

Indigenous Land Corporation

Financial  
Statements  
For the Year  
Ended June

2001

Annual Report 2000 - 2001

Indigenous Land Corporation



## INDEPENDENT AUDIT REPORT

To the Minister for Reconciliation and Aboriginal and Torres Strait Islander Affairs

### Scope

I have audited the financial statements of the Indigenous Land Corporation for the year ended 30 June 2001. The financial statements include the consolidated financial statements of the economic entity comprising the Indigenous Land Corporation and the entities it controlled at the year's end or from time to time during the year. The statements comprise:

- Statement by Directors;
- Statement of Financial Performance;
- Statement of Financial Position;
- Statement of Cash Flows;
- Schedule of Commitments;
- Schedule of Contingencies; and
- Notes to and forming part of the financial statements.

The Directors of the Corporation are responsible for the preparation and presentation of the financial statements and the information they contain. I have conducted an independent audit of the financial statements in order to express an opinion on them to you.

The audit has been conducted in accordance with Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards, to provide reasonable assurance as to whether the financial statements are free of material misstatement. Audit procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial statements are presented fairly in accordance with Australian Accounting Standards, other mandatory professional reporting requirements and statutory requirements in Australia so as to present a view which is consistent with my understanding of the Indigenous Land Corporation and the economic entity's financial position, the results of their operations and their cash flows.

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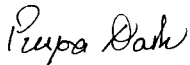
The audit opinion expressed in this report has been formed on the above basis.

**Audit Opinion**

In my opinion,

- (i) the financial statements have been prepared in accordance with the Schedule 1 of the Commonwealth Authorities and Companies (Financial Statements 2000-2001) Orders; and
- (ii) the financial statements give a true and fair view, in accordance with applicable Accounting Standards, other mandatory professional reporting requirements and Schedule 1 of the Commonwealth Authorities and Companies (Financial Statements 2000-2001) Orders, of the financial position of the Indigenous Land Corporation and the economic entity as at 30 June 2001 and the results of their operations and their cash flows for the year then ended.

Australian National Audit Office



Puspa Dash  
Senior Director

Delegate of the Auditor-General

Canberra  
10 September 2001



**INDIGENOUS LAND CORPORATION**  
ABN 59 912 679 254



**LAND ENTERPRISE AUSTRALIA**  
ABN 32 084 704 423

### Statement by Directors


In our opinion, the attached financial statements give a true and fair view of the matters required by Schedule 1 to the Commonwealth Authorities and Companies (Financial Statements 2000-2001) Orders made under the Commonwealth Authorities and Companies Act 1997 for the year ended 30 June 2001.

The Corporation has adopted accounting standard AAS35 Self-generating and regenerating assets from 1 July 2000 as detailed in note 1 to the financial statements.

The Corporation has also adopted a change in accounting policy in regards to the treatment of acquisition and transfer of Land held in trust and Plant and Equipment held in trust as detailed in notes 1.9 and 10B.

Signed 

Ms S McPherson  
Chairperson  
Indigenous Land Corporation  
31 August 2001

Signed 

Mr C Riley  
Deputy Chairperson  
Indigenous Land Corporation  
31 August 2001

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## Indigenous Land Corporation

## Statement of Financial Performance for the year ended 30 June 2001

	Notes	Consol 2001 \$	Consol 2000 \$	ILC 2001 \$	ILC 2000 \$
<b>Revenue from ordinary activities</b>					
Revenues from government	6	51,882,000	50,838,000	51,882,000	50,838,000
Sale of goods and services	7	-	1,311,349	-	661,094
Net increment in market value of livestock	8A	5,428,853	-	4,509,918	-
Net market value of goods extracted	8B	966,056	-	219,119	-
Interest	9A	5,062,569	6,705,452	5,038,866	6,683,429
Proceeds from disposal of assets	9B	128,556	173,855	119,356	173,855
Revenue from subsidiaries		-	-	-	12,800
Other	9C	605,000	567,407	524,191	520,674
<b>Total revenues from ordinary activities</b>		64,073,034	59,596,063	62,293,450	58,889,852
<b>Expenses from ordinary activities</b>					
Land transfer	10A	19,230,846	26,632,776	19,230,846	26,632,776
Provision for land transfer	10B	38,545,319	-	38,545,319	-
Land management	11	6,670,744	7,472,060	7,171,213	7,251,484
Net write down of assets	12	2,305,798	609,442	2,305,798	609,442
Employees	13A	5,473,937	4,955,303	4,123,982	3,976,171
Suppliers	13B	5,110,989	4,261,620	4,935,949	5,016,745
Depreciation and amortisation	13C	762,586	790,574	561,542	565,932
Disposal of assets	13D	61,214	256,618	49,584	254,412
Net loss from the sale of investments		11,552	89,175	11,552	89,175
Interest	13E	13,360	15,018	8,711	9,570
<b>Total expenses from operating activities</b>		78,186,345	45,082,586	76,944,496	44,405,707
<b>Net surplus (deficit)</b>		(14,113,311)	14,513,477	(14,651,046)	14,484,145
Increase in retained profits on adoption of new standard	14	1,228,941	-	815,047	-
Net debit to asset revaluation reserve		(691)	-	(81)	-
Total revenues, expenses and valuation adjustments recognised directly in equity		1,228,250	-	814,966	-
<b>Total changes in equity other than contributions/withdrawal of capital</b>		(12,885,061)	14,513,477	(13,836,080)	14,484,145

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The above statement should be read in conjunction with the accompanying notes

## Indigenous Land Corporation

## Statement of Financial Position as at 30 June 2001

	Notes	Consol 2001 \$	Consol 2000 \$	ILC 2001 \$	ILC 2000 \$
<b>ASSETS</b>					
<b>Financial Assets</b>					
Cash	15A	688,823	482,592	505,701	242,932
Receivables	15B	1,135,713	1,341,758	1,102,407	1,311,546
Investments	15C	122,987,625	94,734,421	122,987,667	94,734,461
Beneficiary loan	15D	-	-	506,000	506,000
Other	15E	732,365	617,794	2,492,557	2,344,350
Total financial assets		125,544,526	97,176,565	127,594,332	99,139,289
<b>Non-Financial Assets</b>					
Land held in trust	16A	-	44,089,306	-	44,089,306
Plant and equipment held in trust	16A	-	1,693,121	-	1,693,121
Livestock held in trust	16A	147,188	669,459	147,188	669,459
Infrastructure, plant & equipment	16B	3,256,999	2,264,354	2,716,171	1,593,439
Leased assets	16C	96,089	167,187	71,536	132,699
Inventory	16D	11,726,009	5,759,933	9,635,059	4,844,166
Total non-financial assets		15,226,285	54,643,360	12,569,954	53,022,190
<b>Total assets</b>		140,770,811	151,819,925	140,164,286	152,161,479
<b>LIABILITIES</b>					
<b>Interest bearing liabilities</b>					
Loans		85,719	-	-	-
Leases	17	235,775	374,686	208,054	339,844
Total interest bearing liabilities		321,494	374,686	208,054	339,844
<b>Provisions</b>					
Employees	18A	923,217	809,241	839,226	697,014
<b>Payables</b>					
Suppliers	18B	3,277,069	1,501,906	3,135,157	1,306,692
Total provisions and payables		4,200,286	2,311,147	3,974,383	2,003,706
<b>Total liabilities</b>		4,521,780	2,685,833	4,182,437	2,343,550
<b>EQUITY</b>					
Reserves	19	323,795	324,486	245,292	245,373
Accumulated surplus	19	135,925,236	148,809,606	135,736,557	149,572,556
<b>Total equity</b>		136,249,031	149,134,092	135,981,849	149,817,929
<b>Total liabilities and equity</b>		140,770,811	151,819,925	140,164,286	152,161,479
<b>Current liabilities</b>		4,062,352	2,163,030	3,753,921	1,750,186
<b>Non-current liabilities</b>		459,428	522,803	428,516	593,364
<b>Current assets</b>		136,538,128	102,936,498	134,230,792	101,133,065
<b>Non-current assets</b>		4,232,683	48,883,427	5,933,494	51,028,414

**Indigenous Land Corporation**  
**Statement of Cash Flows for the year ended 30 June 2001**

	Notes	Consol 2001 \$	Consol 2000 \$	ILC 2001 \$	ILC 2000 \$
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Receipts from the Land Fund		51,777,000	50,712,000	51,777,000	50,712,000
Receipts from Government		115,500	126,000	115,500	126,000
Sale of goods and services		3,438,517	3,830,259	2,315,249	2,806,986
Interest and bill discounts		5,914,015	6,341,213	5,890,312	6,319,190
Other		284,950	1,242,787	292,212	1,208,854
GST recovered from tax authority		1,235,199	-	1,252,762	-
<b>Total cash received</b>		<b>62,765,181</b>	<b>62,252,259</b>	<b>61,643,035</b>	<b>61,173,030</b>
<b>Cash used</b>					
Employees		5,369,961	4,858,939	3,991,770	3,885,818
Direct land acquisition suppliers		12,767,615	25,070,515	12,767,615	25,070,515
Land management		6,838,597	7,467,853	7,339,067	7,251,484
Other suppliers		5,398,348	5,771,283	5,142,044	6,025,150
Loans made		114,571	617,794	148,207	617,794
<b>Total cash used</b>		<b>30,489,092</b>	<b>43,786,384</b>	<b>29,388,703</b>	<b>42,850,761</b>
<b>Net cash from operating activities</b>	<b>20</b>	<b>32,276,089</b>	<b>18,465,875</b>	<b>32,254,332</b>	<b>18,322,269</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from lease incentive		-	201,277	-	201,277
Proceeds from the sale of assets		88,586	39,870	23,738	39,870
Proceeds from sale of investments		294,567,106	154,818,188	294,567,106	154,818,148
<b>Total cash received</b>		<b>294,655,692</b>	<b>155,059,335</b>	<b>294,590,844</b>	<b>155,059,295</b>
<b>Cash used</b>					
Purchase of assets		1,914,164	1,182,543	1,777,018	1,109,032
Purchases of investments		324,774,141	172,709,840	324,774,143	172,709,840
<b>Total cash used</b>		<b>326,688,305</b>	<b>173,892,383</b>	<b>326,551,161</b>	<b>173,818,872</b>
<b>Net cash used in investing activities</b>		<b>(32,032,613)</b>	<b>(18,833,048)</b>	<b>(31,960,317)</b>	<b>(18,759,577)</b>

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**Indigenous Land Corporation****Statement of Cash Flows (continued) for the year ended 30 June 2001**

	Notes	Consol 2001 \$	Consol 2000 \$	ILC 2001 \$	ILC 2000 \$
<b>FINANCING ACTIVITIES</b>					
<b>Cash used</b>					
Lease payments		37,245	44,024	31,246	32,785
<b>Net cash used in financing activities</b>		(37,245)	(44,024)	(31,246)	(32,785)
<b>Net increase (decrease) in cash held</b>		206,231	(411,197)	262,769	(470,093)
Cash at the beginning of the reporting period		482,592	893,789	242,932	713,025
<b>Cash at the end of reporting period</b>	<b>21</b>	688,823	482,592	505,701	242,932

**Indigenous Land Corporation**  
**Schedule of Commitments as at 30 June 2001**

Notes	Consol 2001 \$	Consol 2000 \$	ILC 2001 \$	ILC 2000 \$
<b>By Type</b>				
<b>CAPITAL COMMITMENTS</b>				
Other	25,825	27,228	-	-
Total capital commitments	25,825	27,228	-	-
<b>OTHER COMMITMENTS</b>				
Operating leases	942,362	1,399,360	825,493	1,188,005
Finance leases	115,971	207,293	85,812	163,881
Total other commitments	1,058,333	1,606,653	911,305	1,351,886
<b>COMMITMENTS RECEIVABLE</b>				
Goods and services tax	85,822	146,059	83,080	122,899
<b>Net Commitments</b>	998,336	1,487,822	828,225	1,228,987
<b>BY MATURITY</b>				
<b>All net commitments</b>				
One year or less	505,059	588,997	393,124	474,448
From one to five years	493,277	898,825	435,101	754,539
<b>Net commitments</b>	998,336	1,487,822	828,225	1,228,987
<b>Operating lease commitments</b>				
One year or less	424,413	552,969	346,882	470,189
From one to five years	517,949	846,391	478,611	717,816
<b>Net operating lease commitments</b>	942,362	1,399,360	825,493	1,188,005

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Capital commitments refers to an amount committed for the Carnarvon Artesian Basin research project with the Waters and Rivers Commission.

The operating leases relate predominantly to tenancy of the ILC in its Adelaide, Perth and Brisbane offices and LEA in Canberra.

The amounts reported as at 30 June 2001 as commitments payable include the GST where relevant. Recoveries of GST in relation to commitments payable is included in commitments receivable.

The above statement should be read in conjunction with the accompanying notes

**Indigenous Land Corporation**  
**Schedule of Contingencies as at 30 June 2001**

Notes	Consol 2001 \$	Consol 2000 \$	ILC 2001 \$	ILC 2000 \$
<b>CONTINGENT LOSSES</b>				
Legal fees	11,000	500,000	11,000	500,000
Other guarantees	20,000	60,000	20,000	60,000
Other	562,500	-	562,500	-
	<u>593,500</u>	<u>560,000</u>	<u>593,500</u>	<u>560,000</u>
<b>CONTINGENT GAINS</b>				
Other	40,000	-	40,000	-
	<u>40,000</u>	<u>-</u>	<u>40,000</u>	<u>-</u>
<b>Net contingencies</b>	<u>553,500</u>	<u>560,000</u>	<u>553,500</u>	<u>560,000</u>

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**Legal fees**

In the reporting period the ILC was subject to two inquiries:

- inquiry into the behaviour of the ILC Board commissioned by the Minister of Aboriginal and Torres Strait Islander Affairs; and,
- inquiry into the purchase of two properties in WA commissioned by the ILC Board.

Whilst the inquiries have been completed the Board has requested that Andrew Rogers QC provide legal advice in relation to appropriate indemnities in favour of the ILC, its Directors and officers who have given evidence to the inquiry into the purchase of two properties in WA.

Costs for the advice is estimated to be \$11,000 (GST inclusive).

**Other guarantees**

The ILC has agreed to provide bank guarantees to NSW State Forests for security of wood cutting royalties, and Bank of Melbourne as loan security for Bampi Mi Aboriginal Corporation.

**Contingent losses - other**

The ILC has undertaken to grant monies for the purpose of effecting a property called Silver Plains in Queensland to Kulla Aboriginal Land Trust. The grant is contingent on the grant of title by Queensland Government. The commitment is for the balance of funds required for the acquisition of the property by the proponent group.

All contingencies are GST inclusive where relevant.

**Contingent gains – other**

The ILC has made a claim against Sharon Firebrace for the costs associated with litigation commenced in the Federal Court by Ms. Firebrace during 2000. It is likely that Ms. Firebrace will be required to pay ILC approximately \$40,000.

**Indigenous Land Corporation**

**Notes to and forming part of the financial statements  
for the year ended 30 June 2001**

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**1. Summary of Significant Accounting Policies**

**1.1 Basis of accounting**

The financial statements are required by clause 1(b) of Schedule 1 to the *Commonwealth Authorities and Companies Act 1997* and are a general purpose financial report.

The financial statements have been prepared in accordance with:

- Schedule 1 of the Commonwealth Authorities and Companies (Financial Statements 2000-2001) Orders
- Australian Accounting Standards, other authoritative pronouncements of the Accounting Standards Board (Accounting Guidance Releases) and the Consensus Views of the Urgent Issues Group.

The statements have been prepared having regard to Statements of Accounting Concepts, the Explanatory Notes to Schedule 1 issued by the Department of Finance and Administration and Guidance Notes issued by that Department.

The financial statements have been prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets which, as noted, are at valuation. Except where stated, no allowance is made for the effect of changing prices on the results or on the financial position of the Indigenous Land Corporation ("ILC") and the economic entity ("The Corporation").

**1.2 Rounding**

The financial statements have been rounded to the nearest dollar.

**1.3 Changes in accounting policy**

The Corporation has adopted accounting standard AAS35 Self-generating and regenerating assets from 1 July 2000. Changes from the lower of cost and net realisable value to net market value as at 1 July 2000 is made to opening retained profits (refer to note 14).

The Corporation has also adopted a change in accounting policy in regards to the treatment of acquisition and transfer of Land held in trust and Plant and Equipment held in trust (refer to notes 1.9 and 10B). The effect of the adoption is the once off provision for Land held in trust and Plant and Equipment held in trust as at 1 July 2000 and the on going movement of the provision as land is acquired and transferred during the reporting period. As the change in accounting policy has been adopted in the current reporting period, opening retained profits have not been adjusted as a result of this change.

There have been no other changes to accounting policies during the reporting period.

#### **1.4 Departmental and administered items**

Departmental assets, liabilities, revenues and expenses in relation to the Corporation are those which are controlled by the Corporation. Departmental expenses include employee and supplier expenses and other administrative costs which are incurred by the Corporation in providing goods and services.

Administered items are revenues, expenses, assets and liabilities which are managed by an agency or authority on behalf of the Government according to set Government directions. Administered expenses include subsidies, grants and personal benefit payments and Administered revenues include taxes, fees, fines and excises.

The Corporation does not have any Administered Items.

#### **1.5 Principles of consolidation**

The consolidated financial statements are those of the Corporation, comprising:

- ILC (the parent entity)
- Land Enterprise Australia Pty Ltd (“LEA”)
- Mogila Merino Stud Pty Limited as trustee for Mogila Merino Stud Trust
- Mogila Merino Stud Trust (“Mogila”)
- Cardabia Pastoral Company Pty Ltd as trustee for Cardabia Pastoral Company Trust

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- Cardabia Pastoral Company Trust (“Cardabia”)
- Mt Clarence Pastoral Company Pty Ltd as trustee for Mt Clarence Pastoral Company Trust
- Mt Clarence Pastoral Company Trust (“Mt Clarence”)
- Roebuck Plains Station Pastoral Company Pty Ltd (“Roebuck Pastoral Co”)
- Myroodah and Luluigui Stations Pastoral Company Pty Ltd (“Myroodah Pastoral Co”).

These entities have applied accounting policies consistent with those of the ILC. The effects of all transactions and balances between the entities are eliminated in full. The controlled entities of the ILC are not required to be separately audited as they are small companies for the year ended 30 June 2001.

### **1.6 Reporting by outcomes**

A comparison of Budget and Actual figures by outcome as specified in the Appropriations Acts relevant to the Corporation is presented in Note 2.

### **1.7 Taxation**

In accordance with Section 193P of the Land Fund and Indigenous Land Corporation (*ATSIC Amendment*) Act 1995, the ILC is subject to all Commonwealth and State taxation except income tax and stamp duty (where land is divested to an Aboriginal Corporation within 12 months).

LEA is considered tax exempt by virtue of Section 50-40 of the *Income Tax Assessment Act 1997*.

Mogila, Cardabia and Mt Clarence are subject to taxation, however, profits from operations may be distributed to the ILC as beneficiary of the trusts. The ILC is exempt from income tax. Accordingly, no provision for income tax payable is made.

Roebuck Pastoral Co and Myroodah Pastoral Co are subject to taxation, however, due to the nature of their income and expenses, no tax is payable and no provision for tax is recognised.

Revenues and expenses and assets are recognised net of GST except where the GST is not recoverable. The amount of GST incurred by the Corporation

that is not recoverable from the Australian Taxation Office (ATO) is recognised as part of the cost of acquisition of an asset or as part of the item of expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO are included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis in accordance with *AAS28 Statement of Cash Flows*.

The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the ATO is classified as operating cash flows.

All commitments are GST inclusive where relevant.

### **1.8 Plant and equipment**

Purchases of infrastructure, plant and equipment (not held for transfer) are recognised initially at cost in the Statement of Financial Position, except for purchases costing less than \$1000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

Infrastructure, plant and equipment acquired free or for a nominal amount is recognised initially at fair value.

Schedule 1 requires that buildings, infrastructure, plant and equipment be revalued progressively in accordance with "deprival" method of valuation in successive 3-year cycles.

The requirements of Schedule 1 are being implemented as follows:

- Plant and equipment assets held at 30 June 1999 were revalued as at 1 July 1999
- Assets acquired after the commencement of the revaluation cycle are not captured in the revaluation
- Plant and equipment are revalued in accordance with their current

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- market-buying price of a similar asset
- Any assets that would not be replaced or are surplus to requirements are valued at the net present value of cash flows expected from continued use and subsequent disposal.

The carrying amounts of non current assets of the Corporation have been reviewed to determine whether they are in excess of their net realisable value as at reporting date.

Depreciable property, plant and equipment are written-off to their estimated residual values over their estimated useful lives to the Corporation using both the diminishing value and prime cost method of depreciation. Leasehold improvements are amortised over the lower of the estimated useful life of the improvements or the unexpired period of the lease.

Depreciation rates (useful lives) and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate. Residual values are re-estimated for a change in prices only when assets are revalued.

Depreciation rates applying to each class of assets are as follows:

	<b>Diminishing Value 2001</b>	<b>Diminishing Value 2000</b>	<b>Prime Cost 2001</b>	<b>Prime Cost 2000</b>
Office Fitout	20%	20%	-	-
Office Equipment	20-30%	20-30%	-	-
Computer Systems	40%	40%	-	-
Fixture and Fittings	20%	20%	-	-
Other Plant & Equipment	5-30%	5-30%	5-20%	5-20%

### 1.9 Land, plant and equipment and livestock held in trust

Land, plant and equipment and livestock held in trust represent properties purchased for the purpose of transfer to appropriate organisations in line with the objectives of the ILC. Land purchases (including the related plant, equipment and livestock, acquisition and holding costs) are capitalised on purchase. At this time, a provision is raised against the Statement of Financial Performance for the full cost of the purchase representing the

sacrifice of the future benefits embodied in the assets. On transfer, the assets and provision are offset against one another.

Land, plant, equipment and livestock held in trust are initially recorded at cost.

Plant and equipment held in trust at 30 June 2001 is valued at the lower of cost or net realisable value. Plant and equipment held for greater than twelve months is revalued downwards by 20%pa. Any adjustment to the value of plant and equipment is expensed to the Statement of Financial Performance.

Livestock held in trust is purchased incidental to the purchase of land and is not held for the specific purpose of sale. It is valued at the lower of cost (equivalent) or net realisable value. Net realisable value is determined with reference to the Net Market Value of the livestock as at reporting date. Where livestock is sold prior to transfer, AAS35 Self-generating and regenerating assets is not applied as any adjustment from cost to market value is not expected to be material.

Land, plant and equipment and livestock held in trust acquired free or for a nominal amount is recognised initially at fair value.

By its nature, land, plant and equipment and livestock held in trust is usually transferred within 12 months of acquisition and, therefore, the value is unlikely to differ significantly from the market buying price.

Any revaluation is expensed to the Statement of Financial Performance.

### **1.10 Investments**

Investments are initially recorded at cost and revalued to current market value as at reporting date.. Increments (decrements) on valuation are recognised in the Statement of Financial Performance. The ILC placed some of its investment portfolio with fund managers during the year. The unrealised increment (decrement) in the market value of the portfolio held by the fund managers is recognised in the Statement of Financial Performance.

### **1.11 Cash**

For the purpose of the Statement of Cash Flows, cash includes deposits held at call with a bank.

### **1.12 Employee entitlements**

Provision has been made in the financial statements for benefits accruing to employees in relation to such matters as annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken by employees is less than the annual entitlement for sick leave.

The provision for annual leave reflects the value of total annual leave entitlements of all employees as at 30 June 2001 and is recognised at its nominal value.

The liability for long service leave is recognised and measured at the estimated present value of future cash flows. In determining the present value of the liability, attrition rates and pay increases through promotion and inflation have been taken into account.

Provision is also made for separation and redundancy payments in cases where positions have been formally identified as excess to requirements and a reliable estimate of the amount payable can be determined.

### **1.13 Recognition of income**

Receipts from the Land Fund are recognised at the time the Corporation becomes entitled to receive the revenue.

Interest and other investment revenue is recognised on a prorata basis taking into account the interest rates applicable to the financial assets.

Revenue from the sale of goods is recognised upon the delivery of goods to customers. See note 8 in relation to recognition of income from Self-generating and regenerating assets.

Sundry income is recognised on an earned basis.



**1.14 Leases**

The Corporation's rights and obligations under finance leases, which are leases that effectively transfer to the Corporation substantially all of the risks and benefits incident to ownership of the leased assets, are initially recognised as assets and liabilities equal in amount to the present value of minimum lease payments.

The assets are disclosed as leased assets, and are amortised to the Statement of Financial Performance over the period during which the Corporation is expected to benefit from the use of the leased assets. Minimum lease payments are allocated between interest expense and reduction of the lease liability, according to the interest rate implicit in the lease.

Operating lease payments are charged to the Statement of Financial Performance on a basis which is representative of the pattern of benefits derived from the leased assets.

Lease incentives taking the form of "free" leasehold improvements and rent holidays are recognised as liabilities. These liabilities are reduced by allocating lease payments between rental expenses and the reduction of the liability.

**1.15 Financial assets**

Accounting policies in relation to financial instruments are disclosed in note 28.

Financial assets are recognised when the control over future economic benefits is established and the amount of the benefit can be reliably measured.

The net fair values for receivables, all of which are short term in nature, are approximated by their carrying amounts. Provisions are made when collection of the debt is judged to be less rather than more likely. Credit terms are generally 28 days.

Loans are recognised at amounts lent. The loans are secured by a charge of the assets of the borrower. Loans are either interest free, or interest only for a defined period. Requirements for principal repayments are set out in the lending instrument.

**1.16 Financial liabilities**

The net fair value of trade creditors and lease incentives, all of which are short term in nature, are approximated at their carrying amounts. Liabilities are recognised to the extent that the goods and services have been received. Settlement is usually made within 28 days.

No classes of financial liabilities are readily traded on organised markets in standardised form.

### **1.17 Credit risk exposures**

The Corporation's maximum exposures to credit risk at reporting date in relation to each class of financial assets is the carrying amount of those assets as indicated in the Statement of Financial Position.

The Corporation has no significant exposures to any concentrations of credit risk.

### **1.18 Inventory**

Inventory consists of Wool and Livestock.

Inventories have been valued at the lower or cost and net realisable value. Other than livestock, cost comprises the cost of purchase/extraction including costs of bringing inventory to location.

Livestock consists of that held in trust and that held for trading purposes (inventory). Livestock held for trading purposes includes cattle and sheep. There are a small number of horses on two of the ILC's properties that are used as working beasts. Livestock which are considered to be self-generating and regenerating assets are accounted for in accordance with Australian Accounting Standard AAS35 and are measured at net market value with market value increments and decrements included in the Statement of Financial Performance.

Livestock was formerly valued on an average cost basis, with profit arising on the disposal included in the Statement of Financial Performance.

### **1.19 Capital use charge**

A capital usage charge of 12% is imposed by the Commonwealth on the net assets of an authority. The charge is adjusted to take account of asset gifts and revaluation increments during the financial year. The Department of Finance and Administration has exempted the Corporation from the Capital Use Charge for the year ended 30 June 2001.

### **1.20 Comparative figures**

Where necessary, comparative figures have been adjusted to conform with changes in presentation in these financial statements. Comparatives are not presented in Notes dealing with self-generating and regenerating assets due to 2000-01 being the first year of the implementation.

## 2. Reporting by outcomes

The Corporation's statutory prescribed outcome is to:

"Provide economic, environmental, social and cultural benefits for Aboriginal persons and Torres Strait Islanders by assisting in the acquisition and management of an indigenous land base."

### *Reporting by outcomes for 2000-2001*

	<b>Budget</b>	<b>Outcome 1</b>	
	<b>(\$,000)</b>	<b>Actual</b>	
		<b>(\$,000)</b>	
Total net administrated expenses	-	-	Annual Report 2000 - 2001
Add: Net cost of entity outputs	(868)	14,113	
	<hr/>	<hr/>	
Outcome before extraordinary items	(868)	14,113	
Extraordinary items	-	-	
	<hr/>	<hr/>	
Net cost to budget outcome	(868)	14,113	
	<hr/>	<hr/>	
Total assets deployed as at 30/6/01	153,798	140,771	
Net assets deployed as at 30/6/01	152,208	136,249	

When the ILC acquires land it is recorded as an asset on the Statement of Financial Position. At this time, a provision is raised against the Statement of Financial Position for the full cost of the purchase representing the sacrifice of future benefits embodied in the assets. When that land is then granted to an Aboriginal Corporation the asset and the provision are offset against each other. Budgeted outcomes did not adopted the change in accounting standard and also assumed a higher spend on Land Acquisition and thus a higher expense for Land Transferred. Budgeted outcomes also assumed higher expenditure on Land Management. The lower expenditure on both Land Acquisition and Land Management was due to less than expected projects and acquisitions being submitted to and approved by the Board.

## 3. Segmental reporting

In terms of the provisions of Australian Accounting Standard AAS16, Financial Reporting by Segments, the ILC's activities relate to acquisition of land, management of subsidiaries' commercial businesses and provision of land management services through four offices (including LE' offices) at the time of this report. The ILC operates solely in the one geographical area, being Australia.

**4. Economic dependency**

The Corporation is dependent on a standing annual appropriation from the Land Fund in accordance with Section 193A of the *Indigenous Land Corporation (ATSIC Amendment) Act 1995*. The Corporation received \$51,777,000 in the current financial year (2000: \$50,712,000).

**5. Subsequent events**

On 3 August the Minister for Reconciliation and Aboriginal and Torres Strait Islander Affairs announced two appointments to the ILC Board, Ms. Shirley McPherson as chairperson and Ms. Norma Ingram as director. The appointments replace Ms. Sharon Firebrace (former chairperson) and Ms. Lois Peeler.

	Consol 2001 \$	Consol 2000 \$	ILC 2001 \$	ILC 2000 \$
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**6. Revenue from Government**

Receipts from the Land Fund	51,777,000	50,712,000	51,777,000	50,712,000
Other revenue from Government	105,000	126,000	105,000	126,000
Total	51,882,000	50,838,000	51,882,000	50,838,000

Receipts from the Land Fund are considered to be revenue from independent sources as it is not a direct appropriation from the Commonwealth.

**7. Sales of goods and services**

Sales of goods and services are sales of livestock and wool. These sales are now accounted for in accordance with AAS35 (refer note 8 below) and therefore there is no current year figures for sales of goods and services.

	Consol 2001 \$	Consol 2000 \$	ILC 2001 \$	ILC 2000 \$
Sales	-	2,720,838	-	2,432,170
Less: cost of goods sold				
Opening stock	-	6,469,805	-	5,321,680
Purchases	-	1,316,282	-	1,293,562
Rations		-	(3,295)	-
-				
Less closing stock	-	(5,558,103)	-	(4,844,166)
Net profit from trading of livestock 661,094			496,149	-
Sale of wool	-	794,464	-	-
Other	-	20,736	-	-
	-	1,311,349	-	661,094

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## 8. Self-generating and regenerating assets

Livestock consists of that held in trust and that held for trading purposes (inventory). Livestock held for trading purposes includes cattle and sheep. There are a small number of horses on two of the ILC's properties that are used as working beasts. Livestock which are considered to be self-generating and regenerating assets are accounted for in accordance with Australian Accounting Standard AAS35 and are measured at net market value with market value increments and decrements included in the Statement of Financial Performance.

Livestock was formerly valued on an average cost basis, with profit arising on the disposal included in the Statement of Financial Performance. The effect of the change in accounting policy is an increase in operating profits as disclosed in note 8A below.

As a result of shearing or sales, musters or counts are performed on each of the properties at least annually. Due to the nature of livestock these musters/counts are not expected to confirm definitively the actual qualities of livestock but are used to estimate the size of the herd/flock and breeding and death rates. Where the musters/counts do not coincide with the reporting period, the last muster/count numbers are used and natural increase and deaths are estimated to the end of the reporting period.

	Consol 2001 \$	Consol 2000 \$	ILC 2001 \$	ILC 2000 \$
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Where musters/counts are expected to coincide with reporting periods, but are unable to be completed due to circumstances outside of the control of the Corporation, (eg weather), natural increase is recorded based on muster results completed as at reporting date.

Where estimates of natural increase can not be reliably made, no natural increase since the last muster/count is recorded.

The net market value is determined by independent valuations undertaken by industry experts. The valuation takes into account the general make up of the herd/flock as at reporting date.

Increments/decrements on changes in the net market value of livestock are recognised in the Statement of Financial Position and Statement of Financial Performance.

A provision for deaths is made at each reporting date equivalent to 5% of the value of livestock held at reporting date.

Non-living produce extracted from Livestock is recognised as revenue in the reporting period that the produce is extracted. The non-living produce of a SGARA is then accounted for in accordance with AAS2 Inventories.

Due to the change in accounting standards comparatives are not available.

### **8A. Net increment in market value of livestock**

Net increment/decrement in net market value during the reporting period

Cattle	4,957,577	4,735,439
Sheep	764,155	14,872
Horses	17,700	17,700
	—————	—————
	5,739,432	4,768,011
Less movement in provision for deaths	(310,579)	(258,093)
	—————	—————
	5,428,853	4,509,918
	—————	—————

	Consol 2001 \$	Consol 2000 \$	ILC 2001 \$	ILC 2000 \$
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**8B. Net market value of goods extracted**

Non-living produce extracted from Self-generating and regenerating assets

Net market value of wool extracted

during reporting period	966,056		219,119	
	_____		_____	
Revenue from sale of wool	704,803		219,119	
Deemed cost of wool	704,803		219,119	
	_____		_____	
Net revenue from sale of wool	-		-	
	_____		_____	

**9. Other revenue from ordinary activities****9A. Interest**

Interest on deposits	5,031,515	6,683,816	5,007,812	6,661,793
Interest on loans	31,054	21,636	31,054	21,636
	_____	_____	_____	_____
	5,062,569	6,705,452	5,038,866	6,683,429
	_____	_____	_____	_____

**9B. Proceeds from disposal of assets**

Infrastructure, plant

and equipment	11,885	40,201	2,685	40,201
Livestock held in trust	100,311	133,654	100,311	133,654
Plant and equipment held in trust	16,360	-	16,360	-
	_____	_____	_____	_____
	128,556	173,855	119,356	173,855
	_____	_____	_____	_____

	Consol 2001 \$	Consol 2000 \$	ILC 2001 \$	ILC 2000 \$
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**9C. Other revenue**

Income from properties held in trust	494,341	519,864	494,341	519,864
Other	110,659	47,543	29,850	810
	605,000	567,407	524,191	520,674

**10. Land Transfer**
**10A. Land Transfer**

## Land Grants

Chatahoochie Station	NT	1,052,976	-	1,052,976	-
Coobabla	WA	1,525,485	-	1,525,485	-
Edgerton	NSW	363,237	-	363,237	-
Elimdale	NSW	616,459	-	616,459	-
Glen Boree	SA	310,932	-	310,932	-
Hexters & Karyrie	WA	1,327,825	-	1,327,825	-
Kirrama Holdings	QLD	1,267,239	-	1,267,239	-
Kooreelah	VIC	1,195,841	-	1,195,841	-
Laura Bay	SA	216,026	-	216,026	-
Manunka Farm	SA	574,418	-	574,418	-
Montille Excision	SA	106,555	-	106,555	-
Mooki & Bassendean	NSW	1,387,927	-	1,387,927	-
Silver Plains	QLD	562,500	-	562,500	-
Strathgordon	QLD	899,677	-	899,677	-
Toogimbie/Lorenzo/ Glen Hope	NSW	4,060,006	-	4,060,006	-
Yallalie Downs	WA	852,597	-	852,597	-
Yappala	SA	1,144,373	-	1,144,373	-
Yeilima	VIC	942,922	-	942,922	-
Bulgandramine Station	NSW	-	167,043	-	167,043
Bulimba Station	QLD	-	2,371,542	-	2,371,542
Canoon, Rosemont, Borabee	NSW	-	854,642	-	854,642

		Consol 2001 \$	Consol 2000 \$	ILC 2001 \$	ILC 2000 \$
Compton Downs	NSW	-	196,704	-	196,704
Currawillinghi/(Mogila)	NSW	-	623,082	-	623,082
Daltons	VIC	-	78,107	-	78,107
Evandale Farm	WA	-	312,402	-	312,402
Far West Scallops	WA	-	409,407	-	409,407
Glenroy Farm	WA	-	2,223,432	-	2,223,432
Leigh Creek Stn	SA	-	725,116	-	725,116
Lenehans	VIC	-	458,286	-	458,286
Lot 2 Beechwood Rd	NSW	-	200,596	-	200,596
Mary River Roadhouse	NT	-	753,000	-	753,000
McLeods	VIC	-	261,929	-	261,929
Middle Park	QLD	-	1,575,452	-	1,575,452
Montillie	SA	-	1,002,768	-	1,002,768
Mt Willoughby	SA	-	1,592,250	-	1,592,250
Mungulla Stud	NSW	-	3,790,902	-	3,790,902
Murra Murra	QLD	-	2,138,165	-	2,138,165
Narinyeri	SA	-	170,066	-	170,066
Ooratippra Stn	NT	-	1,728,983	-	1,728,983
Paddy's Plain	NSW	-	585,380	-	585,380
Redbanks	VIC	-	29,213	-	29,213
Seaview	SA	-	393,199	-	393,199
Springfield Gorge	VIC	-	269,647	-	269,647
Timber Creek	NT	-	77,500	-	77,500
Toorum Stones	VIC	-	462,342	-	462,342
Tyntynder Rd, Speewa	VIC	-	161,786	-	161,786
Virginia Prawns	NT	-	405,275	-	405,275
Wintertons	NSW	-	396,187	-	396,187
Wondaby	NSW	-	495,012	-	495,012
Bellfields	NSW	-	(855)	-	(855)
Bonython 188	SA	-	22	-	22
Cardabia Stn	WA	-	5,598	-	5,598
Coburn	NSW	-	955	-	955
Coranderrk	VIC	-	488	-	488
Cowga	NSW	-	15,424	-	15,424
Denham	WA	-	273	-	273
Diamond Valley	QLD	-	383	-	383

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		Consol 2001 \$	Consol 2000 \$	ILC 2001 \$	ILC 2000 \$
Hillford	NSW	-	1,244	-	1,244
Julallan	WA	-	17,154	-	17,154
Mogila	NSW	-	34	-	34
Mt Baird (Elderslie)	QLD	-	153	-	153
Mt Olive	NSW	-	1,901	-	1,901
Mystery Road	QLD	-	926	-	926
Seabush	NSW	-	76	-	76
Tol Tol Rd	VIC	-	728	-	728
Urannah	QLD	-	3,780	-	3,780
Valley Arm	NSW	-	371	-	371
Wattle Ridge	NSW	-	67	-	67
Associated land acquisition and holding expenses		823,851	1,674,639	823,851	1,674,639
		<u>19,230,846</u>	<u>26,632,776</u>	<u>19,230,846</u>	<u>26,632,776</u>

Expenses relate to the cost of land transferred to appropriate aboriginal organisations in line with the objectives of the ILC. Costs incurred in unsuccessful acquisitions or projects considered unlikely to proceed at reporting date are also included in this expense.

#### 10B. Provision for land transfer

A provision is raised in the Statement of Financial Performance for the full cost of land, plant and equipment purchases representing the sacrifice of future benefits embodied in the assets.

Provision for land held in trust	36,769,960	-	36,769,960	-
Provision for plant and equipment held in trust	1,775,359	-	1,775,359	-
	<u>38,545,319</u>	-	<u>38,545,319</u>	-

	Consol 2001 \$	Consol 2000 \$	ILC 2001 \$	ILC 2000 \$
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## 11. Land Management

The ILC negotiates with the aboriginal corporations and develops a package of agreed solutions to land management problems identified by the land owners.

Forms of support include entering into services and funding agreements. These agreements carry over a number of years with the land owners or supporting bodies being required to demonstrate both expenditure and performance objectives prior to release of agreed funding.

Land Management expenses are recorded as expenses in the Statement of Financial Performance in the period in which they are incurred.

Land Management expenses also include land management on land held by the ILC and includes the cost of caretaking and maintaining that land.

## 12. Net write-down of assets

Investments (held in-house)	5,449,302	305,728	5,449,302	305,728
Investments (out-sourced)	(3,507,023)	-	(3,507,023)	-
Net write down of investments	1,942,279	305,728	1,942,279	305,728
Inventory held for transfer	14,089	72,155	14,089	72,155
Infrastructure plant & equipment revalued	15,089	148,014	15,089	148,014
Plant and equipment held in trust	334,341	123,345	334,341	123,345
Provision for unsuccessful acquisitions	-	(39,800)	-	(39,800)
	2,305,798	609,442	2,305,798	609,442

The ILC held an investment in Wisdom (FAI) No 2 Trust that is affected by the provisional liquidation of the HIH Group. The recoverability of this investment is unknown at reporting date. However, the investment has no market value as at reporting date and therefore, has been written down to its market value being zero. The Corporation is seeking legal advice in order to ascertain whether it has any action against any external advisor in relation to this investment.

	Consol 2001 \$	Consol 2000 \$	ILC 2001 \$	ILC 2000 \$
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### 13. Other expenses from ordinary activities

#### 13A. Employee expenses

Basic remuneration for services provided	5,376,208	4,375,974	4,026,253	3,396,842
Separation and redundancy	97,729	579,329	97,729	579,329
Total	5,473,937	4,955,303	4,123,982	3,976,171

This comprises salary costs, superannuation costs, employee leave provisions and staff recruitment costs.

The Corporation contributes to the Commonwealth Superannuation Scheme (CSS) and Public Sector Scheme (PSS), which provide retirement, death and disability benefits to employees. The principal type of benefit provided for under the plans are defined benefits. Current contribution rates are 18.2% of CSS salary and 11.1% of PSS salary. The basis of contribution to the plans is as advised by the Minister for Finance and Administration, together with the required productivity benefit under the *Superannuation (Productivity Benefit) Act 1988*. The Projected Unit Credit (PUC) method is used to calculate the contribution rates. These rates are reviewed every three years. The ILC has been advised by Department of Finance and Administration that the rates for 2001/02 financial year are 17.9% and 9.5%.

The amount of contribution paid by the ILC in relation to 2001 was \$357,476. (2000: \$368,681).

Number of employees as at				
30 June (full time equivalents)	105.5	74	66	52

The number of full time equivalents includes employees whose contracts were taken over by the Corporation on 1 July 2000 employed to work on two ILC held properties (Roebuck and Myroodah) who were previously employed by the managers of the properties.

	Consol 2001 \$	Consol 2000 \$	ILC 2001 \$	ILC 2000 \$
<b>13B. Suppliers expenses</b>				
Supply of goods and services	4,622,290	3,806,518	3,622,632	2,953,643
Appropriations to subsidiaries	-	-	899,530	1,680,000
Operating lease rentals	488,699	455,102	413,787	383,102
	<u>5,110,989</u>	<u>4,261,620</u>	<u>4,935,949</u>	<u>5,016,745</u>
<b>13C. Depreciation and amortisation</b>				
Depreciation of property, plant and equipment	718,532	744,745	525,760	530,964
Amortisation of leased assets	44,054	45,829	35,782	34,968
	<u>762,586</u>	<u>790,574</u>	<u>561,542</u>	<u>565,932</u>
<b>13D. Disposal of assets</b>				
Infrastructure, plant and equipment	13,192	196,037	1,562	193,831
Livestock held in trust	21,662	60,581	21,662	60,581
Plant and equipment held in trust	26,360	-	26,360	-
	<u>61,214</u>	<u>256,618</u>	<u>49,584</u>	<u>254,412</u>
<b>13E. Interest expense</b>				
Finance charges on leased assets	9,275	13,777	7,102	9,570
Other	4,085	1,241	1,609	-
	<u>13,360</u>	<u>15,018</u>	<u>8,711</u>	<u>9,570</u>

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	Consol 2001 \$	Consol 2000 \$	ILC 2001 \$	ILC 2000 \$
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#### 14. Increase in retained profits on adoption of new standard

The accounting policy for the Corporation's holding of livestock has changed due to the application of Australian Accounting Standards AAS35 Self-generating and regenerating assets. The Corporation now measures livestock at each reporting date at net market values. Previously livestock was accounted for on an average cost basis.

The effect of the change in accounting policy is an increase in opening retained profits as follows:

Livestock on hand 1 July 2000

Cattle	1,057,058	-	815,047	-
Sheep	171,883	-	-	-
	<u>1,228,941</u>	<u>-</u>	<u>815,047</u>	<u>-</u>

#### 15. Financial assets

##### 15A. Cash

Cash at bank and on hand	600,223	462,192	417,101	222,532
Cash advances	88,600	20,400	88,600	20,400
	<u>688,823</u>	<u>482,592</u>	<u>505,701</u>	<u>242,932</u>

##### 15B. Receivables

Interest receivable	83,000	911,603	83,000	911,603
Income receivable from properties	361,585	113,006	361,585	113,006
Other debtors	301,406	294,194	276,023	263,982
Cash with agent	122,200	32,457	122,200	32,457
GST Recoverable	426,173	-	418,250	-
Provision for doubtful debts	(158,651)	(9,502)	(158,651)	(9,502)
	<u>1,135,713</u>	<u>1,341,758</u>	<u>1,102,407</u>	<u>1,311,546</u>

	Consol 2001 \$	Consol 2000 \$	ILC 2001 \$	ILC 2000 \$
Receivables includes receivables overdue by				
- less than 30 days	1,522	6,010	1,522	6,010
- 30 to 60 days	12,441	3,157	11,074	3,157
- more than 60 days	73,978	29,517	63,888	29,517
	<u>87,941</u>	<u>38,684</u>	<u>76,484</u>	<u>38,684</u>
<b>15C. Investments</b>				
Bank and other securities	4,004,207	89,726,360	4,004,207	89,726,360
Term deposits	5,100,000	4,057,794	5,100,000	4,057,794
Investments in equities	510,080	950,267	510,080	950,267
Managed funds (at market value)	113,373,338	-	113,373,338	-
Shares in subsidiary companies	-	-	42	40
	<u>122,987,625</u>	<u>94,734,421</u>	<u>122,987,667</u>	<u>94,734,461</u>
The ILC holds shares in each of its 100% owned subsidiaries.				
<b>15D. Beneficiary Loans</b>				
Trust distributions receivable				
Mt Clarence Pastoral Company Pty Ltd	-	-	104,572	104,572
Cardabia Pastoral Company Pty Ltd	-	-	401,428	401,428
	<u>-</u>	<u>-</u>	<u>506,000</u>	<u>506,000</u>
<b>15E. Other</b>				
Loans to subsidiaries				
Mt Clarence Pastoral Company Pty Ltd	-	-	654,115	620,479
Cardabia Pastoral Company Pty Ltd	-	-	300,000	300,000
Mogila Merino Stud Pty Ltd	-	-	806,077	806,077
	<u>-</u>	<u>-</u>	<u>1,760,192</u>	<u>1,726,556</u>
Loans to aboriginal corporations	732,365	617,794	732,365	617,794
	<u>732,365</u>	<u>617,794</u>	<u>2,492,557</u>	<u>2,344,350</u>

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	Consol 2001 \$	Consol 2001 \$	Consol 2001 \$	Consol 2001 \$
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## 16. Non-financial assets

### 16A. Land, plant and equipment and livestock held for transfer

Asset detail		Land & Incidentals	Plant & equipment	Livestock	Total
Alice Springs Rail Yards	NT	642,254	-	-	642,254
Bollanolla Farm	NSW	480,597	18,000	25,000	523,597
Boole Poole	VIC	345,357	16,500	-	361,857
Clarke Island	TAS	440,428	60,444	18,439	519,311
Dawnvale	QLD	78,618	32,040	21,600	132,258
Dowrene Farm	WA	885,923	16,737	-	902,660
Edmund Stn	WA	232,410	48,458	25,610	306,478
Emu Creek	QLD	100,785	6,253	-	107,038
Eurool	NSW	659,322	-	-	659,322
Geikie Station	QLD	158,135	-	-	158,135
Gwambygine	WA	925,213	-	-	925,213
Home Valley, Durrack River	WA	1,295,332	539,536	1	1,834,869
Illaroo Farm	NSW	1,515,055	14,411	-	1,529,466
Jarwonga	NSW	1,474,991	76,838	-	1,551,829
Jonelia/Tambellup	WA	1,237,911	19,053	-	1,256,964
Karnte Block	NT	72,978	-	-	72,978
Kippa Ring	QLD	1,151,391	-	-	1,151,391
Kywong	NSW	640,432	-	-	640,432
Maidenwell	QLD	84,780	-	-	84,780
Martang	VIC	418,572	50,666	-	469,238
Millers Farm	SA	329,230	42,000	-	371,230
Mimosa	QLD	1,384,478	8,749	18,692	1,411,919
Modder River	TAS	503,760	-	-	503,760
Mouth House	SA	122,068	-	-	122,068
Mt Dare	SA	322,814	120,714	-	443,528
Mt Tabor	QLD	1,298,548	-	-	1,298,548
Mt View Station	WA	1,305,455	189,945	-	1,495,400
Mt William Axe Quarry	VIC	56,863	-	-	56,863
Mulgul Station	WA	479,490	72,206	19,320	571,016
Myroodah	WA	799,790	-	-	799,790
Myrtle Springs	SA	945,940	162,898	-	1,108,838
Nenen Station	NT	856,928	89,818	-	946,746
Nioka	WA	1,206,559	18,233	-	1,224,792
Old Pooncarie Mission	NSW	211,156	-	-	211,156

		Consol 2001 \$	Consol 2001 \$	Consol 2001 \$	Consol 2001 \$
Land & Asset detail		Incidentals	Plant & equipment	Livestock	Total
Paddy's Plain	NSW	330,000	-	-	330,000
Poolamacca	NSW	786,608	46,500	-	833,108
Port Victoria Fish Farm #1	SA	96,929	-	-	96,929
Port Victoria Fish Farm #2	SA	142,226	-	-	142,226
Quindanning	WA	1,376,356	18,233	-	1,394,589
Randwick Farm	NT	408,813	5,146	-	413,959
Roebuck Plains	WA	3,542,300	-	-	3,542,300
Sunbury Earthern Rings	VIC	682,623	-	-	682,623
Swanport	SA	83,577	-	-	83,577
Thule	TAS	878,933	24,320	-	903,253
Twin Rivers	NT	620,923	26,818	-	647,741
Wanarie Pastoral Station	WA	297,896	-	18,526	316,422
Waterview	QLD	547,032	10,000	-	557,032
Weilmoringle & Orana	NSW	1,217,893	-	-	1,217,893
Wittenburra/Turn Turn	QLD	1,873,439	40,843	-	1,914,282
Women's Place	WA	361,118	-	-	361,118
Wurdi Youang	VIC	685,708	-	-	685,708
		36,595,937	1,775,359	147,188	38,518,484
Acquisitions in progress		334,223	-	-	334,223
Less provision for unsuccessful acquisitions		(160,200)	-	-	(160,200)
Total assets held in trust		36,769,960	1,775,359	147,188	38,692,507
Less provision for land transfer		(36,769,960)	(1,775,359)	-	(38,545,319)
Net assets held in trust		-	-	147,188	147,188

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The ILC holds the title for all the above properties. The land is held for the intention of divesting it to the relevant aboriginal group within a reasonable timeframe. The above figures represent the consolidated position, which does not differ from the ILC position.

The Corporation maintains asset registers for the properties. A stock take to verify assets is undertaken annually.

	Consol 2001 \$	Consol 2000 \$	ILC 2001 \$	ILC 2000 \$
<b>16B. Infrastructure, plant and equipment</b>				
<b>Office equipment, revalued 1999</b>	231,854	249,073	180,525	197,746
Less: Accumulated depreciation	(111,614)	(88,152)	(89,426)	(72,309)
	<u>120,240</u>	<u>160,921</u>	<u>91,099</u>	<u>125,437</u>
<b>Office equipment, at cost</b>	80,368	28,093	74,914	26,293
Less: Accumulated depreciation	(13,063)	(2,936)	(12,028)	(2,576)
	<u>67,305</u>	<u>25,157</u>	<u>62,886</u>	<u>23,717</u>
<b>Total office equipment, net</b>	<u>187,545</u>	<u>186,078</u>	<u>153,985</u>	<u>149,154</u>
<b>Furniture and fittings, revalued 1999</b>	214,863	214,863	129,834	129,834
Less: Accumulated depreciation	(108,641)	(84,745)	(76,436)	(64,636)
	<u>106,222</u>	<u>130,118</u>	<u>53,398</u>	<u>65,198</u>
<b>Furniture and fittings, at cost</b>	11,770	3,602	11,770	3,602
Less: Accumulated depreciation	(1,442)	(1,161)	(1,441)	(1,161)
	<u>10,328</u>	<u>2,441</u>	<u>10,329</u>	<u>2,441</u>
<b>Furniture and fittings, net</b>	<u>116,550</u>	<u>132,559</u>	<u>63,727</u>	<u>67,639</u>
<b>Computer systems, revalued 1999</b>	688,941	804,471	589,045	702,271
Less: Accumulated depreciation	(501,076)	(457,408)	(423,875)	(399,415)
	<u>187,865</u>	<u>347,063</u>	<u>165,170</u>	<u>302,856</u>
<b>Computer systems, at cost</b>	414,423	149,283	404,809	141,235
Less: Accumulated depreciation	(120,462)	(62,308)	(117,468)	(60,300)
	<u>293,961</u>	<u>86,975</u>	<u>287,341</u>	<u>80,935</u>

	<b>Consol 2001 \$</b>	<b>Consol 2000 \$</b>	<b>ILC 2001 \$</b>	<b>ILC 2000 \$</b>
<b>Computer systems, net</b>	481,826	434,038	452,511	383,791
<b>Office fitout, revalued 1999</b>	116,018	116,018	54,757	54,757
Less: Accumulated depreciation	(48,181)	(26,129)	(24,337)	(11,641)
	<u>67,837</u>	<u>89,889</u>	<u>30,420</u>	<u>43,116</u>
<b>Office fitout, at cost</b>	596,124	594,934	596,124	594,934
Less: Accumulated depreciation	(180,367)	(81,570)	(180,367)	(81,570)
	<u>415,757</u>	<u>513,364</u>	<u>415,757</u>	<u>513,364</u>
<b>Office fitout, net</b>	<u>483,594</u>	<u>603,253</u>	<u>446,177</u>	<u>556,480</u>
<b>Other plant and equipment, revalued 1999</b>	1,110,835	1,131,859	534,566	535,366
Less: Accumulated depreciation	(548,446)	(326,971)	(212,460)	(98,991)
	<u>562,389</u>	<u>804,888</u>	<u>322,106</u>	<u>436,375</u>
<b>Other plant and equipment, at Directors Valuation (1)</b>	127,099	127,099	-	-
Less: Accumulated depreciation	(75,630)	(59,989)	-	-
	<u>51,469</u>	<u>67,110</u>	<u>-</u>	<u>-</u>
<b>Other plant and equipment, at cost</b>	1,456,367	41,622	1,338,249	-
Less: Accumulated depreciation	(82,741)	(5,194)	(60,584)	-
	<u>1,373,626</u>	<u>36,428</u>	<u>1,277,665</u>	<u>-</u>

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	Consol 2001 \$	Consol 2000 \$	ILC 2001 \$	ILC 2000 \$
<b>Other plant and equipment, net</b>	1,987,484	908,426	1,599,771	436,375
<b>Total infrastructure, plant &amp; equipment</b>	3,256,999	2,264,354	2,716,171	1,593,439

Infrastructure, plant and equipment on hand as at 1 July 1999 have been revalued to deprival value in accordance with Schedule 1. Valuations were sought from the managers of the pastoral properties and quotes were sought for current market buying price of similar items from suppliers.

The Corporation undertook a significant capital maintenance and improvement program on Roebuck and Myroodah stations during the reporting period.

The Corporation maintains asset registers for infrastructure plant and equipment. A stock take to verify assets is undertaken at least annually.

(1) These valuations relate to the assets of Cardabia which are at Director's valuation based on their estimated market value.

Item	Other Plant & Equip \$	Office Equip \$	Furniture & Fittings \$	Computer Systems \$	Office Fitout \$	Total \$
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**16C. Analysis of plant and equipment (consolidated)**

Gross value						
at 1 July 2000	1,300,580	277,167	218,465	953,754	710,952	3,460,918
Additions	1,409,521	52,275	8,168	268,995	1,190	1,740,149
Disposals	(15,800)	-	-	(20,780)	-	(36,580)
Revaluations: write ups						
(write downs)	-	-	-	(819)	-	(819)
Write offs	-	(17,220)	-	(97,786)	-	(115,006)
	_____	_____	_____	_____	_____	_____
Gross value at 30 June 2001	2,694,301	312,222	226,633	1,103,364	712,142	5,048,662
	_____	_____	_____	_____	_____	_____
Accumulated depreciation/ amortisation at 1 July 2000	392,154	91,088	85,906	519,716	107,699	1,196,563
Depreciation/amortisation for assets held at 1 July 2000	245,890	43,209	23,907	173,504	120,651	607,161
Depreciation/amortisation charge for asset additions	72,943	2,501	272	35,457	198	111,371
Adjustment for disposals	(4,170)	-	-	(19,218)	-	(23,388)
Revaluations: write ups						
(write downs)	-	(1)	(2)	(203)	-	(206)
Write offs	-	(12,120)	-	(87,718)	-	(99,838)
	_____	_____	_____	_____	_____	_____
Accumulated depreciation/ amortisation at 30 June 2001	706,817	124,677	110,083	621,538	228,548	1,791,663
	_____	_____	_____	_____	_____	_____
Net book value at 30 June 2001	1,987,484	187,545	116,550	481,826	483,594	3,256,999
	_____	_____	_____	_____	_____	_____
Net book value at 1 July 2000	908,426	186,078	132,559	434,038	603,253	2,264,354
	_____	_____	_____	_____	_____	_____

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	Consol 2001 \$	Consol 2000 \$	ILC 2001 \$	ILC 2000 \$
<b>16D. Leased assets</b>				
<b>Leased assets, at cost</b>	178,295	220,323	139,332	175,959
Less: Accumulated amortisation	(82,206)	(53,136)	(67,796)	(43,260)
Total leased assets, net	96,089	167,187	71,536	132,699
<b>16E. Inventory</b>				
Livestock	12,068,164	5,850,932	10,142,167	5,093,181
Provision for Deaths	(603,408)	(292,829)	(507,108)	(249,015)
	11,464,756	5,558,103	9,635,059	4,844,166
Wool	261,253	201,830	-	-
	11,726,009	5,759,933	9,635,059	4,844,166

The accounting policy for the Corporation's holding of livestock as inventory has changed due to the application of Australian Accounting Standard AAS35 Self-generating and regenerating assets. The Corporation now measures livestock at each reporting date at net market values. Previously, livestock was accounted for on an average cost method.

Wool is valued at reporting date in accordance with AAS Inventories.

Below is a summary of each class of livestock on hand at the beginning of the reporting period and at the end of the reporting period at market value.

	Consol 2001 Number	Consol 2001 \$	ILC 2001 Number	ILC 2001 \$
Livestock on hand at the beginning of the reporting period at net market value				
Cattle	27,146	6,348,868	25,898	5,908,228
Sheep	44,179	731,005	-	-
Horses	54	-	54	-
		7,079,873		5,908,228

	<b>Consol 2001 Number</b>	<b>Consol 2001 \$</b>	<b>ILC 2001 Number</b>	<b>ILC 2001 \$</b>
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Livestock on hand at the end of the reporting period at net market value

Cattle	27,277	10,380,859	25,635	9,841,964
Sheep	48,596	1,617,893	9,949	230,791
Horses	100	69,412	100	69,412
		12,068,164		10,142,167

	<b>Consol 2001 \$</b>	<b>Consol 2000 \$</b>	<b>ILC 2001 \$</b>	<b>ILC 2000 \$</b>
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**17. Leases**

Deferred benefit from lease incentive	125,908	203,912	125,908	203,912
Finance lease liabilities	109,867	170,774	82,146	135,932
	235,775	374,686	208,054	339,844

**17A. Deferred benefit from lease incentive**

Lease incentive:

The lease incentive benefit is as follows:

- Within one year	43,719	78,004	43,719	78,004
- within one to two years	40,256	43,719	40,256	43,719
- within two to five years	41,933	82,189	41,933	82,189
	125,908	203,912	125,908	203,912

	Consol 2001 \$	Consol 2000 \$	ILC 2001 \$	ILC 2000 \$
<b>17B. Finance lease liabilities</b>				
Lease liabilities recognised in the Statement of Financial Position				
- Current	90,081	48,491	82,146	38,629
- Non current	19,786	122,283	-	97,303
	<u>109,867</u>	<u>170,774</u>	<u>82,146</u>	<u>135,932</u>
Finance lease liabilities at reporting date and related finance charges are payable as follows:				
- within one year	95,249	59,051	85,812	47,003
- within one to two years	20,721	110,557	-	101,978
- within two to five years	-	18,838	-	-
	<u>115,970</u>	<u>188,446</u>	<u>85,812</u>	<u>148,981</u>
Minimum lease payments	115,970	188,446	85,812	148,981
Future finance charges	(6,103)	(17,672)	(3,666)	(13,049)
	<u>109,867</u>	<u>170,774</u>	<u>82,146</u>	<u>135,932</u>
<b>18. Provisions and payables</b>				
<b>18A. Employees</b>				
Salaries and wages	131,016	172,397	113,249	128,125
Annual leave	465,122	340,664	417,583	286,740
Long service leave	327,079	296,180	308,394	282,149
	<u>923,217</u>	<u>809,241</u>	<u>839,226</u>	<u>697,014</u>
<b>18B. Suppliers</b>				
Amounts owing to suppliers	3,212,569	1,411,906	3,135,157	1,306,692
Advance for mustering salaries	64,500	90,000	-	-
	<u>3,277,069</u>	<u>1,501,906</u>	<u>3,135,157</u>	<u>1,306,692</u>

Amounts owing to suppliers as at reporting date include invoices received by suppliers for goods and services supplied prior to reporting date but unpaid as at reporting date and accruals for goods and services supplied prior to reporting date but for which invoices has yet to have been received and where the Corporation was under a legal liability to pay. Included in this amount is a significant purchase of cattle and machinery for Roebuck Plains Station.

**19. Equity (consolidated)**

Item	Asset Revaluation	Accumulated	Total
	Reserve	Results	Equity
	\$	\$	\$
Balance at 1 July 2000	324,486	148,809,606	149,134,092
Adjustment on adoption of new standard Surplus (deficit)	- (691)	1,228,941 (14,113,311)	1,228,941 (14,114,002)
Balance at 30 June 2001	323,795	135,925,236	136,249,031

	Consol	Consol	ILC	ILC
	2001	2000	2001	2000
	\$	\$	\$	\$

**20. Cash flow reconciliation**

Reconciliation of net cash flows from operating activities to net cost of services

Operating surplus (deficit)	(14,113,311)	14,513,477	(14,651,046)	14,484,145
Depreciation and amortisation of property,				
plant and equipment	762,587	790,574	561,543	565,932
Revaluation of assets	15,089	148,014	15,089	148,014
Transfer of assets	-	(372,021)	-	(372,021)
Net loss on disposal of assets	-	157,935	-	155,729
Loss on sale of investments	11,552	89,175	11,552	89,175
Write down of investments	1,942,279	305,728	1,942,279	305,728
Net Gain on sale of assets	(67,342)		(69,772)	-
Movement in lease incentive	(78,004)	(86,389)	(78,004)	(86,389)
GST recovered on				
non-operating cash flows	169,344	-	162,230	-
Provision for land transfer	38,545,319	-	38,545,319	-
Increase in retained profits				
on adoption of new standard	1,228,941	-	815,047	-
Movement in receivables	206,045	690,612	209,139	687,035
Movement in employee liabilities	113,976	156,364	142,212	150,353
Movement in assets held				
for transfer	7,759,379	1,940,244	7,759,379	1,940,244
Movement in other current assets	(6,080,647)	213,311	(4,939,100)	264,318
Movement in creditors	1,860,882	(81,149)	1,828,465	(9,994)
<b>Net cash from operating activities</b>	<b>32,276,089</b>	<b>18,465,875</b>	<b>32,254,332</b>	<b>18,322,269</b>

	Consol 2001 \$	Consol 2000 \$	ILC 2001 \$	ILC 2000 \$
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**21. Reconciliation of cash**

For the purposes of the Statement of Cash Flows, cash includes cash on hand and cash at bank. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Cash on hand	3,040	3,040	2,500	2,500
Cash on advance	88,600	20,400	88,600	20,400
Cash at bank	597,183	459,152	414,601	220,032
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash	688,823	482,592	505,701	242,932
	<hr/>	<hr/>	<hr/>	<hr/>

**22. Other Contingencies**

The ILC have sought a private ruling from the Australian Taxation Office (ATO) in regards to GST payable on the divestment of land by the ILC to Aboriginal Corporations. Whilst the ILC and its tax agent consider that there is no consideration on divestment and therefore no GST payable, the ATO has not taken this view. The ILC is applying the ATO's ruling to past and future transactions. In respect of past transactions the net GST owing by the ILC and Aboriginal Corporation will be zero but due to timing issues in the past there could be interest payments due to the ATO.

**23. Remuneration of Directors**

Remuneration received or due and receivable by directors	320,794	270,081	231,778	203,461
	<hr/>	<hr/>	<hr/>	<hr/>

	Consol 2001 \$	Consol 2000 \$	ILC 2001 \$	ILC 2000 \$
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The number of Directors of the ILC included in these figures are shown below in the relevant remuneration bands.

\$Nil - \$10,000	2	5	2	5
\$10,000 - \$20,000	-	1	-	2
\$20,000 - \$30,000	-	-	2	3
\$30,000 - \$40,000	-	2	2	-
\$40,000 - \$50,000	1	2	-	-
\$50,000 - \$60,000	2	-	-	-
\$60,000 - \$70,000	1	-	-	-
\$90,000 - \$100,000	-	1	-	1
\$110,000 - \$120,000	1	-	1	-

## 24. Related party disclosure

### Directors of ILC

The Directors of ILC in office during or since the end of the financial year are:

Sharon Firebrace (Chairperson) to 8 August 2001  
 Shirley McPherson (Chairperson) from 9 August 2001  
 Clem Riley (Deputy Chairperson)  
 Geoff Clark (Chairperson ATSIC)  
 Steve Gordon (ATSIC Nominee)  
 Lois Peeler to 8 August 2001  
 Norma Ingram from 9 August 2001  
 Kevin Driscoll  
 David Baffsky

The aggregate remuneration of Directors is disclosed in Note 23.

All ILC Directors are also Directors of LEA as at reporting date.

The Commonwealth Government employees and representatives did not receive any fees.

The amount of aggregate superannuation contributions paid on behalf of Directors for 2001 was \$19,485 (2000: \$10,947)

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No Director has received or became entitled to receive during or since the end of the financial year, a benefit due to any contract or contracts made by the ILC or its subsidiaries.

	Consol 2001 \$	Consol 2000 \$	ILC 2001 \$	ILC 2000 \$
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### 25. Transactions with wholly owned entity

The ILC is the ultimate chief entity in the wholly owned group comprising itself and its wholly owned subsidiaries LEA, Mogila, Cardabia, Mt Clarence, Roebuck Pastoral Co and Myroodah Pastoral Co.

The ILC provides appropriation funding to its subsidiaries as follows:

LEA - \$899,430 (2000: \$1,680,000)

Roebuck Pastoral Company - \$298,766 (2000: \$Nil)

Myroodah Pastoral Company - \$201,705 (2000: \$Nil)

### 26. Remuneration of officers

Income received or due and receivable by the officers:	943,192	1,015,170	736,473	678,681
Performance pay	31,600	4,600	22,100	4,600
	<u>974,792</u>	<u>1,019,770</u>	<u>758,573</u>	<u>683,281</u>

The number of officers of the ILC included in these figures are shown below in the relevant remuneration bands.

Less than \$100,000	2	-	3	1
\$100,000 - \$110,000	1	2	1	1
\$110,000 - \$120,000	-	1	-	1
\$120,000 - \$130,000	-	-	-	-
\$130,000 - \$140,000	2	-	1	-
\$140,000 - \$150,000	1	1	1	-
\$150,000 - \$160,000	-	-	-	-
\$160,000 - \$170,000	1	-	-	-
\$170,000 - \$180,000	-	1	-	-
\$180,000 - \$190,000	1	-	1	-
\$370,000 - \$380,000	-	1	-	1

The General Manager resigned from the ILC on 18 March 2001. His remuneration for the period 1 July to 18 March has been included in the above.

Performance pay has been included from the above calculation of officer remuneration. The aggregate amount of performance pay received, or due and receivable by officers was \$31,600 (2000: \$4,600).

**27. Remuneration of auditors**

Auditors remuneration for auditing the ILC’s financial statements for this reporting period was \$41,140 (2000: \$28,800). No other services were provided by the external auditor.

**28. Financial Instruments**

**28A. Terms, conditions and accounting policies**

<b>Financial Instrument</b>	<b>Accounting Policy and Methods (including recognition criteria and measurement basis)</b>	<b>Nature of Underlying Instrument (including significant terms &amp; conditions affecting the amount, timing and certainty of cash flows)</b>
Financial Assets	Financial assets are recognised when control over future economic benefits is established and the amount of the benefit can be reliably measured.	
Cash	Deposits are recognised at their nominal amounts. Interest is credited to revenue as it accrues.	
Receivables	The net fair values for receivables, all of which are short term in nature, are approximated by their carrying amounts. Provisions are made when collection of the debt is judged to be less rather than more likely.	Credit terms are generally 28 days.
Financial Instrument	Accounting Policy and Methods (including recognition criteria and measurement basis)	Nature of Underlying Instrument (including significant terms & conditions affecting the amount, timing and certainty of cash flows)
Loans	Loans are recognised at amounts lent. The loans are secured by a charge of the assets of the borrower.	Loans are either interest free, or interest only for a defined period. Requirements for principal repayments are set out in the lending instrument.
Floating Rate Notes (FRN)	Notes held are initially recorded at cost and revalued to lower of cost or net realisable value at reporting date. Interest recorded as accrued.	The FRN are readily convertible into cash with minimal transaction costs but are held for the purpose of investment and not cash management. The interest rate accrued on floating

rate investments is based on the 30-180 day BBSW rate plus 50 to 225 basis points.

The ILC is exposed to interest rate risk through FRN investments.

<b>Financial Instrument</b>	<b>Accounting Policy and Methods (including recognition criteria and measurement basis)</b>	<b>Nature of Underlying Instrument (including significant terms &amp; conditions affecting the amount, timing and certainty of cash flows)</b>
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Mortgage Backed Securities (MBS)	Securities held are initially recorded at cost and revalued to lower of cost or net realisable value at reporting date. Interest recorded as accrued.	The MBS are highly rated notes or bonds, the servicing of which are provided by cash flows from a specific pool of residential mortgages. The ILC is exposed to interest rate risk through MBS investments
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Commercial Paper and Notes	Notes held are initially recorded at cost and revalued to lower of cost or net realisable value at reporting date. Interest recorded as accrued.	Other commercial notes or bonds. The ILC is exposed to interest rate risk through these investments
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Equities	These equities are carried at their buying price quoted by the underwriters. Movements in these values between reporting dates are accounted for in accordance with the provisions of AAS10 Accounting for the revaluation of non-current assets. Income is recognised when declared by the investee.	Issuer sponsored mandatory converting secured notes.
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Other Equities	These equities are carried at their lowest market buying price as advised by the registry. Movements in these values between reporting dates are accounted for in accordance with the provisions of AAS10 Accounting for the revaluation of non-current assets. Income is recognised when declared by the investee.	Ordinary B Class Shares.
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Deposits at call	Deposits are recognised at their nominal amounts. Interest is brought to account as earned.	Temporarily surplus funds are placed on deposit with the Corporations banker. Interest is earned on a daily basis at the prevailing daily rate of 4.95%.
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Term Deposit	Deposits are recognised at cost. Interest is brought to account as earned.	Fixed term and fixed interest deposits with financial institutions
Other Deposit	Deposits are recognised at cost. Interest is brought to account as earned.	Other deposits not specifically detailed above
<b>Financial Instrument</b>	<b>Accounting Policy and Methods (including recognition criteria and measurement basis)</b>	<b>Nature of Underlying Instrument (including significant terms &amp; conditions affecting the amount, timing and certainty of cash flows)</b>
Bank Securities	Securities are recorded at cost and interest is accrued as earned.	Bank offered securities at fixed interest.
Funds with Fund Managers	Funds transferred to fund managers are initially recorded at the value of the funds transferred. The funds are re-valued to net market value on a monthly basis. The carrying amount of investments are reviewed to determine whether they are in excess of their recoverable amount at balance date. If the carrying amount of an investment exceeds the recoverable amount, the asset is written down to the lower amount. Income is recognised when realised by the ILC.	The ILC transferred \$110m to 3 fund managers during the year for their management. Each of the fund managers has an investment mandate and benchmarks that their performance is assessed against. Fund managers report to the ILC on a monthly basis.

**28B. Net fair value of financial assets – Investments (Consolidated)**

**Funds managed in-house**

	Carrying Value	Net Fair Value	Carrying Value	Weighted Ave Effective Interest Rate	
	2001	2001	2000	2001	2000
	\$	\$	\$	%	%
Term deposits	5,100,000	5,100,000	4,057,794	5.4	6.2
Bank securities	-	-	5,017,487	-	6.1
Mortgage backed securities	-	-	2,709,170	-	6.4
Floating rate notes	4,004,206	4,004,206	81,999,702	6.4	6.9
Equities	510,080	510,080	950,268	9.5	9.5
	<u>9,614,286</u>	<u>9,614,286</u>	<u>94,734,421</u>	<u>5.5</u>	<u>6.8</u>

**Funds management - outsourced**

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	Amount Transferred	Carrying Value	Carrying Value
	2001	2001	2000
	\$	\$	\$
Westpac Investment Management	45,000,000	46,821,416	-
Lazards Asset Management Pacific Co	40,000,000	40,576,815	-
JB Were Capital Markets Ltd	25,000,000	25,975,108	-
	<u>110,000,000</u>	<u>113,373,339</u>	<u>-</u>