

The ILC has adopted a new approach to reporting on its operations. While still following the Outcome and Output structure, it has also chosen to report directly against the ILC Corporate Plan 2003-2006, and therefore the key performance issues identified in the 2003-2004 Portfolio Budget Statement. This approach follows best practice guidelines on annual reporting as recommended by the ANAO and comments made by the Parliamentary Joint Committee on Native Title and the Aboriginal and Torres Strait Islander Land Fund.

2003-2004 has been a busy and rewarding year with the ILC Board continuing its focus on the delivery and measurement of achievable and sustainable benefits through a rigorous assessment of the suitability of potential acquisitions to meet the group's aspirations, capacity and commitment to achieve its goals. Major achievements for the year included revision of the National Indigenous Land Strategy (NILS) and Regional Indigenous Land Strategies (RILS), rolling out the ILC's revised Land Management and Land Acquisition programs, ongoing implementation of the Remediation Program and the continuing development of strategic partnerships with other agencies and service providers.

The ILC continued to meet its primary statutory responsibility of assisting Indigenous people to purchase and manage land in order to acquire social, cultural, economic and/or environmental benefits. Since the commencement of operations on 1 June 1995, the ILC has purchased one hundred and seventy properties, covering 5.14 million hectares. One hundred and fourteen of these properties have been divested to

Indigenous Corporations and two have been sold. A total of seventy-three applications to acquire land were received during the financial year compared with forty-five in 2002-2003, with the major increases occurring in New South Wales, Queensland and Western Australia. Almost half the applications received were made under the Social Acquisition Program (SAP) stream, with a significant proportion of these relating to urban based properties with existing infrastructure, where existing program providers were wishing to relocate to more appropriate premises in order to improve service delivery to Indigenous clients. The ILC Board approved nine acquisitions under the Social and Cultural Acquisition Programs in the reporting period.

I am pleased that the new SAP has been effective in meeting the land needs of many Indigenous people, especially for those in urban environments. Under the ILC's previous programs, these people had limited access to ILC support. Separately, the Board had legitimate concerns about cost and equity issues in relation to the Economic Acquisition Program and placed a moratorium on acquisitions under this program while its guidelines were reviewed. The Board approved revised



guidelines at its last meeting for 2003-2004, and I look forward to reporting on the outcome of their implementation in next year's Annual Report.

The ILC Board issued its second revision of the NILS 2001-2006 in February this year, fine-tuning the NILS introduced in October 2002 and strengthening our ability to accommodate the wide range of goals Indigenous peoples wish to attain through owning and managing land. Mandatory requirements for applications now provide for property management plans to accompany applications; work plans that provide a framework for the delivery of measurable, sustainable benefits, and participation in land workshops to provide applicants with information and greater awareness of land ownership responsibilities and obligations.

The revision of the RILS ensured that stakeholder input was collated and fed into this process, utilising information gained from the Land Needs Planning Process, Regional Profiles and consultation at ILC regional information sessions, including with ATSIC Regional Councils and Native Title Representative Bodies.

I am pleased to report that the Property Remediation Program instituted for 108 ILC-purchased properties (both divested and ILC-held) was significantly progressed during the financial year. The Program aims to ensure these properties are capable of providing genuine benefits to Indigenous peoples as a result of the ILC's acquisition. During the reporting period works to address critical health, safety and infrastructure issues, such as the provision of potable water supplies and proper sanitation, have been completed on all but one property. Works on the outstanding property should be completed this year. Nearly sixty property audits, and thirty subsequent workshops with the landholders, were completed to 30 June 2004. Agreements for the implementation of works and capacity/planning activities were formalised in a number of cases with almost twenty groups having already commenced structured property management planning. In many cases other agencies are assisting groups with their planning and capacity development activities, including corporate governance training. Approximately \$3.5m has been committed to the Property Remediation Program to date, and efforts will be ongoing for several years.

A capacity development framework is at the heart of land acquisition and management activity undertaken by the ILC. It is a key principle of the NILS and acquisition process, and includes the land workshop and post-acquisition leasing arrangements between the ILC and the applicant group. Feedback from workshops suggests they have been successful in assisting applicants to discuss the risks associated with their plans, identify capacity requirements and design appropriate responses and work plans.

The focus on developing landholder capacity has been instrumental in developing communication and awareness between stakeholders and training service providers. Partnerships have been established with a variety of these providers to conduct training on topics such as corporate governance, financial management, farm and stock management, cropping and pasture management and marketing. The governance training delivered to Indigenous landowner groups during the year has led to improved land management practices and organisational structures, thus enabling better decision-making and greater ownership of agreed outcomes to land management solutions by their members.

Discussions are currently underway with Indigenous Community Volunteers (ICV) to provide volunteers from the business sector to mentor and transfer business skills and knowledge to Indigenous landowners.

In accordance with the Act the ILC must assist Indigenous people to make full use of the funds and programs available from other agencies and be involved in the provision of technical and professional advice, information and training. The ILC takes a regional approach to addressing land management issues, and places an emphasis on developing partnerships to access other relevant programs, establish regional relationships and to lever support from other Australian and State Government agencies. These partnerships are vital to the ILC's land management function and provide landholders with greater assistance for projects they wish to pursue.

Major initiatives that have made substantial progress this year are in the Northern Territory and the Kimberley region of Western Australia, where we are working with Indigenous owners of pastoral leases to ensure they maximise the economic value of their land. A United Nations delegate recently commended the Kimberley project at an international conference and substantial progress has been made on a number of properties in governance, herd management and quality, as well as the upgrading of infrastructure. In the Northern Territory progress has been made in leasing out previously under-utilised Indigenous-held land and approximately 22,000 additional head of cattle are now, or will soon be, grazing on this land, with a number of associated employment opportunities being created.

The 2003-2004 financial year is historically significant as the Land Fund received its final appropriation from the Australian Government, of \$146.7m. ILC's final payment of \$54.7m under this arrangement was also received. From 2004-2005 onwards, the ILC will receive the "realised real return" from the Land Fund as defined in section 193C of the ATSI Act. This will be the only source of recurrent annual funding to the ILC for the performance of its statutory responsibilities.

I take this opportunity to thank fellow Board members for their ongoing energy and commitment, as well as those applicants who have worked constructively with the ILC to ensure it meets their land acquisition and land management needs. Finally, I would like to thank ILC General Manager, Mr David Galvin, and staff of the ILC for their continued commitment and hard work during the year in ensuring the proper and efficient performance of the ILC and the provision of effective assistance to our stakeholders.

**Shirley McPherson**