

# part 3

# MANAGEMENT accountability

## Objective

*A responsive, efficient and effective organisation.*

## Corporate Strategies

### CLIENT SERVICES

1. Provision of user-friendly information and advice about the ILC's programs and service standards to Indigenous people across Australia.

### CORPORATE GOVERNANCE AND PERFORMANCE

1. Provision of effective corporate governance and strong leadership by the ILC's Board and management.
2. Management of the ILC's staffing, physical and financial resources efficiently and effectively.
3. Ensuring risks are appropriately managed in the administration and delivery of ILC programs.
4. Strengthening the culture of continuous improvement across the organisation.
5. Monitoring and evaluating the benefits achieved through ILC support.

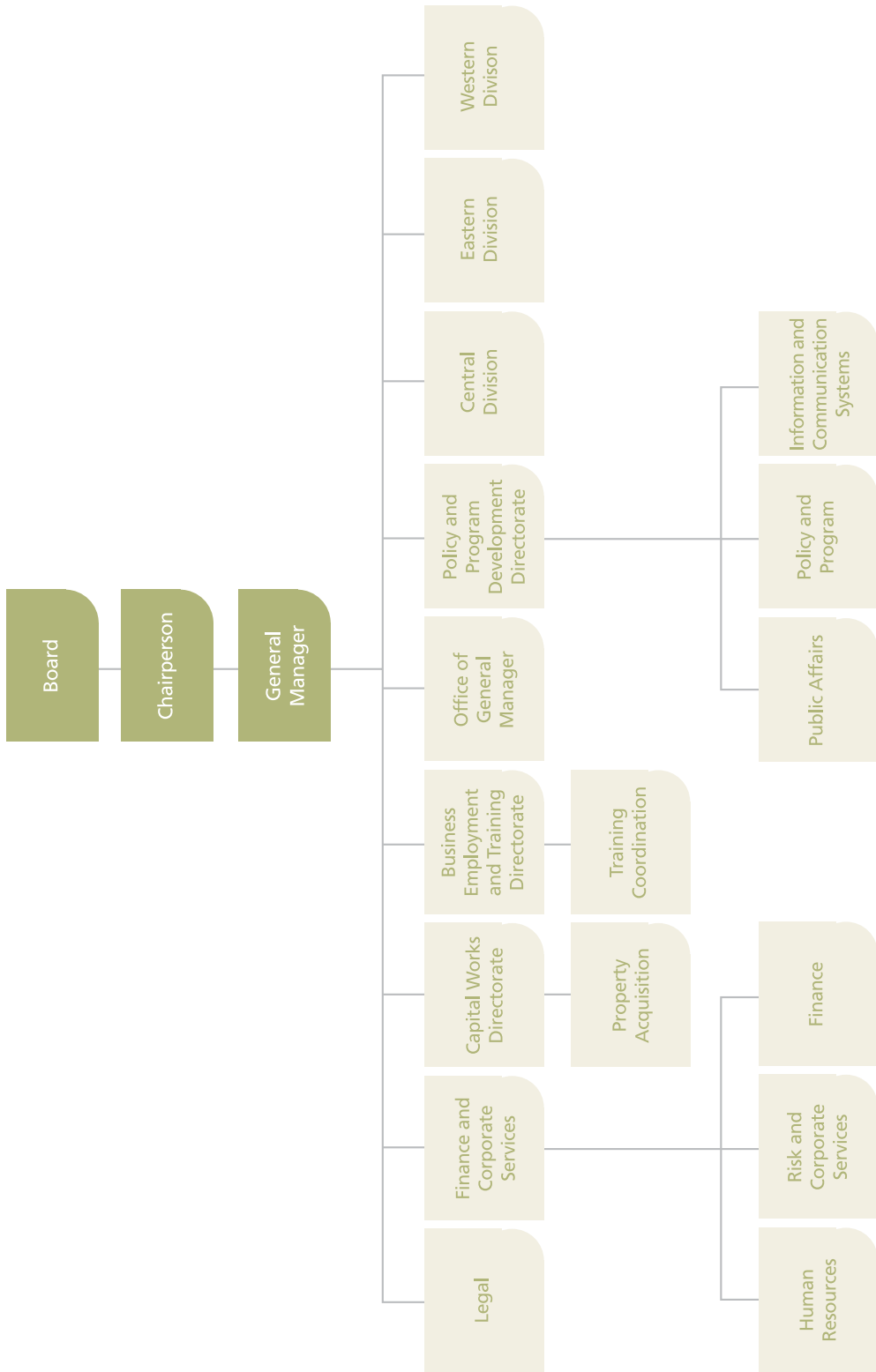
### POLICY DEVELOPMENT AND PROGRAM SUPPORT

1. Development of policies, guidelines and processes that reflect the priorities and strategies set by the Board, and communication of them to stakeholders.
2. Production of timely and accurate reports that describe the ILC's performance.

### HUMAN RESOURCES & THE WORKPLACE

1. Provision of a healthy, safe and environmentally efficient workplace that values staff and encourages continuous learning and development.
2. Assisting staff to acquire thorough knowledge of the ILC's values, policies and processes, and the skills required to perform their jobs.
3. Maximising the employment of Indigenous staff within the organisation and supporting Indigenous career development.

Figure 8: ILC Organisational Structure.



The ILC has responsibilities across Australia and maintains offices in Adelaide, Brisbane, Canberra, Perth and Sydney.

Table 12: Locations of the ILC's Offices.

<b>Location</b>	<b>Function</b>	<b>Responsible Senior Executive</b>
<b>Adelaide</b>	Central Division (servicing SA, NT, VIC and TAS)	Mr Richard Preece Divisional Manager
	Policy and Program Public Affairs Information & Communication Systems	Mr Michael O'Ryan Director
	Finance Risk and Corporate Services Human Resources	Mrs Jodie Lindsay Chief Operating Officer
	Legal	Mr Paul Hayes General Counsel
	Training Coordination	Mr Garry Cook Director
<b>Brisbane</b>	Eastern Division (Servicing QLD and NSW)	Mr Craig North Divisional Manager
	Capital Works Directorate	Mr Ashley Martens Director
<b>Canberra</b>	Business Employment and Training Directorate	Mr Garry Cook Director
	Property Acquisitions	Mr Ashley Martens Director
	Office of the General Manager	Mr David Galvin General Manager
<b>Perth</b>	Western Division (servicing WA)	Mr Allan Padgett Divisional Manager
	Office of the Chairperson	Mr David Galvin General Manager
<b>Sydney</b>	Capital Works Directorate	Mr Ashley Martens Director

Figure 9: Corporate Policy and Strategic Planning Framework.



### Evaluation & Reporting

The ILC Evaluation Framework (see Evaluation Framework – Page 106) sets out how we measure and monitor our performance, and informs the continuous improvement of our policies and processes. We produce a range of reports, including the Annual Report, that describe our performance .

### Risk Management

The Corporate Risk Management plan describes the framework for how risks will be identified and managed across the ILC's operations, and who is responsible for managing them. It also sets out the key corporate risks and their treatments.

## Strategic Planning Framework

The ILC's Strategic Planning Framework ensures that there is alignment between policy and planning documents, operational activities and resource decisions.

## Corporate Plan

Following the release of the Nils 2007–12, the Board developed a new Corporate Plan for 2008–10. The Corporate Plan describes how the ILC will achieve its vision of Indigenous people achieving sustainable benefits through land ownership and land management, and the key priorities identified in the Nils.

## Annual Corporate Priorities

Each year, divisions and sections within the ILC plan their key performance indicators and targets to describe how Corporate Plan strategies will be achieved. These performance indicators are consolidated into a corporate priorities document. Formal evaluation of the progress made against the corporate priorities is conducted by the Corporate Management Team each June. The Portfolio Budget Statements are a consolidated version of the annual Corporate Priorities.

## Evaluation Framework

The Evaluation Framework 2008–11 was developed with regard to the previous Framework, the NILS 2007–12, the focus on training and employment benefits and the new call for application process. Consideration was also given to outcomes from several internal audits, including Divestment, Application and Assessment, and Human Resource Management. Updates to the interface of the Land Acquisition and Management Information Reporting System (LAMIRS) were also considered to ensure there is uniformity in data collection and reporting.

### **The Evaluation Framework has two parts:**

- One sets out the purpose, approach and criteria, the relationship between evaluation and audit and the importance of benefits; and
- The second sets out the methodology, activities and a calendar for evaluation.

Evaluation aims to assess and provide feedback on the relevance, effectiveness, efficiency, impact and sustainability of both the benefits facilitated by the ILC, and the programs and projects it pursues to achieve those outcomes. The results and recommendations from evaluation are used to inform policy and decision making.

Evaluation tools and templates used to collect evidence for project level evaluations are embedded in the Land Acquisition and Land Management User Guides. All other evaluations conducted in the ILC will follow the Evaluation Framework.

### **In 2007–08, evaluation undertaken included:**

- Commencement of an evaluation of Remediation Work;
- Implementation of project-level evaluation for Land Acquisition and Land Management projects; and
- Evaluations of the Indigenous Pastoral Program and the Kimberly Indigenous Management Support Service facilitated by the Desert Knowledge Cooperative Research Centre. The reports from these evaluations will soon be finalised.

## Reporting and Information Management

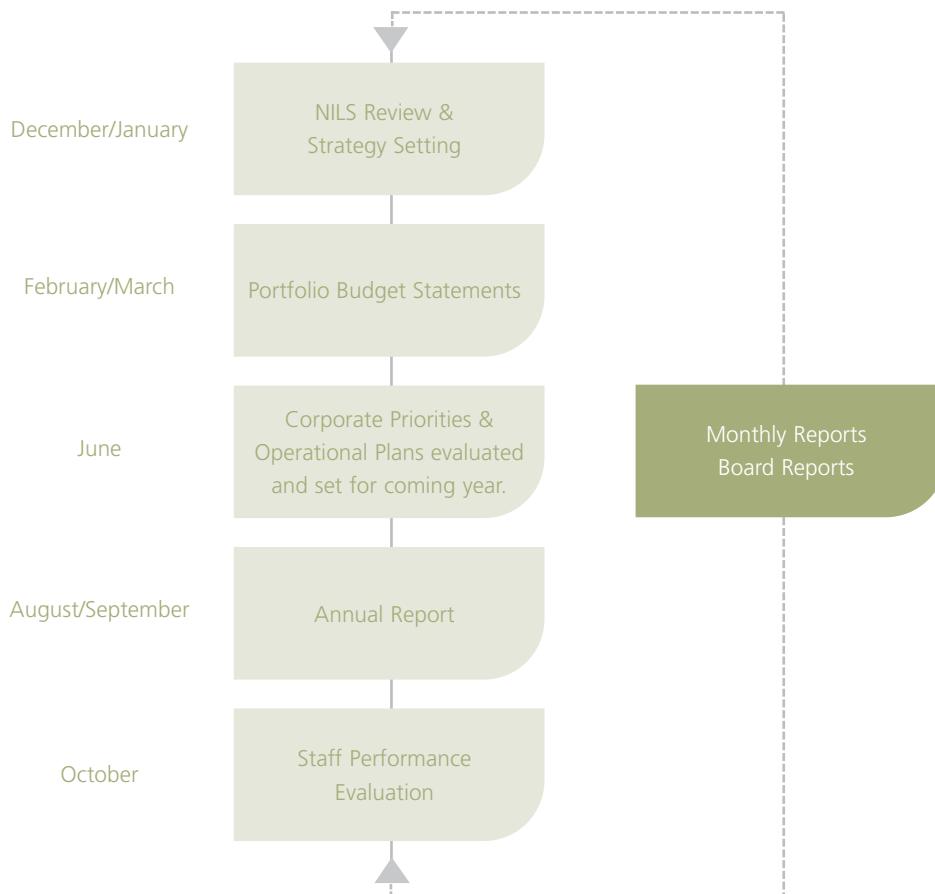
The ILC produces a range of reports to monitor its performance including:

- Outcomes (benefits to Indigenous people);
- Outputs (land acquisition and land management assistance provided);
- Financial position; and
- Progress in delivering its priorities.

The ILC's Reporting Framework describes the reports produced and how reports are aligned to minimise duplication of reporting and data collection. In addition to the Annual Report, monthly reports to the General Manager and reports for the Board and its subcommittees are prepared.

Information about all land acquisition and land management projects is stored in a database used by staff to manage projects and produce program-level reports. This database was redeveloped in 2007–08 to enhance its ability to capture and report on information about each project, the applicant group, the property, the progress of the project and the benefits being achieved. This project database links with the financial system so that key financial data for a project, such as the amount approved and spent, can be displayed and reported on.

Figure 10: Planning and Reporting Cycle.



## Processes and Procedures

Following the 2006–07 Process Review project, the ILC continued work to streamline its processes. The ILC now maintains the following User Guides and associated tools and templates for the delivery of its programs:

- Land Acquisition – Assessment to Acquisition;
- Land Acquisition – Landholding to Grant;
- Land Acquisition – Post Grant;
- Land Management; and
- Strategic Projects.

Each of these User Guides has risk identification and treatment processes embedded in it. There are also guidelines, user guides and manuals that cover various corporate processes including travel, purchasing, fraud management and the use of IT resources.

## Risk Management

The ILC's risk management framework aims to reduce and manage risks inherent in its activities. It does this by:

- Integrating risk management strategies into all functions from strategic, corporate and policy development activities into daily program delivery and administrative activities;
- Developing procedures for the identification, analysis, treatment and monitoring of risk exposures;
- Identifying, assessing and pursuing opportunities advantageous to ILC clients;
- Training and involving staff across the organisation in the identification and management of risks;
- Developing mechanisms to identify when risk should be transferred or shared with external partners, service providers or contractors; and
- Transmitting risk management knowledge and skills to ILC clients.

The ILC's risk management methodology is based on Australian/New Zealand Standard AS/NZS 4360:2004 Risk Management.

The identification, assessment, treatment and monitoring of risks affecting the ILC and its clients occurs at three levels:

- 1. Corporate Risks:** The Corporate Management Team (CMT) identifies the top corporate risks annually and sets out treatment plans and responsibilities in the Corporate Risk Management Plan;
- 2. Program or System Risks:** Program or system-level risks are identified, assessed and treated via program-level risk management plans (e.g. Commercial Business or Fraud and Risk Management Plans) or treated via embedding risk treatments into user guides and tools; and
- 3. Project Risks:** Project-level risks are identified, assessed and a treatment plan is devised at the outset of each project.

The ILC's risk management program is overseen by the Audit and Risk Management Committee (ARMC) and implemented through the Risk Management Steering Committee (RMSC). The RMSC is chaired by the independent member of the ARMC. Its membership includes Corporate Management Team members representing all functions and activities of the ILC.

Responsibility for the identification, evaluation and treatment of risks is distributed throughout the ILC.

## Corporate Risk Management Plan

The Corporate Risk Management Plan is the ILC's primary policy instrument for the management of key risks and was endorsed by the Board in 2007–08. The plan is drafted in conjunction with the ILC's Corporate Plan and Divisional/Sectional Operational Plans.

It is reviewed and revised annually by the CMT, resulting in a detailed Risk Treatment Plan covering all major corporate risks. Responsibilities for addressing these key risks are formally allocated in the Risk Treatment Plan, which evaluates the strength of existing controls, identifies measures to reduce the likelihood and/or consequences of those risks occurring, and specifies responsibilities and timelines for implementing those measures.

Agreed treatments are then integrated into the ILC Corporate Plan and the operational plans of divisions and directorates.

Progress in implementation of the Treatment Plan is monitored and reinforced by the RMSC quarterly.

## Internal Audit Program

The Internal Audit Program is managed, monitored and evaluated by the ARMC. The program is determined from the identification of significant areas of operational and financial risk and provides for the systematic coverage of the ILC's functions and activities under a rolling program.

The ILC outsources its internal audit function and the service was provided during the year by KPMG.

### Ten audits were completed during the year:

- Application and Assessment Process;
- Management of Properties for Divestment;
- Business Continuity Planning and Disaster Recovery Planning;
- Roebuck Plains Station;
- Occupational Health and Safety;
- Payroll;
- Central Divisional Office Controls;
- Enterprise Risk Management;
- Human Resource Management; and
- Western Divisional Office Controls.

### An additional three audits were in progress at 30 June 2008:

- National Indigenous Development Centre;
- Cash Management Process; and
- Internal and External Network Controls and End User Software Compliance.

Internal audit recommendations, and recommendations by other external review agencies, are recorded and monitored. Reports on the status of implementation of audit recommendations are provided regularly to the ARMC, RMSC and General Manager to ensure that the ILC fully addresses any risk, compliance or other issues arising from audits.

## General Policies of the Australian Government

The ILC must ensure that it complies with any General Policy Order to the extent that it applies to the ILC. A general policy of the Australian Government can be implemented under section 48A of the CAC Act, which requires the responsible Minister to consult with directors of Commonwealth Authorities.

The following general policies of the Australian Government applied to the ILC during the year. The ILC was not consulted on or advised of any new General Policy Orders.

Table 13: General Policies of the Australian Government Applicable to the ILC 2007–08.

Policy	Effective From	Exemption Sought	Compliance during reporting period
Australian Government Branding	31 December 2003	Yes, but denied	Yes
National Code of Practice for the Construction Industry	3 October 2003	No	Yes
Foreign Exchange Risk Management	22 July 2005	No	Yes
Cost Recovery by Australian Government Agencies	22 July 2005	No	Yes

## Australian Government Property Ownership Framework

On 1 July 2005, the Australian Government Property Principles were replaced by the Australian Government Property Ownership Framework. The Framework applies to all departments and agencies under the FMA Act and all authorities subject to the CAC Act.

The policy's objectives are:

- Government ownership and divestment of property must agree with government policy and provide value for money; and
- If disposing of property because it is surplus to requirements, the Commonwealth Disposals Policy applies.

The ILC has sought a partial exemption from the Framework, as the ILC has specific legislative responsibilities to acquire and grant land to Indigenous corporations. No response was received during the year. The ILC has not been formally advised that the framework applies.

## Fraud Control and Awareness Program

The ILC maintains a rigorous Fraud Control and Awareness Program comprising a comprehensive range of mechanisms and procedures to minimise the risks of fraud and to deal with allegations of fraud should they arise. The General Manager certifies that the organisation complies with the Commonwealth fraud control guidelines.

The ILC reviews its program biennially, to ensure its prevention, detection and response mechanisms are appropriate, and it commenced a review during the reporting period.

The review includes:

- The engagement of KPMG to carry out a consultancy to review existing procedures and make recommendations for improvement;
- Converting and updating the previous Fraud Policy and Practice Guide into a more user-friendly manual;
- Rationalising and updating the previous Fraud Risk Assessment Matrix and reviewing the ratings attributable to each fraud risk; and
- Half-day sessions to a wide number of staff including all senior staff by forensic fraud specialists from KPMG.

At the conclusion of the previous reporting period, one allegation of fraud was still being internally investigated. This investigation was completed during the reporting period. The ILC concluded that the allegation was without substance and no further action was taken.

The only other incident during the reporting period was the theft of some office-based computer equipment from an ancillary head office area. The matter was referred to police. The equipment stolen was not of material value and did not contain any information of note. The loss was covered by the ILC's property insurance.

## Maintenance of Ethical Standards

The ILC is committed to:

- Respecting the diversity of ideas, backgrounds and cultures of stakeholders and staff;
- Providing a professional service;
- Behaving ethically and justly; and
- Operating in an open, accessible and responsive manner.

The ILC's values are described in the Corporate Plan, the Service Charter and the ILC's employment agreements.

## Service Charter

The Service Charter sets out the standards of service that ILC clients can expect in the ILC's program delivery, policy development, communication and consultation. The Charter encourages clients to advise the ILC if they are not satisfied with its delivery of services.

## Staff Code of Conduct

The ILC's Certified Agreement 2005-2008 and all ILC AWAs describe the values and responsibilities that staff are required to uphold and promote in their day-to-day work. The ILC is currently in the process of negotiating a new Certified Agreement, which will retain these elements.

## Client Services and Complaints Handling

The Service Charter emphasises the ILC's commitment to providing quality service to stakeholders. The document articulates the expectations that clients should have of the ILC, and provides an overview of its complaints-handling procedures. The Complaints Handling System also encompasses internal processes that provide a clear structure and timeframes within which staff must respond to complaints.

The Service Charter and Complaints Handling Procedure encourage resolution of complaints at the local office level, but provide for the referral of complaints to Head Office where necessary. In 2007–08, the ILC received one complaint, which was reviewed and resolved in accordance with the Complaints Handling procedure.

## Consultation and Working with Stakeholders

The ILC works in partnerships with a broad range of Indigenous organisations, agencies and representative bodies. (A comprehensive list of meetings and consultations can be found at Appendix 5)

An important aspect of the ILC's administrative work involves meeting and consulting with Indigenous groups and agencies. The ILC runs regional information and consultation sessions each year. These sessions are provided in response to requests from individual Indigenous groups and Indigenous people who have an interest in the receiving the ILC's land acquisition and land management assistance.

In 2007–08, a major element of the ILC's information and consultation process was to communicate information regarding the national annual call for land acquisition and land management applications. This was done in the following ways:

- Messages from the Chairperson posted on the ILC website;
- Specific coverage in the ILC's magazine, *Land Matters*, summer edition 2008;
- Advertisements in the *Koori Mail*, *National Indigenous Times* and Indigenous electronic media;
- Letters, brochures and posters sent to applicant groups, Indigenous Coordination Centres and Land Councils; and
- Information sent to other agencies, partner organisations and Native Title Representative Bodies.



• Front cover of the *Land Matters* magazine summer edition 2008.



- Eastern Division Manager Craig North (left) discussing the land management program at the ILC corporate display during an Indigenous business conference in Sydney.

## Information for Stakeholders

The ILC produces a range of publications informing stakeholders of its activities and programs.

### WEBSITE

The ILC's website, [www.ilc.gov.au](http://www.ilc.gov.au), provides a range of information about the ILC and its programs. Program handbooks, application forms and various ILC publications are available for download and contact details for ILC offices are provided on the website.

### LAND MATTERS

*Land Matters* magazine is a bi-annual publication that provides information about land acquisition, land management activity and policy initiatives.

### PROGRAM DOCUMENTATION

The ILC produces a range of documentation to inform stakeholders of the ILC's programs and how to access them. See Appendix 8 for a list of available resources.

### PARTICIPATION IN FORUMS AND SUBMISSIONS

In 2007–08, the ILC sponsored and/or participated in the following forums:

- 14th Annual Native Title and Cultural Heritage Conference;
- National Sea and Land Management Conference;
- Indigenous Economic Development Forum;
- Indigenous Recruitment and Training Summit;
- WA Agricultural Protection Board Conference;
- United Nations Permanent Forum on Indigenous Issues; and
- Indigenous Business Conversations.

Each year, the ILC responds to requests for submissions to Parliamentary inquiries and to other agencies on matters relevant to the ILC, and to the Indigenous people with whom it works. This year, the ILC prepared a range of information for other agencies including a major submission for the Northern Australia Land and Water Taskforce.

## External Scrutiny

During the reporting period, there were no reports into, nor enquires made of, the ILC's operations by the Ombudsman, the Privacy Commissioner or the Auditor General (other than the usual financial audit which is included in the Financial Statements in this Annual Report).

The Office of Evaluation and Audit (Indigenous Programs) undertook a follow-up performance audit of aspects of the ILC's National Indigenous Development Centre during 2007–08. The final report was not completed during the reporting period.

The primary audit objective was to assess the ILC's progress in implementing Recommendation No 3 of the February 2007 OEA report, *Performance Audit of the Indigenous Land Corporation*.

### **Recommendation 3: That the ILC:**

- Review its policy and practice notes relating to Strategic Projects to make sure the Board has as complete an assessment of benefits, costs and risks as possible before it is asked to commit the ILC to major strategic projects; and
- Give particular attention to develop the management arrangements for the National Indigenous Development Centre at Redfern to ensure that the facility is financially viable in the longer term.

The audit also had regard to any changed circumstances, or new administrative issues, affecting implementation of this recommendation.

## Appearances at Parliamentary Committees

The ILC was requested to appear before the Senate Standing Committee on Community Affairs Budget Estimates hearings on 3 June 2008. However, due to constraints on the Committee's timetable, the ILC was not required to give evidence.

## Freedom of Information

During 2007–08, there were three applications made to the ILC pursuant to the *Freedom of Information Act 1982* (Cth) (FoI Act). All applications were dealt within a timely fashion by the ILC's FoI Officer and no further issues arose from the applications.

Information may be available on application should people choose to make an application pursuant to the FoI Act. Each application will be responded to on a case-by-case basis. Applications under the FoI Act are to be referred to the Freedom of Information Officer, Indigenous Land Corporation, GPO Box 652, Adelaide SA 5001, in the first instance.

As required by the FoI Act, the functions and powers of the ILC are set out in Part 1 of this report. Its governance and organisational arrangements are set out in Part 3.

The ILC is required to have both a National Indigenous Land Strategy and Regional Indigenous Land Strategies, and is entitled to consult with such other persons or bodies as the ILC considers appropriate regarding the content of the strategies. As a matter of practice, the ILC frequently consults with stakeholders on Indigenous land acquisition and land management issues.

The ILC maintains both divisional files and head office files. The head office files are divided between the various units of the ILC including Finance and Administration, Policy and Program Development, Human Resources and Legal. The ILC also maintains documentation that may be protected by obligations of confidentiality arising at common law or pursuant to statute (e.g., *Privacy Act* or the secrecy provisions applicable to the ILC under the Act).

The ILC produces a broad range of documentation, which is available to the public (see Appendices 7 & 8). Copies of these reports can be obtained either by contacting the ILC directly or through the ILC's website at [www.ilc.gov.au](http://www.ilc.gov.au).

## Litigation

The ILC was not involved in any litigation during the year reporting period.

## Staffing Arrangements

### INDIGENOUS LAND CORPORATION

Remuneration and terms and conditions of employment of the General Manager are governed by the Principal Executive Office Classification Structure determined by the Remuneration Tribunal.

The ILC has eight executive-level employees under Australian Workplace Agreements (AWA), including Divisional Managers, Director Policy and Program Development, Director Capital Works Development, Director Business Employment and Training, Chief Operating Officer and the General Counsel.

AWA provisions for executive level employees include private-plated cars, business-class official travel, airline lounge membership, home-based computers and salary-sacrificing arrangements.

In 2007–08, the ILC engaged 25 new employees (19 female and six male), 13 of whom were engaged under AWAs, with 12 employees engaged under the ILC's Certified Agreement 2005–08. 48% of ILC staff members were on AWAs at 30 June 2008.

Workplace relations legislation was amended to abolish AWAs during the year. Before the amendment, the ILC entered into 12 AWAs with existing employees.

Nineteen employees separated this year – an 18.6% turnover.

**At 30 June 2008, diversity compared to 2006–07 year as follows:**

- Indigenous employees: increased slightly from 25.3% to 25.5%; and
- Female employees: increased from 43.3% to 50%.

No ILC employee, including the General Manager and Senior Executives, received a performance pay bonus.

Table 14 shows ILC salaries by EEO group and Table 15 shows ILC employees by EEO group.

Table 14: ILC Salary by EEO Groups as at 30 June 2008 (FTE).<sup>8</sup>

Annual Salary	Female			Male			Total
	Non Indigenous	Indigenous	Total	Non Indigenous	Indigenous	Total	
\$20,000–\$39,999	0	3	3	0	3	3	6
\$40,000–\$59,999	12.2	9.8	22	2	2	4	26
\$60,000–\$79,999	17.8	3	20.8	16.3	3	19.3	40.1
\$80,000+	4	0	4	22	2	24	28
<b>Total</b>	<b>34</b>	<b>15.8</b>	<b>49.8</b>	<b>40.3</b>	<b>10</b>	<b>50.3</b>	<b>100.1</b>

Table 15: ILC Employees by EEO groups as at 30 June (FTE).<sup>8</sup>

	Non-Indigenous		Indigenous		Total	
	07/08	06/07	07/08	06/07	07/08	06/07
<b>Business Employment and Training</b>						
Female	2	4	0	0	2	4
Male	10	7	0	0	10	7
Business Employment and Training Total	12	11	0	0	12	11
<b>Central Divisional Office</b>						
Female	5	4	2.8	2.8	7.8	6.8
Male	5.4	5	2	1	7.4	6
Central Divisional Office Total	10.4	9	4.8	3.8	15.2	12.8
<b>Eastern Divisional Office</b>						
Female	2.6	2.8	5	5	7.6	7.8
Male	8.9	13	2	3	10.9	16
Eastern Divisional Office Total	11.5	15.8	7	8	18.5	23.8
<b>Western Divisional Office</b>						
Female	6	5	5	4	11	9
Male	3	6	1	2	4	8
Western Divisional Office Total	9	11	6	6	15	17
<b>Head Office</b>						
Female	18.4	9.4	3	2	21.4	11.4
Male	13	11	5	3	18	14
Head office Total	31.4	20.4	8	5	39.4	25.4
<b>Total</b>	<b>74.3</b>	<b>67.2</b>	<b>25.8</b>	<b>22.8</b>	<b>100.1</b>	<b>90</b>

The increase in full-time equivalent employees over 2007–08 is due to filling established positions vacant at 30 June 2007.

<sup>8</sup> The table includes 7 Part-time employees (3xEDO, 2xCDO & 2xHO). The table does not include trainees or Board members.

### NATIONAL INDIGENOUS PASTORAL ENTERPRISES PTY LTD

National Indigenous Pastoral Enterprises Pty Ltd (NIPE) is a wholly-owned subsidiary of the ILC established to assist the ILC in maximising Indigenous employment and training. NIPE employs staff on 19 ILC-held properties.

Property managers and similar level positions are offered AWAs. The ILC entered into four AWAs during the year; 9.3% of NIPE employees were on AWAs at 30 June 2008.

Following the abolition of AWAs, the ILC will offer Common Law Contracts to NIPE property managers and similar level staff in future to attract and retain critical employees.

#### Staffing and diversity in NIPE are:

- Indigenous employees: 38%; and,
- Female employees: 31%.

No NIPE employee received a performance pay bonus during the year.

Table 16 shows NIPE salaries by EEO group and Table 17 shows NIPE employees by EEO group<sup>9</sup>.

Table 16: NIPE Salaries by EEO Group at 30 June 2008.

Annual Salary	Female			Male			Total
	Non Indigenous	Indigenous	Total	Non Indigenous	Indigenous	Total	
\$15,000–\$35,000	4	6	10	3	20	23	33
\$35,001–\$55,000	26	2	28	34	20	54	82
\$55,001–\$75,000	2	0	2	10	1	11	13
\$75,000+	0	0	0	1	0	1	1
<b>Total</b>	<b>32</b>	<b>8</b>	<b>40</b>	<b>48</b>	<b>41</b>	<b>89</b>	<b>129</b>

Table 17: NIPE Employees by EEO group at 30 June 2008.

NIPE Employees	Non Indigenous	Indigenous	Total
Female	32	8	40
Male	48	41	89
<b>Total</b>	<b>80</b>	<b>49</b>	<b>120</b>

<sup>9</sup> Numbers are provided on an employee basis rather than full-time equivalents because of the seasonal nature and number of casuals employed on properties.

## Management of Human Resources

The ILC continued to maintain and refine its strategies to effectively manage and develop employees to achieve the ILC objectives. Key outcomes during the year included:

- Implementation of an online, front-end application to the Human Resource Management/Payroll Information System for ILC employees and managers;
- Delivery of learning and development priorities;
- Monitoring the ILC Indigenous Employment and Career Development Strategy, including engaging four Indigenous trainees and four Indigenous cadets; and
- Updating of the Occupational Health and Safety policy and framework in accordance with amended legislation.

With the existing ILC Certified Agreement expiring in 2008–09, management and employees started negotiating a new Collective Agreement under the amended workplace relations legislative framework.

## Human Resource Management/Payroll Information System

The Human Resource Management/Payroll Information System for both the ILC and NIPE was insourced in the previous reporting period. The second phase of this project was to roll out HR21 – the front-end application for the ILC that allows employees and managers to enter and access HR/payroll data and electronically process leave applications and approvals. This was completed in April 2008.

## Indigenous Employment and Career Development Strategy

The ILC Indigenous Employment and Career Development Strategy continued during 2007–08 to assist in creating opportunities to increase the employment and retention of Indigenous employees in the organisation. This included:

- Professional resume and interviewing technique skills; and
- Career counselling support.

An Indigenous ILC employee was given the opportunity to work and live on an ILC-held commercial property. This opportunity has been extended to all ILC Indigenous employees through the Indigenous Consultative Group.

Training providers and mentoring arrangements were organised to assist the ILC with engaging trainees. The ILC engaged four trainees, one each in the central and western divisions and two in head office. Trainees are undertaking certificate courses in administration, finance and information technology.

The ILC engaged four Indigenous cadets to undertake cadetships, through the Department of Education, Employment and Workplace Relations' (DEEWR) National Indigenous Cadetship Project. These cadetships range from 12 months through to three years.

## Learning and Development Strategy

The ILC Learning and Development Strategy continued to target the corporate, business, divisional and individual levels.

The corporate focus for 2007–08 was on contract management and corporate information systems. The ILC also delivered training to business and divisional units and individuals in:

- Cultural awareness training for new employees;
- Accessing the Studies Assistance Scheme;
- Leadership and management programs targeted at potential and middle managers;
- Fringe benefits tax, goods and services tax and payroll training;
- Personal Efficiency Program;
- Workplace negotiation training; and
- Microsoft Office training.

Training conducted for NIPE employee on ILC-held commercial properties has been included in the Part 2 ILC Business Operations report.

## Accountability for Financial and Physical Resources

### MANAGEMENT OF INVESTMENT FUNDS

The ILC has accumulated surpluses from previous years. The ILC is not subject to annual appropriations and has the ability to roll over unspent funds. In accordance with the Act, the ILC may invest its surplus funds.

The ILC invests its funds in accordance with a Statement of Investment Objectives and Policy which is approved by the ILC's Board. This takes into account section 193K of the Act which exempts the ILC from complying with section 18(3) of the CAC Act dealing with authorised investments.

#### Objectives for the investment portfolio are:

- To achieve returns (net of investment fees) that exceed the average rate of inflation (as measured by CPI) by 4% over five years;
- To limit the probability of the portfolio achieving negative returns;
- To invest in assets as permitted by law;
- To manage all aspects of risk in relation to the investment portfolio prudently;
- To ensure that any party to whom investment decision making is delegated exercises integrity, prudence, professional skill, and is fully accountable to the ILC.

The investment portfolio is monitored by the ARMC and the Board. The ILC also retains the services of an independent investment advisor.

The ILC undertook a significant review of its investment policy during 2007–08. The ILC decided, because of funding restrictions from issues with realised real return (see Page 22), it should protect the investments' capital value for the short to medium term. Accordingly, the ILC reduced its exposure to growth assets and invested in a portfolio that is more liquid.

#### The ILC moved from a portfolio that:

- Outsourced the management of funds;
- Had a 40% growth weighting; and
- Uses specialised active managers for management of all investment asset classes.

#### The portfolio is now:

- Based effectively in cash;
- Provides a high degree of liquidity; and
- Takes advantage of currently higher interest rates.

During 2007–08, the ILC used \$77 million of its surplus funds.

#### As at the 30 June 2008, the ILC investment portfolio was as follows:

- \$189 million in fixed interest rate amortising notes with major banks.
- \$34 million in a floating interest rate at call funds with a major bank.

### ASSET MANAGEMENT

Registers are maintained for all ILC assets and other portable and attractive items. Adequate insurance is maintained on all assets and a stocktake of all assets is undertaken at least annually.

The ILC's Legal Unit ensures contractual arrangements build in provisions to protect physical and financial resources.

### INSURANCE

Comcover is the Australian Government's self-managed fund for insurable risks. The fund covers agencies within the government sector, including those covered by the CAC Act and the FMA Act.

Accordingly, all ILC general liabilities, property, plant and equipment, including those of its subsidiaries, are insured through Comcover. A review is completed biennially to ensure that the ILC maintains sufficient cover for its assets and liabilities. The ILC completed a biennial review during the reporting period.

The ILC participates annually in the Comcover Risk Management Benchmarking program and consistently receives discounts in its insurance premiums as a result. The discount for 2007–08 premiums was 6%.

### INDEMNITIES AND INSURANCE

The ILC maintains Directors and Officers insurance coverage through Comcover. The 2007–08 premium was \$21,337 (2006–07: \$67,956).

During the year, the ILC did not give any indemnity to a current or former Director or Officer against a liability.

## PURCHASING

The ILC's Purchasing Policy is consistent with the principles in *Australian Government Commonwealth Procurement Guidelines January 2005*. The principles include:

- Value for money;
- Encouraging competition;
- Efficient, effective and ethical use of resources; and
- Accountability and transparency.

The ILC's purchasing policy sets out requirements for competitive tendering and contracting, and ensures that these principles are followed. Contractors, suppliers and consultants are procured either through contracts or through standard purchase orders, depending on the nature and value of the good or service.

The ILC uses a corporate credit card program to enable an efficient process for the procurement of high volume/low value goods and services.

## Information and Communications Technology

The ILC maintains several information management systems and a computer and communications infrastructure to support the Board, management and staff with land acquisition, land management and administration functions. An Information Management and Communications Systems Strategic Plan was developed in 2007–08 to align information and communications services with the organisation's broader business processes and strategic objectives.

A Land Acquisition and Management Information Reporting System (LAMIRS) was developed and implemented to capture, manage and report key information about land management and land acquisition activities and the training and employment benefits these activities provided to clients. The LAMIRS system replaced the previous Property Acquisition and Management System. A human resources information system, which streamlines key employee administration processes, was implemented and the finance information system was upgraded.

The ILC changed its inter-office data communications carrier in order to improve service assurance through greater network redundancy and diversity. As part of this process, key network security components were upgraded. Virtualisation technologies continued to be progressively implemented across the server network to provide improved computer hardware and administration efficiencies.

Mapping and related geographical information systems and services to support the organisation in its land and administrative functions continued to be maintained including the Indigenous land holdings database throughout Australia. While geographical information systems and services are primarily maintained for internal use, in some instances these services and Indigenous-held land information were provided to Commonwealth, State and community groups as part of the ILC's external data request process.

A website providing access to electronic copies of all ILC publications, including policy documents, land acquisition and land management application forms, newsletters, maps and other publications was maintained. The site can be accessed at the Internet address [www.ilc.gov.au](http://www.ilc.gov.au).

## Commonwealth Disability Strategy

The Commonwealth Disability Strategy recognises that the Australian Government has an impact on the lives of people with disabilities through its many programs, services and facilities. The Strategy helps full participation of people with disabilities.

Australian Government organisations, including the ILC, are required to remove barriers that prevent people with disabilities from having access to programs and services.

### Performance against the employer indicators is as follows:

- Employment policies and procedures comply with the requirements of the *Disability Discrimination Act 2002*: The ILC offers equal employment opportunities to everyone.
- Recruitment information for potential job applicants is available on request in accessible formats: The ILC advertises vacancies via a number of media – newspapers, Internet, and more recently, radio. Further information for potential job applicants is made available on the ILC's website and on request in hard copy.
- Reasonable adjustment principles are applied by managers and recruiters: The ILC applies reasonable adjustment principles as required. The Human Resources Manager is responsible for ensuring the principles are applied.
- Training and development programs consider and respond to the needs of people with disabilities: The specific needs of people with disabilities are provided for in the ILC's training and development programs. Material developed for employee induction and integration allows for alternative methods of training.
- Complaints/grievance mechanism in place, including access to external mechanisms, to address issues raised by staff and the public: The ILC's employment conditions include processes for handling complaints and grievances. The ILC has a customer service charter and a formal complaints handling system. All staff have access to an Employee Assistance Program.

### ADDITIONAL INITIATIVES

#### In addition to the above:

- The ILC's website complies with World Wide Web Consortium Accessibility Standards;
- When the ILC alters its office space, it complies with disability access requirements; and
- The ILC considers how it disseminates information about its programs with accessibility in mind. Program information is available in both hard copy and from the website, and an information package provides ILC staff with visual aids to present program details at meetings with clients.

## Occupational Health and Safety

The ILC is committed to providing and maintaining a safe and healthy working environment in a consultative, positive, practical and effective manner. The OHS policy, in consultation with employees, is to take all reasonably practical steps to:

- Provide and maintain a safe and healthy working environment for employees, contractors and visitors;
- Prevent workplace injury and disease;
- Encourage and promote occupational health and safety awareness and responsibilities at all levels;
- Monitor, evaluate and strive for continual improvement in its occupational health and safety performance; and
- Integrate occupational health and safety into everything it does.

As a result of the *Occupational Health and Safety Act 1991* being amended the ILC replaced its OH&S Agreement with a Health and Safety Management Arrangement (HSMA).

The HSMA, which incorporates the ILC and its subsidiaries, was developed during the year, in consultation with all employees. The HSMA is a framework that assists the ILC and employees to manage OHS in the workplace. The HSMA came into effect in January 2008 and will remain in force for three years.

### **The following initiatives were undertaken during the year to support a safe and healthy workplace:**

- Elected Health and Safety Representatives (HSRs) and Deputy HSRs were trained.
- Other OHS training was conducted in four-wheel-drive handling, ergonomic assessments, senior or emergency first aid and Harassment Contact Officer training.
- The OHS manual was updated and provided to all ILC-held commercial properties. Property managers and caretakers were trained in its application.

- Hazard Identification, Risk Assessment and Control (HIRAC) audits were conducted on ILC-held commercial properties and recommendations and control measures implemented.
- Workplace inspections were conducted in the ILC offices.
- Two Health and Safety Committee meetings were held and employees provided with access to the minutes and outcomes of the meetings.
- Employees were provided with access to:
  - Vaccinations against Influenza and, where required, Q fever, tetanus, hepatitis A and B;
  - Eyesight testing for screen-based equipment;
  - An Employee Assistance Program for employees and their families; and
  - A Healthy Employee Scheme (individual and team), including quit-smoking courses, gym and sports club membership, weight-loss programs, home-based exercise equipment and team-based sports.

The initiatives resulted in greater awareness of OHS requirements. The number of incidents experienced has not increased in proportion to the number of ILC-held commercial properties.

The highest number of minor incidents and/or near misses came from using equipment and yard work. It appears these types of incidents are declining because of the above initiatives and better training and education programs.

There was one incident on an ILC-held commercial property that required the ILC to give notice under section 68 of the Act. The incident was investigated and found to be unpreventable.

No notices were given under sections 29, 46 or 48 of the Act.

Following the HIRAC audits, visits to ILC-held commercial properties are scheduled to implement policies and procedures and integrate the findings into everyday management and work practices.

## Ecologically Sustainable Development and Environmental Performance

The ILC is committed to following the principles of Ecologically Sustainable Development (ESD) in the delivery of its programs and running its day-to-day operations.

**The Act commits the ILC to:**

- Providing environmental benefits, as one type of benefit, to Indigenous people through land acquisition and land management;
- Pursuing sound land and environmental management practices; and
- Addressing environmental issues in the development of the NILS and RILS.

### ESD IN POLICIES AND PROCEDURES

The ILC's ESD commitment is reflected in its policies, programs and procedures, including the Corporate Plan, NILS, RILS, program guidelines and staff procedures.

The NILS states that all projects must deliver sustainable economic, environmental, social and/or cultural benefits to Indigenous people. It also outlines the ILC's commitment to redressing environmental issues on Indigenous-held land and maintaining a balance between deriving economic gain from land use and the protection and maintenance of land.

Although there is a dedicated environmental stream within the Land Acquisition and Land Management programs, applications to all streams of assistance need to demonstrate sound environmental management practices to ensure that land is cared for and not degraded by the project.

**These requirements are stated clearly in the program guidelines and in application assessment procedures. Staff are required to:**

- Consider potential environment/heritage risks posed by the project;
- Consider sustainable benefits, ensuring the maintenance of environment and heritage for future generations;
- Include discussion of environment and heritage issues in reports to the Board for land acquisition and land management assistance; and
- Develop property and environmental management plans for ILC-held properties to ensure that environment and heritage issues are appropriately recognised and protected.

During 2007–08 the ILC completed 20 environmental plans.

The ILC has developed a Heritage Strategy in accordance with the Environmental Protection and Biodiversity Conservation (EPBC) Act which guides the ILC's management of heritage matters. This Strategy has been sent to the Department of Environment and Water Resources for consideration by the Australian Heritage Council. The ILC also has an Environmental Policy and an ESD Committee that monitors compliance with this policy and the EPBC Act.

- *The River Murray at the ILC's Boundary Bend property.*





• *Chris Cassidy is one of the young Indigenous tour guides who works on the Mungalla Stud property in Northern Queensland.*