Work Health and Safety Committee not having met since Board Meeting No 231.

As the Board was to go in camera for the next session, the Chair asked that all Executives other than the Group CEO, Group Director People & Culture and the GGC leave the meeting.

6.7 Bullying and Harassment Presentation (in camera)

The Board went in camera on this matter.

The Board noted the presentation contents and supported the suggestions contained in the report. The Board asked that the issue become a standing item at every second Board meeting, with the Board receiving a report (in camera) against the expectations.

Resolved: The Board:

1. Noted the presentation received in camera and adopted the recommendations.
2. Noted the Board agendas for the June, October and February in session Board meetings and agreed to include as a standing item an in camera report on this matter.

Actions:

22. Amend the agendas for future June, October and February Board meetings to include an in camera session reporting on the topic of Bullying and Harassment.

The Chair noted the Board meeting would now return to being in open session and invited the remaining Executives to re-join the meeting.

3 STRATEGY, POLICY, LEGISLATION, STAKEHOLDERS (resumed)

The Chair noted item 3.5 on the Agenda was still to be discussed.

3.5 NCIE Divestment

The Deputy CEO talked to the paper and summarised the issues that the Board was being asked to consider. In particular the Deputy CEO noted there was no firm proposal to wind up NCIE Ltd

for the Board to consider, but the Executives were looking for some guidance as to the appetite the Board had on this matter and the possibility of winding up NCIE if certain scenarios are played out.

The Directors discussed the background and history to the acquisition of the property in question and the development of activities on the site.

The Chair noted the significance of the site and the need to ensure at a bare minimum any future title holding body would need to achieve a mandated return and as such any divestment proposal needs to be benchmarked against this. This was noted for future Due Diligence purposes, and it confirmed that the ability to sustain Indigenous Benefits generated from the property is a fundamental part of any business case recommending a decision to grant a property. It was however noted that for equity the ILSC's subsidy to NCIE would be factored into any comparative assessment of Indigenous Benefits currently being achieved (by NCIE) and needing to be sustained by a future THB.

The Deputy CEO restates that while an un-solicited approach has been received from NSWALC, there is still significant due diligence to be undertaken, but if the Board did not want to contemplate the possible disposal and/or winding up of the NCIE operations, that needed to be understood. This being because NSWALC's proposal does not include a continuation of the current NCIE Pty Ltd operations (pool, catering, gym etc) and as such it might be a future consideration for the Board.

The Directors indicated that while they acknowledged properties needed to be divested within a reasonable time, they had no appetite to consider divestment unless and until all due diligence was completed and a final decision to grant was being presented to the Board. The Directors indicated that as NSWALC's proposal (and operating model) was yet to be fully tested through the ILSC's due diligence, turning its mind to the possible implications for NCIE Ltd and whether it had an appetite to wind up the company were premature.

The Directors noted the suggested resolutions but, based upon the discussion resolved as follows:

Resolved:

That at present the Board had no appetite to proceed with a disposal of the NCIE as proposed in the paper presented.

7. OTHER BUSINESS

Nil

8. IN CAMERA SESSION (REFLECTION)

The Board went in camera for this session.

There being no further business, the Chair closed the meeting at 2.50pm ACDT.



Mr Edward Fry
Chair