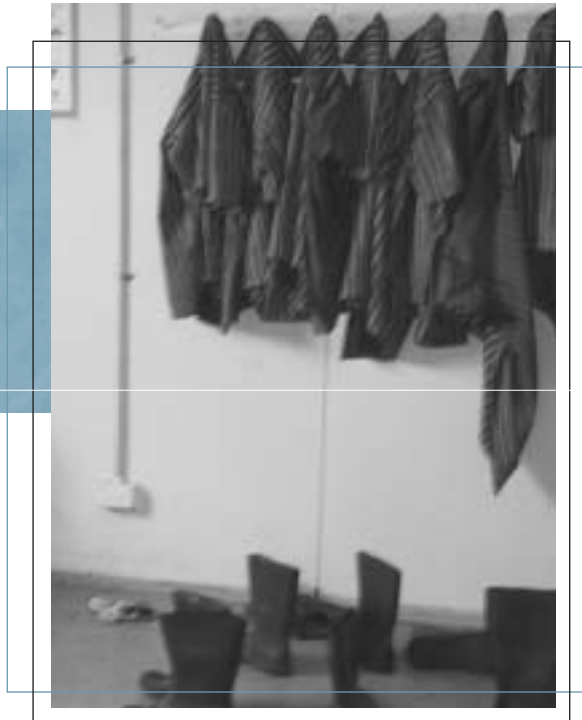


BUSINESS PLANNING DIRECTORATE

The Business Planning Directorate operates within the enterprise development strategic initiative of the NILS 2001-06 to assist groups to develop viable and sustainable enterprises on their land.

The directorate's responsibilities are:

- management of six enterprises on behalf of the ILC: Roebuck Plains Station, Myroodah/Luluigui Station, Wittenburra/ Turn Turn Station and Murrayfield; and two ILC subsidiaries, Mogila Merino Stud and Cardabia Pastoral Company
- support to all ILC Divisional Offices through enterprise assessment and management advice on applications to the land acquisition and land management programs and on current land management projects
- development of the Economic land acquisition program.



MOGILA MERINO STUD PTY LTD (ABN 47 078 466 761)

Mogila Merino Stud Pty Ltd (MMS) was incorporated on 8 May 1997. The company acted as the corporate trustee and the Board of Directors oversaw the business operations. The business assets were held in trust by the ILC under the Mogila Merino Stud Trust, and both MMS and the MMS Trust were fully owned by the ILC. Mogila is a dry land 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 Currawillingai, located in Queensland. The aggregation of land carried a flock of 16,400 merino sheep at 1 July 2002.

After consultation with the executive of the Title Holding Body for the Mogila and Currawillingai land, the ILC decided to wind up the operations of Mogila Merino Stud during the first quarter of 2002-2003. The Mogila Merino Stud ceased commercial operations on 27 September 2002.

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 and is adjacent to the small tourist town of Coral Bay. Cardabia Pastoral Company Pty Limited was formed in November 1997. A Board of Directors, consisting of representatives of the ILC, the property's traditional owners and a neighbouring pastoralist, manages the company. 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, a casual bookkeeper 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 8,340 sheep and a herd of 1,571 cattle that were on the property at 30 June 2003.

For most of 2002-2003 the property continued to suffer from severe drought with only 58 mm of rainfall occurring for the 11 months to 1 June 2003. The total rainfall for the three years from 1 June 2000 to 31 May 2003 was 315 mm, making this the driest three - year period on record for Cardabia. During this period the Cardabia Pastoral Company board initiated a drought management plan that consisted of the staged sell-down of livestock to retain the core of breeding animals and improvement to livestock water supplies.

Relief from the drought finally came in June 2003 when 135 mm of rainfall was recorded.

Plans are now being developed for the ILC to transfer ownership of the Cardabia Pastoral Company business to Baiyungu Aboriginal Corporation, the Title Holding Body.

ROEBUCK PLAINS STATION

Roebuck Plains Station is a pastoral lease of 283,000 hectares situated close to Broome in the Kimberley region of Western Australia. The ILC assumed direct control of the property on 1 July 2000. During the past 24 months management has focused on implementing improvements to the stock water and fence infrastructure and restructuring the management of the herd to enable the majority of cattle to be sold during the wet season when supplies to exporters from other stations are limited. The herd totalled 22,207 head at 30 June 2003.

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. In 30 June 2003, five Aboriginal men were employed as stockmen.

The ILC continues to work with local communities to identify which Aboriginal families should comprise the future Title Holding Body. Until this is resolved, the property will continue to be owned by the ILC.

MYROODAH/LULUIGUI STATION

Myroodah/Luluigui pastoral leases operate as a single unit of 402,769 hectares located on the Fitzroy River, approximately 160 kilometres south east of Derby. However, only 28% (114,300 Ha) of this land is developed with fences and waters to enable effective livestock control and management. On acquisition, Myroodah/Luluigui was in a very poor state of repair. The ILC has continued working towards restoring the station to a reasonable standard. This has included major repairs to watering points and 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. The herd totalled 11,928 head at 30 June 2003.

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. At 30 June 2003 four Aboriginal men were employed as stockmen on Myroodah.

The livestock held on all of the commercial properties have been valued in accordance with the Accounting Standard AAS35. This standard requires all livestock to be valued at current market prices regardless of the purpose for holding them. As at the end of the reporting period the ILC owned 667 bulls on Myroodah and Roebuck that were purchased and held as breeding stock. The independent valuer, valuing at current market prices, attributed a value of \$500-\$525 per bull. As the ILC has no immediate intention to sell the bulls, it attributes a value of \$980-\$996 per head.

MURRAYFIELD

Murrayfield was purchased by the ILC in November 2001. Murrayfield is a property of 4,097 hectares of which 2,200 are cleared and sown to pastures. Murrayfield is a well-developed property that is situated 35 minutes travel time south of Hobart on the North Bruny Island in Tasmania. At the 30 June 2003 the property was running 13,462 head of merino sheep.

To ensure that pastoral employees obtained their full benefits under the Pastoral Award, Murrayfield Pastoral Company Pty Ltd (ABN 88 098 591 827) was established as the vehicle to employ Murrayfield workers.

During 2002-2003 the ILC concentrated on implementing an improvement program for the pastures and flock on Murrayfield and refurbishing the accommodation on the property to enable better use of these buildings. Improvements to access and amenities at a number of sites on the property also enabled members of the proponent group to use and enjoy the land for social and cultural activities.

WITTENBURRA/ TURN TURN

Wittenburra and Turn Turn properties operate as a single unit of 60,860 hectares located in the Paroo Shire on the Paroo River, 110 kilometres south west of Cunnamulla in south west Queensland. The ILC purchased these properties on 1 July 2000. The properties are used for grazing merino sheep and beef cattle.

Throughout 2002-2003 the property was drought-declared and the district rainfall for the 24 months to 30 June 2003 was the lowest on record.

As a result of these extreme conditions the ILC destocked the property, retaining a core flock of 2,300 breeding ewes on the property and 185 breeding cows on agistment at 30 June 2003. A significant livestock water refurbishment plan was implemented in early 2003, using Aboriginal workers from the Charleville and Cunnamulla CDEP organisations.



CAPACITY DEVELOPMENT

Research during the stocktake of ILC properties identified a need to increase the capacity of landowners to manage their land. In response, the Capacity Development Unit (CDU) was established in December 2002 to promote and provide opportunities for Indigenous people to enhance their ability to derive benefits from land acquisition and land management. To achieve its aim, the CDU will:

- promote best management practices within the ILC
- assist the development of ILC personnel
- establish strategic alliances with stakeholders.