



CHAIRPERSON'S FOREWORD



The last financial year has been a very significant one for the ILC Group. Legislation was introduced to Parliament that, if passed, will advance two major reforms long sought by the ILC. We also tabled our fifth National Indigenous Land Strategy (NILS) for the period from 2018 to 2022. Both the reforms and our NILS were informed by consultations with Aboriginal and Torres Strait Islander people, involving more than 70 organisations in multiple locations across Australia.

The Bills currently before Parliament aim to secure our main source of income and to extend our activities to salt and fresh water. If passed, this legislation will also see the ILC's name changed to the Indigenous Land and Sea Corporation. I cannot overstate the significance of these prospective reforms, and the hard work that has gone into advancing them over many years. The current and previous Boards of the ILC have long made representations to government about the need to protect the corporation's principal source of income, the Aboriginal and Torres Strait Islander



Land Account, so that, first, its capital balance is not eroded, and, second, it can provide for the needs of the Indigenous Estate into the future. Similarly, the inclusion of water-based activities within the functions of the corporation will recognise that, in the years since the ILC's establishment, Indigenous rights to water have been recognised at common law.

In the first half of 2016 the Board established an Expert Advisory Panel on the Land Account, chaired by Mr David Murray. The panel reported in December 2016, and their recommendations were among the propositions put to Aboriginal and Torres Strait Islander people in a nation-wide consultation program undertaken by the ILC from June to September last year. Indigenous Australians overwhelmingly saw the need to preserve and, if possible, grow the capital balance of the Land Account. They also told us that in Indigenous culture land and waters are continuous, and that the ILC should be in the business of providing Indigenous benefits from salt and fresh water country.

The consultations on legislative reform were followed by further discussions with our Indigenous stakeholders on a National Indigenous Land Strategy. Those consulted generally approved the directions we were taking and wanted the ILC to be more active and visible in acquiring land for Aboriginal and Torres Strait Islander people and in managing Indigenous-held land, including water country, for greater Indigenous benefit. Above all, they wanted us to do these things in partnership with them. This means investing in people's capacity and skills development as much as land and property infrastructure. The new NILS, tabled by the Minister for Indigenous Affairs in February 2018, sets out this Board's strategies, based on our vision to be the trusted partners in growing and realising the potential of the Indigenous Estate—the land as well as intangible assets such as culture held collectively by Aboriginal and Torres Strait Islander people.

As this annual report shows, the ILC Group has achieved most of its Key Performance Indicators this year. Though we have fallen short on acquisitions and grants of land, this Board and ILC Group management are working hard to achieve more acquisitions, with a number of potential acquisitions in the pipeline, and to ensure that properties held by the ILC are divested to Indigenous corporations, as required by our legislation. The ILC is in the initial stages of a shift from providing Indigenous benefits through operating businesses on properties to partnership with Indigenous owners in joint ventures and other forms of collaboration.

The ILC Board has set itself a deadline of 2020 to achieve the objectives of its strategic reform agenda. The *ILC Group 2020 Vision*, a series of 26 tactics, focused both externally and internally, strives to:

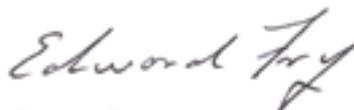
- > pursue greater success against our mandate to assist in land acquisition and land management on behalf of Indigenous people and for Indigenous benefits
- > act more commercially, making robust business decisions that maximise our investment in achieving our mandate
- > be relevant and responsive to our clients, partners and market opportunities
- > be a high performing, efficient and accountable organisation.

Over the last couple of years the ILC has worked hard to build its financial health and thus its capacity to invest strategically into the Indigenous Estate. We are adopting a growth mindset which is evident in an increase in both our activity and demand relating to land acquisition, land management and property divestment assistance. In 2018-19 and future years we will be reversing a long-standing trend of relatively low numbers of ILC acquisitions, and in fact undertaking a greater number of land acquisitions, while also supporting more innovative and commercial land management projects. With a strong pipeline of projects, our investment and performance against mandate will be significantly greater in the coming years. This will be due to our improved financial health and our efforts in becoming a more efficient and commercial thinking organisation.

I would like to express my thanks to ILC Group CEO, Mr John Maher, and all ILC Group staff for their dedicated efforts in pursuing the Board's priorities in this period.

Finally, I thank my fellow Directors for their informed considerations and strategic leadership over the past year.

When we report again, it is hoped we will do so as the Indigenous Land and Sea Corporation.



Edward Fry
ILC Chairperson

September 2018

