

FINANCIAL STATEMENTS

for year ending 30 June 2007





INDEPENDENT AUDITOR'S REPORT

To the Minister for Families, Community Services and Indigenous Affairs

Matters relating to the Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial statements published on the website of the Indigenous Land Corporation (the Corporation) for the year ended 30 June 2007. The Directors are responsible for the integrity of the web site.

This auditor's report refers only to the financial statements and notes named below. It does not provide an opinion on any other information which may have been hyperlinked to/from the audited financial report. If the users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report in the company's annual report.

Scope

I have audited the accompanying financial statements of the Corporation and the consolidated entity, which comprise a statement by the Directors and General Manager; income statement; balance sheet; statement of changes in equity; statement of cash flows; and schedules of commitments, contingencies; summary of significant accounting policies; and other explanatory notes.

The Responsibility of the Board of Directors for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997* and the Australian Accounting Standards (including the Australian Accounting Interpretations). This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. My audit has been conducted in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These auditing standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Corporation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the

reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting the audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the ethical requirements of the Australian accounting profession.

Auditor's Opinion

In my opinion, the financial statements of the Indigenous Land Corporation and the consolidated entity:

- (a) have been prepared in accordance with the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*, and the Australian Accounting Standards (including the Australian Accounting Interpretations); and
- (b) give a true and fair view of the matters required by the Finance Minister's Orders including the Indigenous Land Corporation and the consolidated entity's financial position as at 30 June 2007 and of its financial performance and its cash flows for the year then ended.

Australian National Audit Office



Mark A Moloney

Senior Director

Delegate of the Auditor-General

Canberra

3 September 2007



Australian Government
Indigenous Land Corporation

ABN 59 912 679 254

Statement by Directors and General Manager

In our opinion, the attached financial statements for the year ended 30 June 2007 are based on properly maintained financial records and give a true and fair view of matters required by the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Corporation will be able to pay its debts as and when they become due and payable.

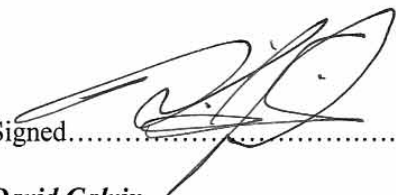
This statement is made in accordance with a resolution of the directors.

Signed.....

Shirley McPherson
Chairperson

Signed.....

William Jeffries
Deputy Chairperson

Signed.....

David Galvin
General Manager

Signed.....

Jodie Lindsay
Chief Financial Officer

29 August 2007

Income Statement

for the year ended 30 June 2007

	Notes	Consol 2007 \$	Consol 2006 \$	ILC 2007 \$	ILC 2006 \$
INCOME					
Revenue					
Revenues from Government	6A	96,420,253	23,988,511	96,420,253	23,988,511
Interest	6B	988,207	739,724	980,516	733,840
Other revenues	6C	2,500,180	5,025,404	2,500,180	5,072,229
Total revenue		99,908,640	29,753,639	99,900,949	29,794,580
Gains					
Net gain (loss) in the net market value of livestock	7A	5,438,871	5,260,576	5,011,689	4,865,680
Net market value of agricultural produce	7C	625,022	723,983	458,656	596,190
Net gain from disposal of assets	8G	213,000	-	213,000	-
Net write up of investments	7D	24,805,977	25,503,160	24,805,977	25,503,160
Other net gains	7E	-	3,192,919	-	3,133,071
Total gains		31,082,870	34,680,638	30,489,322	34,098,101
Total Income		130,991,510	64,434,277	130,390,271	63,892,681
EXPENSE					
Property granted	8A	2,272,653	1,999,021	2,272,653	1,999,021
Provision for property grant	8B	34,905,502	11,196,022	34,905,502	11,196,022
Land management	8C	18,760,245	12,609,476	22,243,779	14,820,717
Employees	8D	12,015,590	10,521,834	8,397,561	8,227,625
Suppliers	8E	4,981,526	4,583,011	4,443,634	4,214,442
Depreciation and amortisation	8F	2,558,462	2,035,254	2,539,423	1,999,809
Net loss from disposal of assets	8G	-	423,544	-	424,483
Net loss in the net market value of other biological assets	7B	60,178	78,613	60,178	78,613
Other net losses	7E	126,954	-	126,954	-
Total Expenses		75,681,110	43,446,775	74,989,684	42,960,732
Surplus (Deficit)		55,310,400	20,987,502	55,400,587	20,931,949

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

Balance Sheet

as at 30 June 2007

	Notes	Consol 2007 \$	Consol 2006 \$	ILC 2007 \$	ILC 2006 \$
ASSETS					
Financial assets					
Cash and cash equivalents	9A	560,846	542,652	561,997	483,197
Trade and other receivables	9B	1,951,100	680,713	1,933,660	673,342
Investments	9C	306,976,859	268,477,461	306,976,890	268,477,494
Other	9D	1,149,890	568,938	1,149,890	568,938
Total financial assets		310,638,695	270,269,764	310,622,437	270,202,971
Non-financial assets					
Inventory - property held for grant	10A	110,800,234	75,823,867	110,800,234	75,823,867
Inventory - other	10B	28,500	2,450	28,500	2,450
Property, plant & equipment	10C	22,953,044	9,857,083	22,793,782	9,753,045
Biological assets	10H	24,562,656	20,584,122	23,264,223	19,332,809
Intangibles	10I	225,133	184,120	225,133	184,120
Other non-financial assets	10J	2,066,275	-	2,066,275	-
Total non-financial assets		160,635,842	106,451,642	159,178,147	105,096,291
Total Assets		471,274,537	376,721,406	469,800,584	375,299,262
LIABILITIES					
Payables					
Suppliers	11A	4,649,316	1,437,084	4,641,432	1,483,596
Other payables	11B	738,104	4,042	738,104	4,042
Total payables		5,387,420	1,441,126	5,379,536	1,487,638
Provisions					
Employee provisions	12A	1,993,211	1,715,934	1,771,742	1,582,065
Provision for property held for grant	10A	110,717,258	75,811,756	110,717,258	75,811,756
Provision for make good	12B	56,000	34,000	56,000	34,000
Total provisions		112,766,469	77,561,690	112,545,000	77,427,821
Total Liabilities		118,153,889	79,002,816	117,924,536	78,915,459
NET ASSETS		353,120,648	297,718,590	351,876,048	296,383,803
EQUITY					
Parent entity interest					
Reserves		1,400,163	1,269,204	1,374,792	1,243,833
Retained surplus		351,720,485	296,449,386	350,501,256	295,139,970
Total Parent Entity Interest		353,120,648	297,718,590	351,876,048	296,383,803
TOTAL EQUITY		353,120,648	297,718,590	351,876,048	296,383,803
Current Assets		107,771,570	36,164,024	106,456,848	34,845,885
Non-current Assets		363,502,967	340,557,382	363,343,736	340,453,377
Current Liabilities		7,068,819	2,734,861	6,839,466	2,702,212
Non-current Liabilities		111,085,070	76,267,955	110,085,070	76,213,247

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

Statement of Changes in Equity

for the year ended 30 June 2007

Consolidated	Notes	Retained Earnings		Asset Revaluation Reserve		Contributed Equity/Capital		Total Equity
		2007	2006	2007	2006	2007	2006	
		\$	\$	\$	\$	\$	\$	\$
Opening Balance								
Balance carried forward from previous period		296,449,386	274,550,722	1,269,204	1,040,067	-	-	275,590,789
Adjustment for changes in accounting policy		-	-	-	-	-	-	-
Adjusted opening balance		<u>296,449,386</u>	<u>274,550,722</u>	<u>1,269,204</u>	<u>1,040,067</u>	<u>-</u>	<u>-</u>	<u>275,590,789</u>
Income and expense								
Revaluation adjustment		-	-	136,347	-	-	-	136,347
Amount transferred from revaluation reserve for property, plant and equipment disposed of		5,388	(229,137)	(5,388)	229,137	-	-	-
Sub-total income and expenses recognised directly in equity		<u>5,388</u>	<u>(229,137)</u>	<u>130,959</u>	<u>229,137</u>	<u>-</u>	<u>-</u>	<u>136,347</u>
Surplus (deficit) for the period		55,310,400	20,987,502	-	-	-	-	20,987,502
Total income and expenses		<u>55,310,400</u>	<u>20,758,365</u>	<u>-</u>	<u>229,137</u>	<u>-</u>	<u>-</u>	<u>20,987,502</u>
Transactions with owners								
Contribution by owners								
Other Restructuring ¹	13A	(44,689)	1,140,299	-	-	-	-	1,140,299
Sub-total transactions with owners		<u>(44,689)</u>	<u>1,140,299</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,140,299</u>
Closing balance attributable to the Australian Government		<u>351,720,485</u>	<u>296,449,386</u>	<u>1,400,163</u>	<u>1,269,204</u>	<u>-</u>	<u>-</u>	<u>297,718,590</u>

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

Statement of Changes in Equity

for the year ended 30 June 2007

Asset Revaluation Reserve

The asset revaluation reserve is used to record increments and decrements in the fair value of property, plant and equipment to the extent that they offset one another.

Notes

¹ As a result of the Aboriginal and Torres Strait Islander Commission Amendment Act 2005 (ATSIC Amendment Act), the ILC inherited responsibility for the Regional Land Fund, including grants and interests in land acquired with Regional Land Fund monies upon the abolition of ATSIC. In 2005–06, the ILC received a refund of GST on transactions through the Regional Land Fund whilst administered by ATSIC. The original amount was overpaid and the ILC repaid the amount of the overpayment in 2006–07.

Through the ILC's due diligence process on the transfer of assets from ATSIC, the ILC became aware of funds held in trust with Australian Government Solicitor that were distributed from the Regional Land Fund in June 2004 for the purposes of a grant to an aboriginal corporation. The ILC was of the opinion that these funds formed part of the Regional Land Fund. During 2005–06, those funds held in trust with AGS were paid to the ILC.

Statement of Cash Flows

for the year ended 30 June 2007

	Notes	Consol 2007 \$	Consol 2006 \$	ILC 2007 \$	ILC 2006 \$
OPERATING ACTIVITIES					
Cash received					
Receipts from the Government		96,276,040	24,011,511	96,276,040	24,011,511
Goods and services		4,554,956	5,463,677	3,953,885	4,851,060
Interest		917,849	720,060	910,158	714,176
Other		2,272,232	5,684,555	2,267,246	5,684,555
Net GST received from ATO		6,035,895	2,040,543	6,050,497	2,053,281
Total cash received		110,056,972	37,920,346	109,457,826	37,314,583
Cash used					
Employees		11,738,313	10,166,734	8,207,884	7,781,271
Direct land acquisition		40,288,154	10,494,949	40,288,154	10,494,949
Land management		22,354,551	13,985,506	25,859,373	16,188,456
Other suppliers		4,133,129	7,498,913	3,580,685	7,103,993
Repayable grants made		466,686	87,160	466,686	87,160
Total cash used		78,980,833	42,233,262	78,402,782	41,655,829
Net cash from or (used by) operating activities	14	31,076,139	(4,312,916)	31,055,044	(4,341,246)
INVESTING ACTIVITIES					
Cash received					
Proceeds from the sale of property, plant & equipment		88,673	124,182	88,673	117,182
Proceeds from sale of investments, net		-	8,063,655	-	8,063,667
Total cash received		88,673	8,187,837	88,673	8,180,849
Cash used					
Purchase of property, plant & equipment		17,185,597	4,701,154	17,103,898	4,679,854
Purchase of intangibles		222,911	25,850	222,911	25,850
Purchase of investments, net		13,693,421	-	13,693,419	-
Total cash used		31,101,929	4,727,004	31,020,228	4,705,704
Net cash from or (used by) investing activities		(31,013,256)	3,460,833	(30,931,555)	3,475,145

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

Statement of Cash Flows

for the year ended 30 June 2007

	Notes	Consol 2007 \$	Consol 2006 \$	ILC 2007 \$	ILC 2006 \$
FINANCING ACTIVITIES					
Cash Received					
Monies transferred from Regional Land Account		-	1,140,299	-	1,140,299
Total cash received		-	1,140,299	-	1,140,299
Cash used					
Monies transferred to OIPC		44,689	-	44,689	-
Total cash used		44,689	-	44,689	-
Net cash from or (used by) financing activities		(44,689)	1,140,299	(44,689)	1,140,299
Net increase (decrease) in cash held		18,194	288,216	78,800	274,198
Cash at the beginning of the reporting period		542,652	254,436	483,197	208,999
Cash at the end of the reporting period	15	560,846	542,652	561,997	483,197

Schedule of Commitments

as at 30 June 2007

	Notes	Consol 2007 \$	Consol 2006 \$	ILC 2007 \$	ILC 2006 \$
By Type					
CAPITAL COMMITMENTS					
Other ¹		3,300,000	-	3,300,000	-
Total capital commitments		3,300,000	-	3,300,000	-
OTHER COMMITMENTS					
Operating leases ²		13,994,029	3,256,583	13,994,029	3,256,583
Total other commitments		13,994,029	3,256,583	13,994,029	3,256,583
COMMITMENTS RECEIVABLE					
Goods and services tax		(1,572,184)	(296,054)	(1,572,184)	(296,054)
Net commitments by type		15,721,845	2,960,529	15,721,845	2,960,529
BY MATURITY					
Operating lease commitments					
One year or less		4,776,375	871,821	4,776,375	871,820
From one to five years		4,378,460	2,171,544	4,378,460	2,171,543
Over five years		8,139,194	213,218	8,139,194	213,218
Net operating lease commitments		17,294,029	3,256,583	17,294,029	3,256,583
Goods and services tax receivable					
One year or less		434,216	79,257	434,216	79,257
From one to five years		398,042	197,414	398,042	197,414
Over five years		739,926	19,383	739,926	19,383
Net goods and services tax receivable		1,572,184	296,054	1,572,184	296,054

The amounts reported as at 30 June 2007 as commitments payable include the GST where relevant. Recoveries of GST in relation to commitments payable is included in commitments receivable.

¹Prior to the end of the reporting period, the ILC entered into an "put/call option" to enter into a contract to purchase a property. The option was exercised in the new reporting period and the property settled.

²The operating leases included comprise:

- Leases for office accommodation – relate to tenancy of the ILC in its Adelaide, Perth, Brisbane and Canberra offices. Other than the Adelaide office, lease payments are subject to annual increases in accordance with the lease contracts at either a fixed rate or to market. The initial periods of the office leases are still current.
- Agreements for the provision of motor vehicles to senior executives – no contingent rentals exist. There are no renewal or purchase options available to the Corporation.
- Leases and Grazing licences entered into by the ILC for the purposes of running a commercial enterprise. The commitment equals the total consideration paid by the ILC over the term of the lease, being a cash payment, which is subject to an annual index adjustment, and an agreed amount of capital development to the undertaken by the Corporation. The initial periods the leases are still current.

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

Schedule of Contingencies

as at 30 June 2007

Consolidated	Notes	Guarantees		Claims for damage / costs		Other	Total
		2007	2006	2007	2006		
		\$	\$	\$	\$	\$	\$
CONTINGENT LIABILITIES							
Balance from previous period	16	30,000	30,000	-	-	-	30,000
New		700,000	-	-	-	-	700,000
- Re-measurement		-	-	-	-	-	-
- Liabilities crystallised		-	-	-	-	-	-
- Obligations expired		-	-	-	-	-	-
Total contingent liabilities		730,000	30,000	-	-	-	30,000
CONTINGENT ASSETS							
Balance from previous period		-	-	-	-	1,095,610	1,095,610
New		-	-	-	-	-	-
- Re-measurement		-	-	-	-	-	-
- Assets crystallised		-	-	-	-	(1,095,610)	(1,095,610)
- Obligations expired		-	-	-	-	-	-
Total contingent assets		-	-	-	-	-	-
Net contingent liabilities		730,000	30,000	-	-	-	30,000

Details of each class of contingent liabilities, including those not disclosed above because they cannot be quantified or considered remote, are shown in Note 16 and 17.

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

Schedule of Contingencies

as at 30 June 2007

ILC	Notes	Guarantees				Claims for damage / costs		Other 2006	2007	Total 2006
		2007	2006	2007	2006	2006	2007			
		\$	\$	\$	\$	\$	\$	\$	\$	
CONTINGENT LIABILITIES										
	16	30,000	30,000	-	-	-	-	-	30,000	30,000
	New	700,000	-	-	-	-	-	-	700,000	-
	Re-measurement	-	-	-	-	-	-	-	-	-
	Liabilities crystallised	-	-	-	-	-	-	-	-	-
	Obligations expired	-	-	-	-	-	-	-	-	-
	Total contingent liabilities	730,000	30,000	-	-	-	-	-	730,000	30,000
CONTINGENT ASSETS										
	Balance from previous period	-	-	-	-	-	1,095,610	-	-	1,095,610
	New	-	-	-	-	-	-	-	-	-
	Re-measurement	-	-	-	-	-	-	-	-	-
	Assets crystallised	-	-	-	-	-	(1,095,610)	-	-	(1,095,610)
	Obligations expired	-	-	-	-	-	-	-	-	-
	Total contingent assets	-	-	-	-	-	-	-	-	-
	Net contingent liabilities	730,000	30,000	-	-	-	-	-	730,000	30,000

Details of each class of contingent liabilities, including those not disclosed above because they cannot be quantified or considered remote, are shown in Note 16 and 17.

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

Notes to and forming part of the financial statements

for the year ended 30 June 2007

1. Summary of Significant Accounting Policies

1.1 Basis of accounting

The financial statements and notes 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 Indigenous Land Corporation ("ILC") and Consolidated statements have been prepared in accordance with:

- Finance Minister's Orders (being the *Financial Management and Accountability Orders (Financial Statements for the reporting periods ending on or after 1 July 2006)*(FMOs); and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial report has been prepared on an accrual basis and is in accordance with historical cost convention, except for certain assets at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or on the financial position of the ILC and the economic entity ("the Corporation").

Unless alternative treatment is specifically required by an accounting standard or the FMOs, assets and liabilities are recognised in the ILC and Consolidated Balance Sheet when, and only when, it is probable that future economic benefits will flow and the amounts of the assets and liabilities can be reliably measured. However, assets and liabilities arising under agreements equally proportionately unperformed are not recognised unless required by an accounting standard. Assets and liabilities that are unrecognised are reported in the Schedule of Commitments and the Schedule on Contingencies (other than unquantifiable or remote contingencies which are reported at Note 17).

Unless alternative treatment is specifically required by an Accounting Standard, revenues and expenses are recognised in the ILC and Consolidated Income Statement when, and only when, the flow or consumption or loss of economic benefit has occurred and can be reliably measured.

1.2 Significant accounting judgements and estimates

No accounting assumptions or estimates have been identified that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next accounting period.

1.3 Statement of compliance

Australian Accounting Standards require a statement of compliance with International Financial Reporting Standards (IFRSs) to be made where the report complies with these standards. Some Australian equivalents to IFRSs and other Australian Accounting Standards contain requirements specific to not-for-profit entities that are inconsistent with IFRS requirements. The Corporation is a not-for-profit entity and has applied these requirements, so while this financial report complies with Australian Accounting Standards, including Australian Equivalents to International Financial Reporting Standards (AEIFRSs), it cannot make this statement.

Adoption of new Australian Accounting Standards requirements

The AASB through 2007–5 Amendments to Australian Accounting Standards [AASB 102] require not-for-profit entities to value inventories held for distribution at cost, adjusted when applicable for any loss of service potential. This standard is effective from 1 July 2007. The Secretary of the Department of Finance and Administration has, in accordance with Section 11.1 of the Finance Minister's Orders 2006–07, required 2007–05 to be early adopted by agencies. Adoption of this standard has no financial impact on the Corporation.

Other effective requirement changes

The following amendments, revised standards or interpretations have become effective but have had no financial impact or do not apply to the operations of the Corporation.

Notes to and forming part of the financial statements for the year ended 30 June 2007

1.3 Statement of compliance (cont..)

Amendments:

- 2005–1 Amendments to Australian Accounting Standards [AASBs 1, 101, 124]
- 2005–4 Amendments to Australian Accounting Standards [AASB 139, AASB 132, AASB 1, AASB 1023 and AASB 1038]
- 2005–5 Amendments to Australian Accounting Standards [AASB 1 and AASB 139]
- 2005–6 Amendments to Australian Accounting Standards [AASB 3]
- 2005–9 Amendments to Australian Accounting Standards [AASB 4, AASB 1023, AASB 139 and AASB 132]
- 2006–1 Amendments to Australian Accounting Standards [AASB 121]
- 2006–3 Amendments to Australian Accounting Standards [AASB 1045]

Interpretations:

- UIG 4 Determining whether and Arrangements contains a Lease
- UIG 5 Rights to Interest arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
- UIG 7 Applying the Restatement Approach under AASB 129 Financial Reporting in Hyperflationary Economies
- UIG 8 Scope of AASB 2
- UIG 9 Reassessment of Embedded Derivatives

Future Australian Accounting Standard requirements

The following new standards, amendments to standards or interpretations have been issued by the Australian Accounting Standards Board but are effective for future reporting periods. It is estimated that the impact of adopting these pronouncements when effective will have no material financial impact on future reporting periods.

AASB 7 Financial Instruments: Disclosures is effective for the reporting periods beginning on or after 1 January 2007 and amends the disclosure requirements for financial instruments. In general, AASB 7 requires greater disclosure than that presently. Associated with the introduction of AASB 7, a number of accounting standards were amended to reference the new standard or remove the present disclosure requirements through 2005–10 Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 and AASB 1038]. These changes have no financial impact but will affect the disclosure presented in future financial reports.

Amendments:

- 2007–1 Amendments to Australian Accounting Standards arising from UIG 11 [AASB 1 and AASB 2]
- 2007–2 Amendments to Australian Accounting Standards arising from UIG 12 [AASB 1, AASB 117, AASB 118, AASB 120, AASB 121, AASB 127, AASB 131, and AASB 139]
- 2007–3 Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, , AASB 136, , AASB 1023, and AASB 1038]
- 2007–4 Amendments to Australian Accounting Standards arising from ED 151 and other amendments
- 2007–6 Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116, AASB 138, UIG 1 and UIG 12]
- 2007–7 Amendments to Australian Accounting Standards [AASB 1, AASB 2, AASB 4, AASB 5, AASB 107 and AASB 128]

The following standards and interpretations have been issued but are not applicable to the operations of the Corporation.

- AASB 1049 Financial Reporting for General Government Sectors by Governments
- UIG 10 Interim Financial Reporting and Impairment.

1.4 Rounding

The financial report is presented in Australian dollars and values are rounded to the nearest dollar, unless otherwise specified.

Notes to and forming part of the financial statements for the year ended 30 June 2007

1.5 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 and program costs which are incurred by the Corporation in carrying out its statutory functions.

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.

1.6 Principles of consolidation

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

- ILC (the parent entity) and its subsidiaries
- Land Enterprise Australia Pty Ltd ("LEA")
- Cardabia Pastoral Company Pty Ltd as trustee for Cardabia Pastoral Company Trust
- 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") – deregistered 17 March 2006
- Myroodah and Luluigui Stations Pastoral Company Pty Ltd ("Myroodah Pastoral Co") – deregistered 17 March 2006
- Murrayfield Pastoral Company Pty Ltd ("Murrayfield Pastoral Co") – deregistered 17 March 2006
- Mount Dare Homestead Nominees Pty Ltd as trustee for Mt Dare Homestead Trust ("Mt Dare Nominees") – deregistered 30 June 2007
- National Indigenous Enterprises Pty Ltd ("NIPE").

Subsidiaries are all those entities (including special purpose entities) over which the ILC has the power to govern the financial and operating policies, so as to obtain benefits from their activities.

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 2007.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent entity.

Notes to and forming part of the financial statements for the year ended 30 June 2007

1.7 Revenue

The revenue described in this Note are revenues relating to the core operating activities of the Corporation. Receipts from the Aboriginal and Torres Strait Island Land Account (Land Account) are recognised at the time the Corporation becomes entitled to receive the revenue.

Other revenue from Government is recognised as revenue, except for certain amounts that relate to activities that are reciprocal in nature, in which case the revenue is recognised only when it has been earned.

Interest is recognised using the effective interest rate method as set out in *AASB 139 Financial Instruments: Recognition and Measurement*.

Revenue from the sale of goods is recognised when:

- The risks and rewards of ownership have been transferred to the buyer;
- The seller retains no managerial involvement nor effective control over the goods;
- The revenue and transactions costs can be reliability measured; and
- It is probable that the economic benefits associated with the transaction will flow to the entity.

See Note 1.17 in relation to recognition of income from biological assets.

Sundry income is recognised on an earned basis.

Receivables for goods and services, which have 30-day terms, are recognised at nominal amounts less any adjustment of impairment. Collection of receivables is reviewed at balance date for impairment. An impairment loss is made when collectibility of the debt is judged to be less, rather than more, likely.

1.8 Gains

Gains from disposal of non-current assets is recognised when control of the asset has passed to the buyer.

Contribution of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition.

1.9 Derecognition of financial assets and liabilities

Financial assets are derecognised when the contractual rights to the cash flow from the financial assets expire or the asset is transferred to another entity. In the case of transfer to another entity, it is necessary that the risks and rewards of ownership are also transferred.

Financial liabilities are derecognised when the obligation under the contract is discharged, cancelled or expires.

1.10 Impairment of financial assets

Financial assets are assessed for impairment at each balance date.

Financial assets held at amortised cost

If there is objective evidence that an impairment loss has been incurred for repayable grants and receivables held at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the Income Statement.

Available for sale financial assets

If there is objective evidence that an impairment loss on an available for sale financial asset has been incurred, the amount of the difference between its cost, less principal repayments and amortisation, and its current fair value, less any impairment loss previously recognised in the Income Statement, is transferred from equity to the Income Statement.

Notes to and forming part of the financial statements for the year ended 30 June 2007

1.11 Financial risk management

The Corporation's activities expose it to normal commercial financial risk. As a result of the nature of the Corporation's business, internal policies and Australian Government policies, dealing with the management of financial risk, the Corporations, exposure to market, credit, liquidity and cash flow and fair value interest rate risk is considered to be low.

1.12 Cash

Cash means notes and coins held, advances made and any deposits held at call with a bank or financial institution. Cash is recognised at its nominal amount.

1.13 Investments

The Corporation designates its investments as fair value through profit and loss.

The Corporation manages its investment portfolio in accordance with a documented investment strategy on a fair value basis. The portfolio's performance is managed and evaluated on a fair value basis, and information about the portfolio is provided internally on a fair value basis to the Corporation's board of directors and General Manager.

Investments are initially measured at their fair value at settlement date. After initial recognition, financial assets are measured at their fair value except for investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, which shall be measured at cost.

Investments designated as fair value through profit and loss are bank and other securities, term deposits, shares in listed companies, and managed funds.

The ILC continued to place its investment portfolio with fund managers during the year. The unrealised increment (decrement) in the fair value (market value) of the portfolio held by the fund managers is recognised in the Income Statement.

1.14 Derivative financial instruments

Forward Sale Contracts

The Corporation enters into forward sales contracts where it agrees to sell specified amounts of the wool clip in the future at predetermined rates. The objective is to match the contract with future cash flows from the anticipated sales to protect ILC against the possibility of loss from future wool price fluctuations.

Forward contracts are recognised at the date the contract is entered into. Gains or losses on forward sales contracts are recognised in net profit, except those relating to hedges of specific commitments that are deferred and included in the measurement of the sale.

1.15 Acquisition of assets

Assets are recorded at cost on acquisition, except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions from owners at the amounts at which they were recognised in the transfer or authority's accounts immediately prior to the restructuring.

Notes to and forming part of the financial statements for the year ended 30 June 2007

1.16 Property, plant and equipment

Asset Recognition Threshold

Purchases of property, plant and equipment (not held for grant) are recognised initially at cost in the Balance Sheet, except for purchases costing less than \$1,000, 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).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to "makegood" provisions in property leases taken up by the ILC where there exists an obligation to restore the property to its original condition. These costs are included in the value of the Corporation's leasehold improvements with a corresponding provision for the "makegood" taken up.

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

Revaluation

Following initial recognition at cost, property, plant and equipment are carried at fair value less accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency such that the carrying amount of assets does not materially differ, at reporting date, from its fair value. Valuations undertaken in each year are as at 30 June. The valuations undertaken during the reporting period were conducted by independent professionals who are experts in the valuation of that class of asset. Buildings and infrastructure on properties that are under construction or significant redevelopment have not been revalued as at 30 June as the fair value of the construction or redevelopment is difficult to estimate.

Fair values for each class of assets are determined as shown below:

Asset Class	Fair Value Measured at:
Leasehold improvements (office fitout)	Depreciated replacement cost
Office equipment, furniture and fittings and computer systems	Market selling price
Property, plant and equipment on Commercial Properties, being buildings and infrastructure, plant and equipment, furniture and fittings and motor vehicles.	Market selling price or depreciated replacement cost

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of revaluation reserve, except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised through the Income Statement. Revaluation decrements for a class of assets are recognised directly through the Income Statement, except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revaluation amount.

Depreciation and Amortisation

Depreciable property, plant and equipment are writtenoff 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 (office fitout) 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.

Notes to and forming part of the financial statements

for the year ended 30 June 2007

1.16 Property, plant and equipment (cont..)

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

	Diminishing Value 2007	Diminishing Value 2006	Prime Cost 2007	Prime Cost 2006
Administration Assets				
Office equipment	20-40%	20-40%	-	-
Furniture and fittings	20-30%	20%	-	-
Computer equipment	25-40%	25-40%	-	-
Office fitouts	-	20%	19-85%	24-85%
Commercial Property Assets				
Buildings and infrastructure	5-34%	5-34%	-	-
Plant and equipment	10-75%	10-40%	-	-
Furniture and fitting	10-40%	10-30%	-	-
Motor Vehicles	20-50%	20-30%	-	-

The aggregate amount of depreciation allocated for each class of asset during the reporting period is disclosed in Note 8.

Impairment

All assets were assessed for impairment at 30 June 2007. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefits of an asset is not primarily dependent on an asset's ability to generate future cash flows, and the asset would be replaced if the Corporation was deprived of the asset, its value in use is taken to be the depreciated replacement cost.

No indicators of impairment were found for assets at fair value.

Notes to and forming part of the financial statements for the year ended 30 June 2007

1.17 Biological assets

Biological assets consists of wool, livestock and plantings and fruit.

Livestock consists of that held for grant (Inventory) and that held for trading purposes.

Livestock held for trading purposes includes cattle and sheep. There are a small number of horses on ILC's properties that are used as working beasts. Wild goats were mustered and sold on Cardabia during the reporting period. Livestock which are considered to be biological assets are accounted for in accordance with Australian Accounting Standard *AASB 141 Agriculture* and are measured at fair value less estimated point-of-sale costs (net market value). Gains or losses on changes in the net market value of livestock are recognised in the Income Statement.

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 quantities 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.

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, (e.g. weather), natural increase is recorded based on muster results completed as at reporting date.

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

Paddock records are maintained on all properties.

The net market value is determined by independent valuations undertaken by industry experts, based on the value which could be expected to be received from the disposal of livestock in an active and liquid market, after deducting costs expected to be incurred in realising the proceeds of such a disposal. The valuation takes into account the general makeup of the herd/flock as at reporting date and the use and productivity of the animals to be valued.

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

Non-living agricultural produce, wool, extracted from livestock is recognised as revenue in the reporting period that the produce is extracted. Gains or losses on changes in the net market value are recognised in the Income Statement. The wool is then accounted for in accordance with *AASB 102 Inventories*.

Plantings consists of citrus fruit trees that are part of two blocks of land purchased by the ILC for grant. The plantings are considered to be biological assets and are accounted for in accordance with Australian Accounting Standard *AASB 141* and are measured at fair value less estimated point-of-sale costs (net market value). Gains or losses on changes in the net market value are recognised in the Income Statement.

The net market value is determined by independent valuations undertaken by industry experts. The valuation takes into account the general makeup of the plantings as at reporting date. The net market value of the plantings is the amount, which could be expected to be received from the disposal of the plantings in an active and liquid market after deducting costs expected to be incurred in realising the proceeds of such a disposal, in the ordinary course of business, rather than the net proceeds from disposal expected from a distress sale.

Non-living agricultural produce, citrus fruit, extracted from plantings are recognised as revenue in the reporting period that the produce is extracted. Gains or losses on changes in the net market value are recognised in the Income Statement. The fruit produce of plantings is then accounted for, in accordance with *AASB 102 Inventories*.

Notes to and forming part of the financial statements for the year ended 30 June 2007

1.18 Inventory – Property held for grant

Property held for grant is land, plant and equipment and livestock held for grant which represents properties purchased for the purpose of grant to appropriate organisations in line with the legislative function and objectives of the ILC. These assets are held for distribution at no consideration in the ordinary course of business of the ILC. Accordingly, these assets are classified as Inventory held for distribution in accordance with *AASB 102 Inventories*.

Property held for grant is initially recorded at cost. Property held for grant acquired free or for a nominal amount is recognised initially at current replacement cost at the date of acquisition. Ongoing the assets are valued at cost, adjusted when applicable for any loss of service potential. Any adjustment is expensed to the Income Statement.

Loss of service potential of property held for grant is identified and measured, based on loss of operating capacity due to obsolescence.

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 Income Statement 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.

Livestock held for grant is purchased incidental to the purchase of land and is not held for the specific purpose of sale. It is valued at cost, adjusted when applicable for any loss of service potential.

Loss of service potential of livestock held for grant is identified and measured based on current replacement cost.

1.19 Inventory – Other

Inventories held for sale are valued at the lower of cost and net realisable value.

1.20 Intangibles

The Corporation's intangibles comprise internally developed and externally acquired software for internal use. These assets are carried at cost.

All software assets were assessed for indications of impairment as at 30 June 2007 and adjustments made for those determined to be impaired.

Capitalised software is amortised on a straight-line basis over its estimated useful life. Useful lives are:

	Consol 2007	Consol 2006	ILC 2007	ILC 2006
Internally developed software	5 years	5 years	5 years	5 years
Externally acquired software	5 years	5 years	5 years	5 years

Notes to and forming part of the financial statements for the year ended 30 June 2007

1.21 Trade creditors

Trade creditors and accruals are recognised at their nominal amounts, being the amounts at which the liabilities will be settled. Liabilities are recognised to the extent that the goods and services have been received (and irrespective of having been invoiced).

1.22 Leases

A distinction is made between finance leases and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased assets. In operating leases (a lease that is not a finance lease), the lessor effectively retains substantially all such risks and benefits.

Where a non-current asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the leased property or, if lower, the present value of minimum lease payments at the inception of the lease and a liability recognised at the same amount. The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and interest expense.

Operating lease payments are expensed on a basis which is representative of the pattern of benefits derived from the leased assets.

Where the ILC has a lease or a grazing licence over a property, the lease is classified as an operating lease. The total consideration paid by the ILC over the term of the lease, being cash payments and/or capital development, is expensed on a straight line basis over the term of the lease.

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.

1.23 Borrowing costs

All borrowing costs are expensed as incurred.

1.24 Employee benefits

Benefits

Liabilities for services rendered by employees are recognised at the reporting date, to the extent that they have not been settled.

Liabilities for "short-term employee benefits" (as defined in AASB 119) and termination benefits due within twelve months are measured at their nominal amounts.

The nominal amount is calculated with regards to the rates expected to be paid on settlement of the liability.

All other employee benefits liabilities are measured at the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

Leave

The liability for employee benefits includes provision for 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 in future years by employees is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration, including the Corporation's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave and non-current annual leave has been determined by reference to the work of an actuary as at 30 June 2007. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Notes to and forming part of the financial statements for the year ended 30 June 2007

1.24 Employee benefits (continued)

Separation and redundancy

Provision is made for separation and redundancy benefit payments. The Corporation recognises a provision for termination when it has developed a detailed formal plan for the termination and has informed those employees affected that it will carry out the terminations.

Superannuation

Employees of the ILC are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Scheme (PSS) or the PSS Accumulation Plan (PPSap). The CSS and PSS are defined benefits scheme for the Australian Government. The PPSap is a defined contribution scheme. The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course.

The ILC makes contributions to the Employee Superannuation Scheme at rates determined by the actuary to be sufficient to meet the cost to the Australian Government of the superannuation entitlements of the ILC's employees. The ILC accounts for the contribution as if they were contributions to defined contributions plans. From 1 July 2005, new ILC employees are eligible to join the PPSap scheme.

Employer contributions amounting to \$993,001 (2006: \$958,380) for the ILC in relation to these schemes have been expensed in these financial statements.

Superannuation contributions on behalf of employees of the ILC's wholly-owned subsidiaries are made in accordance with their employment contracts, mainly to industry superannuation funds which are defined contribution schemes.

The liability for superannuation recognised as at 30 June represents outstanding contributions accrued as at the reporting date.

1.25 Contingent liabilities and contingent assets

Contingent liabilities and assets are not recognised in the Balance Sheet but are reported in the relevant schedules and notes. They may arise from the uncertainty as to the existence of a liability or an asset, or represent an existing liability or asset in respect of which settlement is not probable or the amount cannot be reliably measured (remote or unqualifiable contingencies) (Refer Note 16 and 17).

Contingent assets are reported when settlement is probable, and contingent liabilities are recognised when settlement is greater than remote.

1.26 Statement of Cash Flows

The Statement shows the sources of cash and how cash was applied during the financial year. Cash flows, including those relating to the GST component of a receipt and payment are included in the Statement on a gross basis. Cash flows also include those relating to payables and receivables of prior periods or in advance for future periods.

1.27 Transactions by the Government as owner

Amounts appropriated which are designated as "equity injections" for a year (less any formal reductions) are recognised directly in Contributed Equity in that year.

Net assets received from or relinquished to another Australian Government Authority or Agency under a restructuring of administrative arrangements are adjusted at their book value directly against contributed equity.

The FMOs require that distributions to owners be debited to contributed equity unless in the nature of a dividend.

Contributions by, or distribution to, owners are disclosed at Note 13.

Notes to and forming part of the financial statements for the year ended 30 June 2007

1.28 Taxation

In accordance with Section 193P of the *Aboriginal and Torres Strait Islander Act 2005*, 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*.

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.

NIPE is subject to taxation, however, due to the nature of its income and expenses, no tax is payable and no provision for tax is recognised.

Revenues, 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 Balance Sheet.

Cash flows are included in the Statement of Cash Flows on a gross basis. 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.

1.29 Comparative figures

Where necessary, comparative figures have been adjusted to conform with changes in presentation in these financial statements.

2. Insurance

The Corporation has insured for risks through the Government's insurable risk managed fund, called "Comcover". Workers compensation for the ILC is insured through Comcare Australia. Workers compensation for the other entities making up the economic entity are insured through workers compensation providers in the state that the operations are located.

3. Reporting by outcomes

The Corporation's 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." Only one output group is identified for the outcome. Disclosures of revenue, expenses, assets and liabilities by outcome are at Note 25.

4. Economic dependency

The Corporation was established by section 191A of the *Indigenous Land Corporation (ATSIC Amendment) Act 1995* and is controlled by the Commonwealth of Australia. The ILC is dependent on the "realised real return" on the investments of the Aboriginal and Torres Strait Islander Land Account in accordance with Section 193C of the *Aboriginal and Torres Strait Islander Act 2005* ("ATSI Act").

5. Events occurring after the balance sheet date

There are no events occurring after reporting date.

Notes to and forming part of the financial statements

for the year ended 30 June 2007

	Consol 2007 \$	Consol 2006 \$	ILC 2007 \$	ILC 2006 \$
6. Revenues				
6A. Revenues from Government				
Receipts from the Land Account	96,420,253	23,758,511	96,420,253	23,758,511
Other revenues from Government	-	230,000	-	230,000
Total revenues from Government	<u>96,420,253</u>	<u>23,988,511</u>	<u>96,420,253</u>	<u>23,988,511</u>
Receipts from the Land Account are the "realised real return on the investments of the Land Account" in accordance with Section 193C of the ATSI Act (refer Note 4). The Land Account is administered by the Department of Families, Community Services and Indigenous Affairs and the amount received is the Department's calculation of the "realised real return".				
Receipts from the Land Account are considered to be revenue from independent sources as it is not a direct appropriation from the Commonwealth.				
During the reporting period, the ILC repaid unspent funds from a grant received in a previous reporting period from Environment Australia for hosting a Indigenous Land Management Facilitator.				
6B. Interest				
Interest on bank and other securities	967,240	712,468	959,549	706,584
Interest on repayable grants	20,967	27,256	20,967	27,256
Total interest revenue	<u>988,207</u>	<u>739,724</u>	<u>980,516</u>	<u>733,840</u>
6C. Other revenue				
Income from properties held for grant				
Goods	494,448	325,515	494,448	325,515
Services	1,694,234	1,263,667	1,694,234	1,263,667
Insurance proceeds	207,082	98,449	207,082	85,426
Other	104,416	3,337,773	104,416	3,337,773
Trust distribution	-	-	-	59,848
Total other revenue	<u>2,500,180</u>	<u>5,025,404</u>	<u>2,500,180</u>	<u>5,072,229</u>
Other Revenue from				
Related Entities	196,588	-	196,588	-
External Entities	2,303,592	5,025,404	2,303,592	5,072,229
Total other revenue	<u>2,500,180</u>	<u>5,025,404</u>	<u>2,500,180</u>	<u>5,072,229</u>

Notes to and forming part of the financial statements
for the year ended 30 June 2007

	Consol 2007 \$	Consol 2006 \$	ILC 2007 \$	ILC 2006 \$
7. Gains				
7A. Net gain (loss) in the net market value¹ of livestock				
Net gain (loss) in net market value during the reporting period				
Cattle	5,345,541	5,410,140	4,981,081	5,034,092
Sheep	265,830	(32,654)	212,387	(24,556)
Horses	25,745	(13,285)	25,745	(13,285)
Goats	11,759	30,449	-	-
	<u>5,648,875</u>	<u>5,394,650</u>	<u>5,219,213</u>	<u>4,996,251</u>
Movement in provision for deaths	(210,004)	(134,074)	(207,524)	(130,571)
Net gain in the net market value of livestock	<u>5,438,871</u>	<u>5,260,576</u>	<u>5,011,689</u>	<u>4,865,680</u>
7B. Net gain (loss) in the net market value¹ of other biological assets				
Net gain (loss) in net market value during the reporting period				
Fruit Trees	(60,178)	(78,613)	(60,178)	(78,613)
Net loss in the net market value of other biological assets	<u>(60,178)</u>	<u>(78,613)</u>	<u>(60,178)</u>	<u>(78,613)</u>
7C. Net market value¹ of agricultural produce				
Non-living agricultural produce extracted from biological assets				
Net market value of wool extracted during reporting period	500,672	550,329	334,306	422,536
Net market value of fruit extracted during reporting period	124,350	173,654	124,350	173,654
Net market value of agricultural produce	<u>625,022</u>	<u>723,983</u>	<u>458,656</u>	<u>596,190</u>
Wool				
Revenue from sale of wool	452,046	607,916	285,680	580,123
Deemed cost of wool	452,046	607,916	285,680	580,123
Net revenue from sale of wool	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fruit				
Revenue from sale of fruit	124,350	173,654	124,350	173,654
Deemed cost of fruit	124,350	173,654	124,350	173,654
Net revenue from sale of fruit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

During the reporting period the Corporation sold 473 (2006:484) bales of wool and 9,303 (2006:11,034) crates of citrus fruit

¹ Net market value is fair value less estimated point-of-sale costs.

Notes to and forming part of the financial statements

for the year ended 30 June 2007

	Consol 2007 \$	Consol 2006 \$	ILC 2007 \$	ILC 2006 \$
7D. Net write up of investments				
Net gain (loss) arising from the change in value of investments held at fair value through profit and loss:				
Investments (held in-house)	(42,300)	(367,200)	(42,300)	(367,200)
Investments (outsourced)	24,848,277	25,870,360	24,848,277	25,870,360
Net write up of investments	24,805,977	25,503,160	24,805,977	25,503,160

Net write up on investment is treated as a gain on assets as described in Note 1.

7E. Other net gains (losses)

Net gain (loss) arising from the change in fair value of:

Hedging instruments	(14,500)	-	(14,500)	-
Makegood provision	31,376	-	31,376	-
Property, plant and equipment – revalued	(212,710)	(150,764)	(212,710)	(150,764)
Land Acquisition assets received for no or nominal consideration	-	3,330,331	-	3,330,331
Write down in the value of Inventory – property held for grant	(3,795)	(4,132)	(3,795)	(4,132)
Net impairment of receivables	72,675	17,484	72,675	(42,364)
Net writeup (down) of assets	(126,954)	3,192,919	(126,954)	3,133,071

8. Expenses

8A. Property granted

The expense relates to the value of land granted (at cost) to appropriate aboriginal organisations in line with the objectives of the ILC. Costs incurred in transferring land, unsuccessful acquisitions or projects considered unlikely to proceed at reporting date are also included in this expense.

Value of property granted	2,205,578	1,851,678	2,205,578	1,851,678
Associated costs	67,075	147,343	67,075	147,343
Total property-granted expenses	2,272,653	1,999,021	2,272,653	1,999,021
Property-granted expense				
Related entities	-	2,264	-	2,264
External entities	2,272,653	1,996,757	2,272,653	1,996,757
Total property-granted expenses	2,272,653	1,999,021	2,272,653	1,999,021

8B. Provision for property grant

A provision is raised in the Income Statement for the full cost of land purchases representing the sacrifice of future benefits embodied in the assets. The following represents the net movement in the provision for the reporting period.

Total movement in the provision for land transfer	34,905,502	11,196,022	34,905,502	11,196,022
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Notes to and forming part of the financial statements for the year ended 30 June 2007

	Consol 2007 \$	Consol 2006 \$	ILC 2007 \$	ILC 2006 \$
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8C. Land management

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

Some of the 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 Income Statement 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, use, maintenance and improvement of that land.

Land management expense				
Related entities	2,591,423	452,109	2,591,423	452,109
External entities	16,168,822	12,157,367	19,652,356	14,368,608
Total land management expenses	18,760,245	12,609,476	22,243,779	14,820,717

8D. Employee expenses

Wages and salaries	10,590,340	9,107,991	7,246,984	7,046,183
Superannuation	1,284,230	1,288,019	1,009,557	1,055,618
Separation and redundancy	141,020	125,824	141,020	125,824
Total employee expenses	12,015,590	10,521,834	8,397,561	8,227,625

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

Number of employees as at 30 June (full time equivalents)	208.2	166.2	90	94.2
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The consolidated amount includes employees of NIPE and other ILC subsidiaries who are employed in the commercial businesses as at 30 June. This number has increased as the number of commercial businesses being operated by the ILC has increased.

8E. Suppliers expenses

Supply of goods and services:				
Related entities	328,728	331,293	325,985	329,419
External entities	3,327,638	3,345,720	2,924,193	3,105,921
Operating lease rentals ¹	995,390	738,439	995,390	738,439
Workers Compensation Premiums	185,557	167,559	53,853	40,663
Repayment of government grant	144,213	-	144,213	-
Total supplier expenses	4,981,526	4,583,011	4,443,634	4,214,442

¹ These comprise minimum lease payments only

Notes to and forming part of the financial statements

for the year ended 30 June 2007

	Consol 2007 \$	Consol 2006 \$	ILC 2007 \$	ILC 2006 \$
8F. Depreciation and amortisation				
Depreciation of property, plant and equipment	2,388,274	1,892,000	2,369,235	1,856,555
Amortisation of "makegood" asset	8,556	20,896	8,556	20,896
Amortisation of software	161,632	122,358	161,632	122,358
Total depreciation and amortisation	<u>2,558,462</u>	<u>2,035,254</u>	<u>2,539,423</u>	<u>1,999,809</u>

The aggregate amounts of depreciation or amortisation expense during the reporting period for each class of depreciable assets are as follows:

Administration Assets				
Office equipment	42,209	34,636	42,209	34,636
Furniture and fittings	20,509	28,479	20,509	28,479
Computer equipment	174,688	181,465	174,688	181,465
Office fitouts	245,447	266,634	245,447	266,634
Commercial Property Assets				
Buildings and infrastructure	1,182,241	885,757	1,177,938	876,197
Plant and equipment	321,684	277,941	313,398	264,925
Furniture and fitting	44,995	32,024	44,675	30,874
Motor Vehicles	356,501	185,064	350,371	173,345
Amortisation of "makegood" asset	8,556	20,896	8,556	20,896
Amortisation of software	161,632	122,358	161,632	122,358
Total depreciation and amortisation	<u>2,558,462</u>	<u>2,035,254</u>	<u>2,539,423</u>	<u>1,999,809</u>

8G. Net gain (loss) from disposal of assets

Property, plant and equipment				
Proceeds from disposal	80,612	112,893	80,612	106,529
Net book value of assets disposed	(110,479)	(131,170)	(110,479)	(125,745)
Net gain (loss) from disposal of property, plant and equipment	<u>(29,867)</u>	<u>(18,277)</u>	<u>(29,867)</u>	<u>(19,216)</u>
Plant and equipment held for grant				
Proceeds from disposal	-	8,432	-	8,432
Net book value of assets disposed	-	-	-	-
Net gain from disposal of plant and equipment held for grant	<u>-</u>	<u>8,432</u>	<u>-</u>	<u>8,432</u>
Land previously held for grant				
disposed in the current year				
Proceeds from disposal	327,273	70,043	327,273	70,043
Net book value of assets disposed	(84,406)	(483,742)	(84,406)	(483,742)
Net gain (loss) from disposal of land previously held for grant sold in the current year	<u>242,867</u>	<u>(413,699)</u>	<u>242,867</u>	<u>(413,699)</u>
Total proceeds from disposal	413,273	191,368	413,273	185,004
Total value of assets disposed	(200,273)	(614,912)	(200,273)	(609,487)
Total net gain (loss) from disposal of assets	<u>213,000</u>	<u>(423,544)</u>	<u>213,000</u>	<u>(424,483)</u>

Notes to and forming part of the financial statements
for the year ended 30 June 2007

	Consol 2007 \$	Consol 2006 \$	ILC 2007 \$	ILC 2006 \$
9. Financial assets				
9A. Cash and cash equivalents				
Cash at bank and on hand	541,883	526,652	543,034	467,197
Cash advances	18,963	16,000	18,963	16,000
Total cash	560,846	542,652	561,997	483,197
9B. Receivables				
Interest receivable	56,843	7,452	56,843	7,452
Other debtors	1,392,267	475,516	1,389,428	470,333
Receivable from ATO	528,390	203,521	513,789	201,333
Total receivables (net)	1,977,500	686,489	1,960,060	679,118
Less: Allowance for impairment loss	(26,400)	(5,776)	(26,400)	(5,776)
Total receivables (net)	1,951,100	680,713	1,933,660	673,342
All receivables are current.				
Receivables (gross) are aged as follows:				
Not overdue	1,909,910	658,231	1,892,470	650,964
Overdue by				
- less than 30 days	19,482	8,578	19,482	8,578
- 30 to 60 days	561	2,524	561	2,524
- 60 to 90 days	27,747	17,052	27,747	17,052
- more than 90 days	19,800	104	19,800	-
	67,590	28,258	67,590	28,154
	1,977,500	686,489	1,960,060	679,118
Allowance for impairment loss is aged as follows:				
Not overdue	-	-	-	-
Overdue by				
- less than 30 days	2,200	-	2,200	-
- 30 to 60 days	2,200	-	2,200	-
- 60 to 90 days	2,200	5,776	2,200	5,776
- more than 90 days	19,800	-	19,800	-
	26,400	5,776	26,400	5,776
	26,400	5,776	26,400	5,776

Notes to and forming part of the financial statements

for the year ended 30 June 2007

	Consol 2007 \$	Consol 2006 \$	ILC 2007 \$	ILC 2006 \$
9C. Investments				
Bank and other securities	80,484,097	14,144,563	80,484,097	14,144,563
Shares in listed companies (at market value)	58,500	100,811	58,500	100,811
Managed funds (at market value)	226,434,262	254,232,087	226,434,262	254,232,087
Shares in subsidiary companies ¹	-	-	31	33
Total investments	306,976,859	268,477,461	306,976,890	268,477,494
Investments are categorised as follows:				
Current	80,542,597	14,245,374	80,542,597	14,245,374
Non-current	226,434,262	254,232,087	226,434,293	254,232,120
Total investments	306,976,859	268,477,461	306,976,890	268,477,494
¹ The ILC holds shares in each of its 100%-owned subsidiaries.				
A summary of the movement in investments is as follows:				
Opening balance 1 July	268,477,461	251,037,956	268,477,494	251,038,001
Revenue from Land Account	96,420,253	23,758,511	96,420,253	23,758,511
Funds transferred from the former Regional Land Fund	-	1,140,299	-	1,140,299
Increment in market value to 30 June	24,805,977	25,503,160	24,805,977	25,503,160
	389,703,691	301,439,926	389,703,724	301,439,971
Less: investments liquidated	82,726,832	32,962,465	82,726,834	32,962,477
Closing balance 30 June	306,976,859	268,477,461	306,976,890	268,477,494
9D. Other financial assets				
Advances to subsidiaries				
Cardabia Pastoral Company Pty Ltd	-	-	1,091,999	1,091,999
Repayable grants to aboriginal corporations	1,339,124	851,473	1,339,124	851,473
Total	1,339,124	851,473	2,431,123	1,943,472
Less: provision for impairment	(189,234)	(282,535)	(1,281,233)	(1,374,534)
Total other financial assets	1,149,890	568,938	1,149,890	568,938
Other financial assets are categorised as follows:				
Current	125,871	111,163	125,871	111,163
Non-current	1,024,019	457,775	1,024,019	457,775
Total other financial assets	1,149,890	568,938	1,149,890	568,938

Notes to and forming part of the financial statements for the year ended 30 June 2007

10. Non-financial assets

10A. Inventory – Property held for grant, and Provision for property held for grant (consolidated)

Asset detail	Land & Incidentals	Plant & Equipment	Livestock	Total
Property held for grant	101,419,210	9,298,048	82,976	110,800,234
Less: provision for grant	(101,419,210)	(9,298,048)	-	(110,717,258)
Carrying amount 30 June	-	-	82,976	82,976
A summary of the movement in property held for grant is as follows:				
Opening balance 1 July	68,932,131	6,879,625	12,111	75,823,867
Opening provision 1 July	(68,932,131)	(6,879,625)	-	(75,811,756)
Carrying amount 1 July	-	-	12,111	12,111
Additions to 30 June	34,675,314	2,456,070	74,660	37,206,044
Sales to 30 June	(84,406)	-	-	(84,406)
Grant to 30 June	(2,103,829)	(37,647)	-	(2,141,476)
Write down of asset to 30 June	-	-	(3,795)	(3,795)
Net movement	32,487,079	2,418,423	70,865	34,976,367
Movement in provision to 30 June	32,487,079	2,418,423	-	34,905,502
Carrying amount 30 June	-	-	82,976	82,976

The ILC holds the title for all the above properties. The land is held for the intention of granting it to the relevant indigenous 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 plant and equipment and livestock is undertaken annually.

Inventory – Property held for grant, and provision for property held for grant are non-current.

10B. Inventory – other

	Consol 2007 \$	Consol 2006 \$	ILC 2007 \$	ILC 2006 \$
Inventory held for resale	28,500	2,450	28,500	2,450

Inventory held for resale is a current asset.

Notes to and forming part of the financial statements
for the year ended 30 June 2007

	Consol 2007 \$	Consol 2006 \$	ILC 2007 \$	ILC 2006 \$
10C. Property, plant and equipment				
Commercial Business Assets¹				
Buildings and infrastructure improvements²,				
at fair value	19,468,298	7,637,007	19,385,677	7,600,295
Less: Accumulated depreciation	(2,346,854)	(1,164,845)	(2,332,473)	(1,154,767)
	<u>17,121,444</u>	<u>6,472,162</u>	<u>17,053,204</u>	<u>6,445,528</u>
Plant and equipment,				
at fair value	3,187,280	1,599,976	3,123,280	1,535,976
Less: Accumulated depreciation	(661,639)	(346,324)	(640,337)	(333,308)
	<u>2,525,641</u>	<u>1,253,652</u>	<u>2,482,943</u>	<u>1,202,668</u>
Furniture and fittings,				
at fair value	200,742	94,057	197,992	91,307
Less: Accumulated depreciation	(72,403)	(27,409)	(70,933)	(26,259)
	<u>128,339</u>	<u>66,648</u>	<u>127,059</u>	<u>65,048</u>
Motor vehicles,				
at fair value	2,260,636	871,467	2,197,318	836,503
Less: Accumulated depreciation	(364,359)	(11,144)	(348,085)	(1,000)
	<u>1,896,277</u>	<u>860,323</u>	<u>1,849,233</u>	<u>835,503</u>
Administration Assets				
Office equipment, at fair value				
at fair value	177,499	137,800	177,499	137,800
Less: Accumulated depreciation	(74,237)	(33,809)	(74,237)	(33,809)
	<u>103,262</u>	<u>103,991</u>	<u>103,262</u>	<u>103,991</u>
Furniture and fittings, at fair value				
at fair value	93,763	90,923	93,763	90,923
Less: Accumulated depreciation	(35,057)	(18,285)	(35,057)	(18,285)
	<u>58,706</u>	<u>72,638</u>	<u>58,706</u>	<u>72,638</u>
Computer systems, at fair value				
at fair value	694,185	511,665	694,185	511,665
Less: Accumulated depreciation	(331,653)	(171,160)	(331,653)	(171,160)
	<u>362,532</u>	<u>340,505</u>	<u>362,532</u>	<u>340,505</u>
Office fitout, at fair value				
at fair value	709,399	935,875	709,399	935,875
Less: Accumulated depreciation	-	(251,335)	-	(251,335)
	<u>709,399</u>	<u>684,540</u>	<u>709,399</u>	<u>684,540</u>
Sub total property, plant & equipment	<u>22,905,600</u>	<u>9,854,459</u>	<u>22,746,338</u>	<u>9,854,459</u>

Notes to and forming part of the financial statements for the year ended 30 June 2007

	Consol 2007 \$	Consol 2006 \$	ILC 2007 \$	ILC 2006 \$
10C. Property, plant and equipment (cont..)				
Makegood, at fair value	56,000	34,000	56,000	34,000
Less: Accumulated depreciation	(8,556)	(31,376)	(8,556)	(31,376)
	<u>47,444</u>	<u>2,624</u>	<u>47,444</u>	<u>2,624</u>
Total property, plant & equipment	<u>22,953,044</u>	<u>9,857,083</u>	<u>22,793,782</u>	<u>9,753,045</u>

¹ The Corporation accounts for land and infrastructure on ILC held land as property held for grant (refer Note 1.18). Plant and equipment and improvements made to the infrastructure on properties utilised for commercial operations are accounted for as property, plant and equipment (refer Note 1.16).

² Buildings and infrastructure on properties that the corporation conducts commercial businesses include the following:

Improvements to building and infrastructure	10,629,894	2,225,459	10,629,894	2,225,459
Improvement to civil works	520,378	281,884	520,378	281,884
Improvements to water points and water supply	2,764,973	1,894,996	2,706,835	1,878,996
Improvements to fences and yards.	3,206,199	2,069,823	3,196,096	2,059,189
	<u>17,121,444</u>	<u>6,472,162</u>	<u>17,052,203</u>	<u>6,445,528</u>

All revaluations are conducted in accordance with the valuation policy stated at Note 1.

Valuations for all asset classes were undertaken at 30 June 2007. Only the commercial office fitout class valuations were considered materially different from the carrying amount at reporting date and were revalued accordingly. All other assets classes valuations did not differ materially from their carrying amount.

The ILC redesignated a property held for transfer to a commercial property during the reporting period. The property, plant and equipment identified on the property at the end of the reporting period was revalued.

Buildings and infrastructure on properties that are under construction or significant redevelopment have not been revalued as at 30 June, as the fair value of the construction or redevelopment is difficult to estimate.

The Corporation maintains asset registers for property, plant and equipment. A stocktake to verify property, plant and equipment is undertaken at least annually.

The Corporation does not hold infrastructure plant and equipment under a finance lease.

Movement in asset revaluation reserve

Administration assets				
Increment (decrement) for furniture and fittings	(2,400)	(6,012)	(2,400)	(6,012)
Increment for office fitout	136,347	182,659	136,347	182,659
Commercial property assets				
Increment for Buildings and infrastructure improvements	-	34	-	34
Increment for plant and equipment	(2,988)	(762)	(2,988)	(762)
Increment for furniture and fittings (commercial)	-	55,697	-	55,697
Increment for motor vehicles	-	(2,479)	-	(2,479)
	<u>130,959</u>	<u>229,137</u>	<u>130,959</u>	<u>229,137</u>

Notes to and forming part of the financial statements
for the year ended 30 June 2007

10E. Reconciliation of the opening and closing balances of Property, plant and equipment (consolidated)

Item	Commercial Business Assets				Administration Assets				Total
	Building & Infrastructure	Plant and Equipment	Furniture & Fittings	Motor Vehicles	Office Equipment	Furniture & Fittings	Computer Systems	Leasehold Improvements	
	\$	\$	\$	\$	\$	\$	\$	\$	\$
As at 1 July 2005									
Gross book value	5,122,395	995,271	71,241	586,081	98,760	72,625	313,330	855,500	8,115,203
Accumulated depreciation	(279,088)	(68,718)	(12,783)	-	-	-	-	-	(360,589)
Opening net book value	4,843,307	926,553	58,458	586,081	98,760	72,625	313,330	855,500	7,754,614
Additions:									
By purchase	2,514,612	609,555	50,331	699,823	41,070	41,401	228,981	95,675	4,281,448
Net revaluation increment (decrement)	-	-	(10,117)	(148,315)	-	-	-	-	(158,432)
Depreciation/amortisation	(885,757)	(277,941)	(32,024)	(185,064)	(34,636)	(28,479)	(181,465)	(266,635)	(1,892,001)
Impairments recognised in the operating results	-	-	-	-	-	-	-	-	-
Disposals:									
Other	-	(4,515)	-	(92,202)	(1,203)	(12,909)	(20,341)	-	(131,170)
As at 30 June 2006									
Gross book value	7,637,007	1,599,976	94,057	871,467	137,800	90,923	511,665	935,875	11,878,770
Accumulated depreciation	(1,164,845)	(346,324)	(27,409)	(11,144)	(33,809)	(18,285)	(171,160)	(251,335)	(2,024,311)
Closing net book value	6,472,162	1,253,652	66,648	860,323	103,991	72,638	340,505	684,540	9,854,459

Notes to and forming part of the financial statements
for the year ended 30 June 2007

10F. Reconciliation of the opening and closing balances of Property, plant and equipment (ILC)

Item	Commercial Business Assets				Administration Assets				Total
	Building & Infrastructure	Plant and Equipment	Furniture & Fittings	Motor Vehicles	Office Equipment	Furniture & Fittings	Computer Systems	Leasehold Improvements	
	\$	\$	\$	\$	\$	\$	\$	\$	\$
As at 1 July 2006									
Gross book value	7,600,295	1,535,976	91,307	836,503	137,800	90,923	511,665	935,875	11,740,344
Accumulated depreciation	(1,154,767)	(333,308)	(26,259)	(1,000)	(33,809)	(18,285)	(171,160)	(251,335)	(1,989,923)
Opening net book value	6,445,528	1,202,668	65,048	835,503	103,991	72,638	340,505	684,540	9,750,421
Additions:									
By purchase	11,831,868	1,809,792	106,686	1,406,533	48,512	6,577	205,080	133,959	15,549,00
Net revaluation increment (decrement)	(32,860)	(141,174)	-	(35,689)	-	-	-	136,347	(73,376)
Depreciation/amortisation	(1,177,938)	(313,398)	(44,675)	(350,371)	(42,209)	(20,509)	(174,688)	(245,447)	(2,369,235)
Impairments recognised in the operating results	-	(66,388)	-	66,388	-	-	-	-	-
Disposals:									
Other	(13,394)	(8,557)	-	(73,131)	(7,032)	-	(8,365)	-	(110,479)
As at 30 June 2007									
Gross book value	19,385,677	3,123,280	197,992	2,197,318	177,499	93,763	694,185	709,399	26,579,113
Accumulated depreciation	(2,332,473)	(640,337)	(70,933)	(348,085)	(74,237)	(35,057)	(331,653)	-	(3,832,775)
Closing net book value	17,053,204	2,482,943	127,059	1,849,233	103,262	58,706	362,532	709,399	22,746,338

Notes to and forming part of the financial statements
for the year ended 30 June 2007

10G. Reconciliation of the opening and closing balances of Property, plant and equipment (ILC)

Item	Commercial Business Assets				Administration Assets				Total
	Building & Infrastructure	Plant and Equipment	Furniture & Fittings	Motor Vehicles	Office Equipment	Furniture & Fittings	Computer Systems	Leasehold Improvements	
	\$	\$	\$	\$	\$	\$	\$	\$	
As at 1 July 2005									
Gross book value	5,085,683	946,271	68,491	548,481	98,760	72,625	313,330	855,500	
Accumulated depreciation	(278,570)	(68,718)	(12,783)	-	-	-	-	(360,071)	
Opening net book value	4,807,113	877,553	55,708	548,481	98,760	72,625	313,330	855,500	
Additions:									
By purchase	2,514,612	594,555	50,331	695,459	41,070	41,401	228,981	95,675	
Net revaluation increment (decrement)	-	-	(10,117)	(148,315)	-	-	-	-	
Depreciation/amortisation	(876,197)	(264,925)	(30,874)	(173,345)	(34,636)	(28,479)	(181,465)	(266,635)	
Impairments recognised in the operating results	-	-	-	-	-	-	-	-	
Disposals:									
Other	-	(4,515)	-	(86,777)	(1,203)	(12,909)	(20,341)	-	
As at 30 June 2006									
Gross book value	7,600,295	1,535,976	91,307	836,503	137,800	90,923	511,665	935,875	
Accumulated depreciation	(1,154,767)	(333,308)	(26,259)	(1,000)	(33,809)	(18,285)	(171,160)	(251,335)	
Closing net book value	6,445,528	1,202,668	65,048	835,503	103,991	72,638	340,505	684,540	

Notes to and forming part of the financial statements

for the year ended 30 June 2007

	Consol 2007 \$	Consol 2006 \$	ILC 2007 \$	ILC 2006 \$
10H. Biological Assets				
Livestock	25,535,114	21,335,024	24,168,342	20,017,852
Provision for deaths	(1,276,756)	(1,066,752)	(1,208,417)	(1,000,893)
	<u>24,258,358</u>	<u>20,268,272</u>	<u>22,959,925</u>	<u>19,016,959</u>
Wool	247,568	198,942	247,568	198,942
Plantings (Citrus Trees)	56,730	116,908	56,730	116,908
Total inventory	<u>24,562,656</u>	<u>20,584,122</u>	<u>23,264,223</u>	<u>19,332,809</u>

All inventory is current inventory.

	Consol 2007 Number	Consol 2007 \$	ILC 2007 Number	ILC 2007 \$
<i>Movement in livestock:</i>				
Opening on hand (at net market value)	65,067	21,335,024	52,915	20,017,852
Less provision for deaths	-	(1,066,752)	-	(1,000,893)
	<u>65,067</u>	<u>20,268,272</u>	<u>52,915</u>	<u>19,016,959</u>
Sales	(12,295)	(3,799,788)	(10,369)	(3,419,726)
Purchases	1,681	2,351,003	1,681	2,351,003
Natural Increase	23,060	-	20,206	-
Deaths/Rations/ Other	(1,424)	-	(1,099)	-
Net gain from change in net market value	-	5,648,875	-	5,219,213
Change in provision for deaths	-	(210,004)	-	(207,524)
Closing on hand (at net market value)	<u>76,089</u>	<u>24,258,358</u>	<u>63,334</u>	<u>22,959,925</u>

Summary of each class of livestock on hand at the beginning of the reporting period and at the end of the reporting period at fair value less estimated point-of-sale costs (net market value).

Livestock on hand at the beginning of the reporting period at net market value				
Cattle	43,685	20,713,077	41,233	19,667,541
Sheep	21,299	559,967	11,599	288,331
Horse	83	61,980	83	61,980
		<u>21,335,024</u>		<u>20,017,852</u>
Livestock on hand at the end of the reporting period at net market value				
Cattle	54,662	24,663,818	51,579	23,600,376
Sheep	21,334	759,516	11,662	456,186
Horses	93	111,780	93	111,780
		<u>25,535,114</u>		<u>24,168,342</u>

Notes to and forming part of the financial statements
for the year ended 30 June 2007

	Consol 2007 Number	Consol 2007 \$	ILC 2007 Number	ILC 2007 \$
10H. Biological Assets (cont..)				
<i>Movement in wool:</i>				
Opening on hand (at net market value)	149 bales	198,942	149 bales	198,942
Harvest	480 bales	500,672	253 bales	334,306
Sales	(473 bales)	(452,046)	(246 bales)	(285,680)
	<u>156 bales</u>	<u>247,568</u>	<u>156 bales</u>	<u>247,568</u>
<i>Movement in plantings:</i>				
Opening on hand (at net market value)	37.79 ha	116,908	37.79 ha	116,908
Purchases	-	-	-	-
Sales	-	-	-	-
Net gain from change in net market value	-	(60,178)	-	(60,178)
	<u>37.79ha</u>	<u>56,730</u>	<u>37.79ha</u>	<u>56,730</u>
	Consol 2007 \$	Consol 2006 \$	ILC 2007 \$	ILC 2006 \$

10I. Intangibles				
Computer software				
Internally developed – in use	60,024	228,933	60,024	228,933
Externally purchased	247,063	380,889	247,063	380,889
	<u>307,087</u>	<u>609,822</u>	<u>307,087</u>	<u>609,822</u>
Accumulated amortisation	(81,954)	(425,702)	(81,954)	(425,702)
	<u>225,133</u>	<u>184,120</u>	<u>225,133</u>	<u>184,120</u>

Reconciliation of opening and closing balances of intangibles (consolidated)

Item	Computer software internally developed \$	Computer software purchased \$
As at 1 July 2006		
Gross book value	228,933	380,889
Accumulated depreciation	(173,457)	(252,245)
	<u>55,476</u>	<u>128,644</u>
Additions:		
Purchase/ internally developed	60,024	142,621
Movements:		
Depreciation/Amortisation	(55,476)	(106,156)
Disposals		
From disposal of entities or operations including restructuring	-	-
	<u>60,024</u>	<u>247,063</u>
As at 30 June 2007		
Gross book value	60,024	247,063
Accumulated depreciation	-	(81,954)
	<u>60,024</u>	<u>165,109</u>

Notes to and forming part of the financial statements
for the year ended 30 June 2007

	Consol 2007 \$	Consol 2006 \$	ILC 2007 \$	ILC 2006 \$
10J. Other Non- Financial Assets				
Prepaid operating leases	2,281,192	-	2,281,192	-
Less: Amortisation of prepaid operating lease	(214,917)	-	(214,917)	-
	<u>2,066,275</u>	<u>-</u>	<u>2,066,275</u>	<u>-</u>
The prepaid operating lease is to be amortised as follows:				
- within one year	627,647	-	627,647	-
- within one to five years	1,438,628	-	1,438,628	-
	<u>2,066,275</u>	<u>-</u>	<u>2,066,275</u>	<u>-</u>
11. Payables				
11A. Suppliers payables				
Amounts owing to suppliers	4,649,316	1,437,084	4,641,432	1,483,596
Total supplier payables	<u>4,649,316</u>	<u>1,437,084</u>	<u>4,641,432</u>	<u>1,483,596</u>
All supplier payables are current.				
Settlement is usually made net 30 days.				
Amounts owing to suppliers for land acquisition, land management and administrative goods and services 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 have not yet been received and where the Corporation was under a legal liability to pay.				
11B. Other Payables				
Deferred benefit from lease incentive	42,355	4,042	42,355	4,042
Wool futures	14,500	-	14,500	-
Other payables	681,249	-	681,249	-
Total other payables	<u>738,104</u>	<u>4,042</u>	<u>738,104</u>	<u>4,042</u>
The lease incentive benefit is as follows:				
- within one year	8,340	4,042	8,340	4,042
- within one to five years	34,015	-	34,015	-
Total lease incentive	<u>42,355</u>	<u>4,042</u>	<u>42,355</u>	<u>4,042</u>
All Other payables are current.				

Notes to and forming part of the financial statements for the year ended 30 June 2007

	Consol 2007 \$	Consol 2006 \$	ILC 2007 \$	ILC 2006 \$
12. Provisions				
12A. Employee provisions				
Salaries and wages	296,544	135,618	295,535	132,769
Annual leave	824,297	763,234	635,004	686,922
Long service leave	854,033	801,711	823,291	747,003
Superannuation	18,337	15,371	17,912	15,371
Aggregate employee benefits liability	<u>1,993,211</u>	<u>1,715,934</u>	<u>1,771,742</u>	<u>1,582,065</u>
Employee provisions are categorised as follows:				
Current	1,715,414	1,259,735	1,493,945	1,180,574
Non-current	277,797	456,199	277,797	401,491
	<u>1,993,211</u>	<u>1,715,934</u>	<u>1,771,742</u>	<u>1,582,065</u>

The classification of current includes amounts for which there is not an unconditional right of deferral of one year, hence in the case of employee provisions the above classification does not equal the amount expected to be settled within one year of the reporting date. Employee provisions expected to be settled in one year \$767,039, in excess of one year \$1,226,172.

12B. Provision for makegood				
Opening provision	34,000	60,000	34,000	60,000
Amounts used	-	(26,000)	-	(26,000)
Amounts reversed	(34,000)	-	(34,000)	-
New provisions recognised	56,000	-	56,000	-
Closing provision for makegood on leasehold improvements	<u>56,000</u>	<u>34,000</u>	<u>56,000</u>	<u>34,000</u>
Makegood provision is categorised as follows:				
Current	-	34,000	-	34,000
Non-current	56,000	-	56,000	-
	<u>56,000</u>	<u>34,000</u>	<u>56,000</u>	<u>34,000</u>

The Corporation currently has one agreement for the leasing of premises which have provisions requiring the Corporation to restore the premises to their original condition at the conclusion of the lease. The Corporation has made a provision to reflect the present value of that obligation.

Notes to and forming part of the financial statements for the year ended 30 June 2007

	Consol 2007 \$	Consol 2006 \$	ILC 2007 \$	ILC 2006 \$
13. Restructuring				
13A. Departmental restructuring				
As a result of the <i>Aboriginal and Torres Strait Islander Commission Amendment Act 2005</i> (ATSIC Amendment Act), in 2004–05 the ILC inherited responsibility for the Regional Land Fund, including grants and interests in land acquired with Regional Land Fund monies upon the abolition of ATSIC.				
In 2005–06, the ILC received a refund of GST on transactions through the Regional Land Fund whilst administered by ATSIC. However, this amount was overpaid and as a result the ILC refunded \$44,689 in 2006–07.				
Through the ILC's due diligence process on the transfer of assets from ATSIC, the ILC became aware of funds held in trust with AGS that were distributed from the Regional Land Fund in June 2004 for the purposes of a grant to an aboriginal corporation. The ILC was of the opinion that these funds formed part of the Regional Land Fund, and the funds were disclosed as a contingent asset in 2004–05. During 2005–06, those funds held in trust with AGS were paid to the ILC.				
Total assets recognised	(44,689)	1,140,299	(44,689)	1,140,299
14. Cash flow reconciliation				
Reconciliation of operating result to net cash from operating activities:				
Operating result	55,310,400	20,987,502	55,400,587	20,931,949
Non-cash items				
Depreciation and amortisation of property, plant and equipment	2,558,462	2,035,254	2,539,423	1,999,809
Revaluation of assets	212,710	150,764	212,710	150,764
Net profit (loss) on sale of property, plant and equipment	29,867	18,277	29,867	19,216
Write down (up) of investments	(24,805,977)	(25,503,160)	(24,805,977)	(25,503,160)
Write down (up) of make good provision	(31,376)	-	(31,376)	-
GST recovered on non-operating cash flows	1,571,545	418,431	1,564,109	417,133
Change in assets and liabilities				
(Increase)/decrease in receivables	(1,270,387)	289,331	(1,260,318)	304,027
(Increase)/decrease in other financial assets	(580,952)	110,418	(580,952)	110,418
Increase/(decrease) in employee provisions	277,277	360,212	189,677	330,375
(Increase)/decrease in inventory	(35,002,417)	(11,194,340)	(35,002,417)	(11,194,340)
(Increase)/decrease in biological assets	(3,978,534)	(2,628,157)	(3,931,414)	(2,561,426)
(Increase)/decrease in other non-financial assets	(2,066,275)	-	(2,066,275)	-
Increase/(decrease) in creditors	3,212,232	(279,956)	3,157,836	(268,519)
Increase/ (decrease) in deferred benefit from lease incentives	38,313	(26,678)	38,313	(26,678)
Increase/ (decrease) in other payables	695,749	-	695,749	-
Increase/(decrease) in provision for make good	-	(26,000)	-	(26,000)
Increase/(decrease) in provision for land transfer	34,905,502	11,196,022	34,905,502	11,196,022
Net cash from operating activities	31,076,139	(4,312,916)	31,055,044	(4,341,246)

Notes to and forming part of the financial statements for the year ended 30 June 2007

	Consol 2007 \$	Consol 2006 \$	ILC 2007 \$	ILC 2006 \$
15. 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 Balance Sheet as follows:				
Cash balances comprises:				
Cash on hand	3,030	3,033	3,000	3,000
Cash on advance	18,963	16,000	18,963	16,000
Cash at bank	538,853	523,619	540,034	464,197
Total cash	<u>560,846</u>	<u>542,652</u>	<u>561,997</u>	<u>483,197</u>
Balance of cash as at 30 June shown in the Statement of Cash Flows	<u>560,846</u>	<u>542,652</u>	<u>561,997</u>	<u>483,197</u>

16. Contingent liabilities and assets

The ILC has agreed to provide a bank guarantee of \$30,000 (2006: \$30,000) to the Bank of Melbourne as loan security for Bampi Mi Aboriginal Corporation.

The ILC has agreed to provide a bank guarantee from the ILC's bankers to the Commonwealth Bank of Australia as security for entering forward sales of wool agreements. The value of this guarantee is \$700,000 (2006: \$Nil). Should the guarantee be enforced, the ILC would be required to reimburse its bankers.

17. Unquantifiable Contingencies

The Corporation had no unquantifiable contingencies as at the reporting date.

18. Remuneration of Directors

Remuneration received or due and receivable by Directors	<u>399,807</u>	<u>367,867</u>	<u>399,807</u>	<u>365,867</u>
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The number of Directors of the ILC included in these figures are shown below in the relevant remuneration bands.

\$15,000 – \$29,999	3	3	3	3
\$30,000 – \$44,999	2	2	2	2
\$60,000 – \$74,999	1	1	1	1
\$165,000 – \$179,999	1	1	1	1
Total number of Directors of the Corporation	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>

Notes to and forming part of the financial statements for the year ended 30 June 2007

19. Related party disclosure

For the purposes related party disclosures, the following were Directors of ILC during or since the end of the financial year:

Ms Shirley McPherson (Chairperson) – appointed 9 August 2001
Mr William Jeffries (Deputy Chairperson) – appointed 31 August 2004
Ms Norma Ingram – appointed 9 August 2001
Mr Kevin Driscoll – appointed 10 February 1998
Mr David Baffsky – appointed 9 August 1999
Mr Ian Trust – appointed 17 October 2005
Mr Maxwell Gorringe – appointed 17 October 2005

The aggregate remuneration of Directors is disclosed in Note 18.

The amount of aggregate superannuation contributions paid on behalf of Directors for 2007 was \$44,903 (2006: \$43,655).

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 other than those disclosed in Note 20.

20. Other transactions with director or director related entities

Mr David Baffsky is the Chairman of AAPC Pty Ltd (a wholly owned subsidiary of Accor S.A.), which has a major ownership interest in Davidson Trahaire Pty Ltd. The Corporation procured Employee Assistance Program counselling services from Davidson Trahaire Pty Ltd of \$5,822 (2006: \$10,813) during the reporting period. The services were procured under normal commercial terms and conditions. Mr Baffsky has no interest in Davidson Trahaire Pty Ltd or AAPC Pty Ltd and had no part in the consideration of their engagement or in the decision to engage them.

The Corporation procured livestock inspection and purchase services from the Pastoral Management Group for \$1,265 (2006: \$Nil) of which Mr Kevin Driscoll is a director. The services were procured under normal commercial terms and conditions.

A repayable grant is provided to Banibi Pty Ltd of which Mr Maxwell Gorringe is a director. Mr Gorringe has no shareholding in Banibi Pty Ltd. The repayable grant was approved under the ILC's Land Management program. The balance of the repayable grant at 30 June 2007 is \$603,131 (2006: 359,018). Mr Gorringe was not a member of the ILC Board when this arrangement was approved.

The Corporation agisted cattle on a property leased by Banibi Pty Ltd until December 2007 when a Grazing Licence came into effect. The Corporation engages Banibi Pty Ltd to manage the livestock herd on the property. Total payments to Banibi Pty Ltd under these arrangements for reporting period were \$479,961 (2006: \$126,660).

A land management grant of \$61,072 (2006: \$38,747) was provided to Wunan Foundation Inc of which Mr Ian Trust is a director. The grant was approved under the ILC's Land Management program. Mr Trust took no part in the relevant decision.

Funding from the former Regional Land Fund of \$1,095,610 was transferred to Indigenous Business Australia for the purposes of Wunan Foundation Inc obtaining an interest in the Scarborough House Trust.

21. 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, Cardabia, Mt Clarence and NIPE.

The ILC provided appropriation funding to its subsidiaries as follows:

NIPE – \$3,483,534 (2006: \$2,211,241)

Notes to and forming part of the financial statements
for the year ended 30 June 2007

	Consol 2007 \$	Consol 2006 \$	ILC 2007 \$	ILC 2006 \$
22. Remuneration of officers				
The number of officers of the ILC included in these figures are shown below in the relevant remuneration bands.				
\$130,000 – \$144,999	-	2	-	2
\$145,000 – \$159,999	3	3	3	3
\$160,000 – \$174,999	4	3	4	3
\$220,000 – \$234,999	1	1	1	1
\$310,000 – \$325,000	1	-	1	-
Total	9	9	9	9
Income received or due and receivable by the officers	1,678,364	1,448,965	1,678,364	1,448,965
Performance pay	-	-	-	-
Aggregate amount of total remuneration of officers shown above	1,678,364	1,448,965	1,678,364	1,448,965

Performance pay has been excluded from the above calculation of officer remuneration. The aggregate amount of performance pay received, or due and receivable by officers was \$Nil (2006: \$Nil).

Aggregate amount of separation and redundancy/ termination benefit payments during the year to officers shown above	141,020	-	141,020	-
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23. Remuneration of auditors

Auditors remuneration (actually paid) for auditing the ILC's financial statements for this reporting period was \$20,000 (2006: \$61,200). No other services were provided by the external auditor.

The auditors also provided services for the audit of two grants during the reporting period at a cost of \$4,000 (2006: \$1,400)

Notes to and forming part of the financial statements

for the year ended 30 June 2007

24. Financial instruments

24A. Terms, conditions and accounting policies

Financial Instrument	Note	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)
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	9A	Deposits at call are recognised at their nominal amounts. Interest is credited to revenue as it accrues.	Cash includes cash on hand, cash advances and cash held in bank accounts.
Receivables	9B	Receivables are measured at amortised cost using the effective interest method. If there is objective evidence that an impairment loss has been incurred, the carrying amount is reduced by way of an allowance account.	Credit terms are generally 28 days. (2006:28 days)
Other Deposits	9C	Deposits are recognised at their nominal amounts. Interest is brought to account as earned.	Temporarily surplus funds are placed on deposit with the Corporation's banker. Interest is earned on a daily basis at the prevailing daily rate. Rate at 30/6/07 of 6.2% (2006: 5.7%).
Equities	9C	Equities are carried at their quoted market-buying price. Movements in these values between reporting dates is recognised in the Income Statement. Dividend income is recognised when declared by the company.	The shares held are ordinary shares.
Funds with Fund Managers	9C	Funds transferred to fund managers are initially recorded at the value of the funds transferred. The funds are revalued 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 earned by the ILC.	The ILC has engaged external investment managers to manage some of its funds available for investment. It is in the interest of the efficient running of the ILC to appoint external investment managers to undertake daily investment processes. Investment managers are with a body corporate or licensed dealer. The ILC also retains an independent investment advisor to report on the performance of the external investment managers and the funds under management.
Repayable grants/ advances	9D	Repayable grants/ advances are measured at fair value. If there is objective evidence that an impairment loss has been incurred, the carrying amount is reduced by way of an allowance account.	Repayable grants/ advances are either interest free, or interest only for a defined period. Requirements for principal repayments are set out in the lending instrument.

Notes to and forming part of the financial statements for the year ended 30 June 2007

24A. Terms, conditions and accounting policies (cont..)

Financial Instrument	Note	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)
Financial Liabilities		Financial liabilities are recognised when the present obligation to another party is entered into and the amount of the liability can be reliably measured.	
Trade Creditors	11A	Creditors and accruals are recognised at their nominal amounts, being the amounts at which the liabilities will be settled. Liabilities are recognised to the extent that goods and services have been received (and irrespective of having been invoiced).	Settlement is usually made in 30 days.
Other payables	11B	Other payables are recognised at their nominal amounts, being the amounts at which the liabilities would have been settled at the reporting date.	As at the end of the reporting period wool futures contracts for the 2007–08 clip of 20,000 kgs were current. Prices as at the end of the reporting period ranged from \$8.70 to \$10.00 per kg.
Unrecognised Financial Liabilities			
Other Guarantees		The amounts guaranteed by the Corporation have been disclosed in the Schedule of Contingencies. At the time of completion of the financial statements, there was no reason to believe that the guarantee would be called upon, and recognition of the liability was therefore not required.	Refer Schedule of Contingencies.

Notes to and forming part of the financial statements for the year ended 30 June 2007

24B. Interest Rate Risk (consolidated only)

Financial Instrument	Note	Floating Interest Rate		Fixed Interest Rate Maturing In						Non Interest Bearing		Total		Weighted Average Effective Interest Rate		
		2007 \$000	2006 \$000	1 Year or Less		1 to 5 Years		> 5 Years		2007 \$000	2006 \$000	2007 \$000	2006 \$000	2007 \$000	2006 \$000	
				2007 \$000	2006 \$000	2007 \$000	2006 \$000	2007 \$000	2006 \$000							
<i>Financial Assets</i>																
Cash	9A	540	524							21	19	561	543	5.3	4.8	
Receivables	9B								1,951	970		1,951	681	N/a	N/a	
Other Deposits	9C	80,484	14,144									80,484	14,144	6.2	5.65	
Equities	9C								58	101		58	101	N/a	N/a	
Funds with Fund Managers	9C	226,435	254,232									226,435	254,232	9.8 ¹	11.9 ¹	
Repayable grants/advances	9D			69	92	166	306	144	915	27		1,150	569	4.5	4.5	
Total												310,639	270,270			
<i>Financial Liabilities</i>																
Trade Creditors	11A								4,649	1,437		4,649	1,437	N/a	N/a	
Other	11B								738	4		738	4	N/a	N/a	
Total												5,387	1,441			
Total Liabilities												118,154	79,003			
<i>Unrecognised Financial Liabilities</i>																
Other Guarantees									730	30		730	30	N/a	N/a	
Total									730	30		730	30			

¹ Represents annual rate of return on investments.

Notes to and forming part of the financial statements for the year ended 30 June 2007

	Total Carrying Amount 2007 \$	Aggregate Net Fair Value 2007 \$	Total Carrying Amount 2006 \$	Aggregate Net Fair Value 2006 \$
24C. Net fair value of financial assets and liabilities (consolidated)				
Financial Assets				
Cash	560,846	560,846	542,652	542,652
Receivables	1,951,100	1,951,100	680,713	680,713
Other deposits	80,484,086	80,484,086	14,144,563	14,144,563
Equities	58,511	58,511	100,811	100,811
Managed funds	226,434,262	226,434,262	254,232,087	254,232,087
Repayable grants/ advances	1,149,890	1,149,890	568,938	568,938
Total financial assets	310,638,695	310,638,695	270,269,764	270,269,764
Financial Liabilities				
Trade creditors	4,649,316	4,649,316	1,437,084	1,437,084
Other liabilities	738,104	738,104	4,042	4,042
Total financial liabilities	5,387,420	5,387,420	1,441,126	1,441,126
Financial Liabilities (Unrecognised)				
Other guarantees	-	30,000	-	30,000
Total financial liabilities (unrecognised)	-	30,000	-	30,000

The net fair values of cash, deposits on call and non-interest-bearing monetary financial assets approximate their carrying amount.

The net fair values of loans receivable and term deposits are based on discounted cash flows, using current interest rates.

The net fair value for investments is their quoted market price at reporting date, adjusted for transaction costs necessary for realisation.

Repayable grants/ advances are carried at cost, which estimates their net fair value, because it is intended to hold them to maturity.

The net fair value of guarantees are based on discounted cash flows using current interest rates for the liabilities.

The net fair value for trade creditors are approximated by their carrying amounts.

24D. Credit risk exposures

The Corporation's maximum exposure to credit risk at reporting date in relation to each class of recognised financial assets is the carrying amount of those assets indicated in the Balance Sheet. The Corporation has no exposures to any concentration of credit risk.

All figures for credit risk referred to do not take into account the value of any collateral or other security.

Notes to and forming part of the financial statements

for the year ended 30 June 2007

	Outcome 1 2007 \$	Outcome 1 2006 \$	Total 2007 \$	Total 2006 \$
25. Reporting of outcomes				
The Corporation is structured to meet one outcome as described in Note 3.				
Only one output is defined for the outcome.				
25A. Net cost of outcome delivery				
Expenses				
Administered	-	-	-	-
Departmental	75,681,110	43,446,775	75,681,110	43,446,775
Total expenses	75,681,110	43,446,775	75,681,110	43,446,775
Costs recovered from the provision of goods and services to the non-government sector				
Administered	-	-	-	-
Departmental	-	-	-	-
Total expenses	-	-	-	-
Other external revenues				
Departmental				
Revenues from Government	96,420,253	23,988,511	96,420,253	23,988,511
Interest	988,207	739,724	988,207	739,724
Other revenues	2,500,180	5,025,404	2,500,180	5,025,404
Net gain (loss) in the net market value of livestock	5,438,871	5,260,576	5,438,871	5,260,576
Net market value of agricultural produce	625,022	723,983	625,022	723,983
Net gain from disposal of assets	213,000	-	213,000	-
Net write up of investments	24,805,977	25,503,160	24,805,977	25,503,160
Net write up of assets	-	3,192,919	-	3,192,919
Total Departmental	130,991,510	64,434,277	130,991,510	64,434,277
Total other external revenues	130,991,510	64,434,277	130,991,510	64,434,277
Net cost (contribution) of outcome	(55,310,400)	(20,987,502)	(55,310,400)	(20,987,502)

Notes to and forming part of the financial statements
for the year ended 30 June 2007

	Output Group 1 2007 \$	Output Group1 2006 \$	Total 2007 \$	Total 2006 \$
25B. Departmental revenues and expenses by Output Group				
Operating expenses				
Property granted	2,272,653	1,999,021	2,272,653	1,999,021
Provision for property grant	34,905,502	11,196,022	34,905,502	11,196,022
Land management	18,760,245	12,609,476	18,760,245	12,609,476
Employees	12,015,590	10,521,834	12,015,590	10,521,834
Suppliers	4,981,526	4,583,011	4,981,526	4,583,011
Depreciation and amortisation	2,558,462	2,035,254	2,558,462	2,035,254
Net loss from disposal of assets	-	423,544	-	423,544
Net loss in the net market value of other biological assets	60,178	78,613	60,178	78,613
Net write up of assets	126,954	-	126,954	-
Total departmental expenses	75,681,110	43,446,775	75,681,110	43,446,775
Funded by:				
Revenues from Government	96,420,253	23,988,511	96,420,253	23,988,511
Interest	988,207	739,724	988,207	739,724
Other revenues	2,500,180	5,025,404	2,500,180	5,025,404
Net gain (loss) in the net market value of livestock	5,438,871	5,260,576	5,438,871	5,260,576
Net market value of agricultural produce	625,022	723,983	625,022	723,983
Net gain from disposal of assets	213,000	-	213,000	-
Net write up of investments	24,805,977	25,503,160	24,805,977	25,503,160
Net write up of assets	-	3,192,919	-	3,192,919
Total other external revenues	130,991,510	64,434,277	130,991,510	64,434,277