

did not adequately address their land needs and some groups believed it actively militated against them. The revised NILS aims to address all types of Indigenous land needs, whether rural or urban.

Land Enterprise Australia Pty Ltd (ACN 084 704 423)

LEA, a wholly-owned subsidiary of the ILC, was formed to oversee commercial land management operations and the management of land-based enterprises purchased by the ILC. LEA operates within the enterprise development strategic initiative of the NILS 2001 – 2006, which is to assist groups to develop viable and sustainable enterprises on their land.

LEA is funded directly by the ILC and acts as its in-house consulting and business management company. The LEA Board aims to ensure that commercial assessments are rigorous and subjected to scrutiny. Protocols for commercial assessment and for coordination between the ILC and the LEA have been developed, and an ILC/LEA project team approach adopted.

LEA aims to assist the development of commercially profitable, Indigenous-owned, managed and operated land-based enterprises. It does this through:

- rigorous commercial assessment of land, labour and capital involved in existing enterprises on Indigenous land, or land that is to be acquired by the ILC
- extensive community consultations and assessment of the enterprise capacity of the community
- ongoing commercial development advice, which will include advice on human resources, land and infrastructure development
- co-management of existing ILC pastoral enterprises with traditional owners.

In adopting this approach, LEA aims to ensure that the Indigenous landowners receive all possible support necessary to maximise returns from their land while minimising the social, cultural and environmental costs.

“LEA operates within the enterprise development strategic initiative of the NILS 2001 – 2006, which is to assist groups to develop viable and sustainable enterprises on their land.”

Currently LEA manages five enterprises on behalf of the ILC, including three ILC subsidiaries, Mogila Merino Stud, Cardabia Station and Mount Clarence Station. Each of these enterprises is currently under review.

During the past financial year, LEA's programs were restructured into four categories. These are:

- Divisional Support – including enterprise assessment, management advice and community consultations on enterprise development
- Enterprise Management – this covers Mogila Merino Stud, Mount Clarence Pastoral Company, Cardabia Pastoral Company, Roebuck Plains Station and Myroodah/Luluigui Stations
- Extension, Education and Training – this includes management training, operational training and technical training
- Special Projects – such as the stocktake of ILC-purchased land, Boona Dairy, Point Pearce Abalone Project, Kimberley Aboriginal Beef Strategy and the Central Australian Aboriginal Horticultural Development Strategy.

Enterprise Management

Mogila Merino Stud Pty Ltd (ABN 47 078 466 761)

Mogila Merino Stud Pty Ltd (MMS) was incorporated on 8 May 1997. The company acts as the corporate trustee vehicle and the Board of Directors oversees the business operations. The business assets are held in trust by the ILC under the Mogila Merino Stud Trust, and both MMS and the MMS Trust are fully owned by the ILC.

Mogila is a dryland grazing property of 34,586 hectares, located about ten kilometres north east of Goodooga in New South Wales. The Mogila aggregation comprises two parts: Mogila station, located in NSW, and Currawillinghi, located in Queensland. The aggregation of land carried a flock of 18,676 merino sheep in June 2001 as part of its main enterprise of merino wool production.

The Mogila Board of Directors comprises representatives of the ILC/LEA, the property's traditional owners, the local Aboriginal community, and a neighbouring pastoralist. Board meetings are held every quarter. An experienced station manager, Mr Don Waters, reports to the Mogila Board and carries out the day-to-day management of the property. In the course of the year Mogila has employed from the local Aboriginal community two

Report Of **Operations**

full-time station employees and several casual station employees. Its shearing team comprises mainly local Aboriginal community members from the Goodooga township. Training courses in shearing have been conducted on the property, and training options under the Extension, Education and Training Strategy have been put together for an Aboriginal trainee manager and bookkeeper on Mogila.

Overall, Mogila has had a profitable year with its business operations as sheep and wool prices continue to climb from their recent ten-year low.

Mount Clarence Pastoral Company Pty Ltd (ABN 32 079 814 976)

Mount Clarence Station is situated north west of Coober Pedy in South Australia. A sheep grazing property of almost 2,100 square kilometres, it is made up of 1,749 square kilometres under Pastoral Lease and 316 square kilometres under Annual Licence. The property was purchased by the ILC in August 1997 and the Mount Clarence Pastoral Company was incorporated on 22 August 1997. The Company's Board of Directors acts as the corporate trustee in overseeing the pastoral operations of the ILC-owned Mount Clarence Pastoral Company Trust.

The pastoral operations comprised 6,700 merino sheep and approximately 300 cattle at June 2001. The Mount Clarence Board of Directors is made up of representatives of the ILC/LEA and the property's traditional owners. Board meetings are held quarterly. An experienced station manager, Mr John Bayley, reports to the Mount Clarence Board and is assisted with the day-to-day management by two Aboriginal station employees/trainees. The property recently had its first Aboriginal trainee complete the Certificate 2 in Agriculture as part of the neighbouring Mabel Creek Station Training program. The other Aboriginal station-hand is mid-way through his traineeship. In addition to this, local Indigenous Community Development and Employment Program (CDEP) labour is utilised as required.

The property has significantly improved its infrastructure over the last two to three years and is now in a position to agist cattle. It has also been successful in generating off-farm income through grading work and water cartage to supplement its pastoral activities.

Cardabia Pastoral Company Pty Ltd (ABN 78 080 766 463)

Cardabia Station is a pastoral lease of 199,808 hectares situated 240

kilometres north of Carnarvon in the Gascoyne Murchison region of Western Australia. The property borders the Ningaloo Marine Park, which is adjacent to the small tourist town of Coral Bay.

Cardabia Pastoral Company Pty Limited was formed in November 1997. The company is managed by a Board of Directors, consisting of representatives of the ILC/LEA, the property's traditional owners and a neighbouring pastoralist. Board meetings are held every quarter. The business operates with a full complement of Aboriginal staff including a full-time property manager, two full-time employees and contract labour from the local CDEP at peak times. The property manager, Mr Baron, is also a member of the title-holding body. He and other members of the community reside on the property, providing support for the day-to-day running of a flock of approximately 14,000 sheep and a herd of 1,380 cattle.

Cardabia's proximity to the Ningaloo Reef gives it enormous tourism development potential, including eco-tourism opportunities. The Baiyungu Aboriginal Corporation, Cardabia's land title-holding body, has negotiated a transfer of 62 hectares of coastal land for a services area to support a possible marina development at Maud's Landing. This marina development is currently at the environmental assessment stage and if it goes ahead Baiyungu will be able to integrate its tourism plans with the marina development plans.

Roebuck Plains Station

Roebuck Plains Station is a large pastoral lease situated close to Broome in the Kimberley region of Western Australia. The ILC assumed direct control of the property on 1 July 2000 and appointed Mr Edward McCord as the property manager. He also oversees the operations of Myroodah/Luluigui Station. In the last 12 months the management has been focussed on increasing Aboriginal employment, implementing improvements to the homestead and staff quarters, improving the bloodlines of the Roebuck herd, purchasing horses for mustering and replacing unserviceable machinery.

To ensure that pastoral employees obtained their full benefits under the Pastoral Award, Roebuck Plains Pastoral Company Pty Ltd (ABN 90 093 740 660) was established as the employment vehicle to employ Roebuck Plains Station workers.

Report Of **Operations**

The ILC continues to work with the local communities that are attempting to identify which Aboriginal families should comprise the future title-holding body. Until this is resolved, the property will continue to be owned by ILC.

The pastoral business on Roebuck Plains Station recorded a net profit of \$1.392m for the year ended 30 June 2001. This result takes into account the change in market value of the livestock over the financial year. The ILC incurred additional expenses for holding title to the land during this period that are not included in the net profit result of the business.

“The pastoral business on Roebuck Plains Station recorded a net profit of \$1.392m for the year ended 30 June 2001.”

Myroodah/Luluigui Station

Myroodah/Luluigui pastoral leases operate as a single unit of 410,000 hectares located on the Fitzroy River, approximately 160 kilometres south east of Derby. On acquisition, Myroodah/Luluigui was in a very poor state of repair. Since then the ILC has been working towards restoring the station to a reasonable standard. This has included improvements to the homestead area and staff quarters, major repairs to watering points and the ongoing major fencing and yard refurbishment.

As a result, the management of the cattle herd, which was largely uncontrolled at the time of acquisition, has also improved. Brahman cattle have been purchased to improve the quality of the herd. Plant and equipment is being purchased to replace the deficient and unserviceable equipment that was on the property when it was purchased.

To ensure that pastoral employees obtained their full benefits under the Pastoral Award, Myroodah & Luluigui Pastoral Company Pty Ltd (ABN 88 093 740 651) was established as the vehicle to employ Myroodah/Luluigui Station workers.

“The pastoral business on Myroodah/Luluigui recorded a net profit of \$786,000 for the year ended 30 June 2001.”

The pastoral business on Myroodah/Luluigui recorded a net profit of \$786,000 for the year ended 30 June 2001. This result takes into account the change in market value of the livestock over the financial year. The ILC incurred additional expenses for holding title to the land during this period that are not included in the net profit result of the business.

Extension, Education and Training

In November 1999 the ILC Board identified as a major responsibility the need to establish an Extension, Education and Training Strategy to support Indigenous land owners. After six months of planning the Board initiated the following activities:

- In July 2000, the Board granted approval for a “proof-of-concept” trial.
- Between July 2000 and February 2001, five proof-of-concept trials were conducted. These involved personal development training, induction training, traineeships, managers’ and directors’ training.
- A proof-of-concept trial evaluation meeting was held with service providers in March 2001.
- In April 2001, with support from the FarmBis program, the Board assisted in the development and implementation of the Extension, Education and Training Strategy.
- In May 2001, the Board endorsed a proposal to enter into a joint venture agreement with Lawn Hill Riversleigh Pastoral Holding Company to deliver all six levels of training.

The proof-of-concept trials were held in several locations in Western Australia, South Australia and New South Wales. Selection of the service providers was based on their demonstrated experience in delivering the relevant level of training in Indigenous communities and their ability to deliver the training effectively and appropriately. The proof-of-concept trial allowed LEA to test or identify:

- the infrastructure of the strategy on a smaller scale
- course curriculum, structure, flexibility and adaptability
- weaknesses of course structure and curriculum
- weaknesses of the strategy
- strengths of the strategy and training courses.

In February 2001, the Lawn Hill Riversleigh Pastoral Holding Company approached LEA to assist in establishing its rural education and training strategy. This will be implemented sometime in the next financial year and it is estimated that 50-60 people will participate in the training pilot.

Special Projects

ILC Review of ILC Purchased Land

In 2001 the ILC Board initiated a review of ILC-purchased land. Its purpose is to assess the impact of the acquisition of the land, the state of the properties and the appropriateness of existing ILC policy and programs. It will also identify additional measures that could maximise the benefits of land acquisition by Indigenous people and ensure compliance with proposals and undertakings.

Kimberley Aboriginal Beef Strategy

In May 2001, KAPA and ILC representatives met to discuss the formation of a Kimberley Aboriginal Beef Cooperative. It was agreed that a commercial cooperative marketing trial should be conducted. This trial proposed two boatloads of cattle from several Indigenous properties being marketed together in December 2001 – January 2002. The Kimberley Aboriginal Pastoralists are committed to supporting such a trial and a proposal is currently being negotiated with the ILC.

Further detail regarding KABS is located in the section, Western Division Office, Output 3 Land Management.

Boona

Boona is a 325 hectare property approximately 30 kilometres north east of Warrnambool, in Victoria. The Kirrae Whurrong Community (KWC) sought assistance from the ILC to operate and manage a dairy business enterprise on the property.

The LEA Board approved a \$540,000 loan to the KWC in 1999 for the development of the dairy and integrated farming operations. The loan is fully repayable over 12 years. The KWC was also successful in securing a \$500,000 grant from ATSIC to assist in the development of the dairy.

The KWC has successfully met agreed milestones in developing the dairy farm, with a new rotary dairy being built and now fully operational. Herd numbers will be increased to 380 for the 2001-02 season.

The dairy employs a number of Aboriginal staff, both full time and part time. One staff member is also completing a dairy farm traineeship.

LEA maintains an ongoing monitoring role with the dairy farm project.

Central Australian Aboriginal Horticultural Development Strategy

The ILC has been involved as a member of the Central Land Council (CLC) Aboriginal Horticultural Working Group since April 1999.

The ILC provided funding to the CLC later in 1999 to prepare a development strategy for Aboriginal horticulture in Central Australia. The strategy report identified a number of areas of Indigenous land with potential for horticultural development.

The strategy also recommended that an Indigenous Corporation be formed to drive the development process. The CLC recently received funding under the Department of Employment, Workplace Relations and Small Business Indigenous Small Business Fund to establish such a body.

In July 2000, the CLC approached the ILC with a horticulture proposal on behalf of the Indigenous land owners of the Angarapa Indigenous Land Trust in the Northern Territory (Utopia). The proposal involved a 200 hectare commercial citrus plantation. It was to be a joint venture between Utopia Farms Aboriginal Corporation (representing the Indigenous land owners) and a citrus growing, packing and marketing company based in the Riverland area of South Australia.

Shortly after July 2000, the citrus company lowered their proposed contribution to only one eighth of their original equity contribution. Other Government funding agencies along with the ILC became concerned that the Government agencies were asked to bear virtually the entire risk for this green field commercial project. These agencies collectively decided that it was prudent to initially support a smaller commercial trial of a number of horticultural products on Indigenous-held land.

Point Pearce Abalone Project

Point Pearce is located approximately 150 kms north west of Adelaide, on the Yorke Peninsula of South Australia. Point Pearce has a community of around 150 people and is represented by the Goretta Aboriginal Corporation (GAC).

This year LEA assisted GAC to establish a Project Development Team consisting of a Steering Group (SG) and Working Group (WG). The WG