



FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 2002



INDEPENDENT AUDIT REPORT

To the Minister for Immigration and Multicultural and Indigenous Affairs

Scope

I have audited the financial statements of the Indigenous Land Corporation for the year ended 30 June 2002. The financial statements include the consolidated financial statements of the consolidated entity comprising the Indigenous Land Corporation and the entities it controlled at the year's end or from time to time during the financial year. The financial statements comprise:

- Statement by Directors;
- Statements of Financial Performance, Financial Position and Cash Flows;
- Schedules of Commitments and Contingencies; and
- Notes to and forming part of the Financial Statements.

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

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

GPO Box 707 CANBERRA ACT 2601
Centenary House 19 National Circuit
BARTON ACT
Phone (02) 6203 7300 Fax (02) 6203 7777

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

Audit Opinion

In my opinion the financial statements:

- (i) have been prepared in accordance with Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*; and
- (ii) give a true and fair view, in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Finance Minister's Orders, of the financial position of the Indigenous Land Corporation and the consolidated entity as at 30 June 2002, and their financial performance and cash flows for the year then ended.

Australian National Audit Office



Mark Moloney
Senior Director

Delegate of the Auditor-General
Canberra
13 September 2002



INDIGENOUS LAND CORPORATION
ABN 59 912 679 254

Statement by Directors

In our opinion, the attached financial statements for the year ended 30 June 2002 give a true and fair view of the matters required by the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*.

Signed

Mr C Riley
Acting Chairperson
Indigenous Land Corporation
5th September 2002

Signed

Mr D Baffsky
Director
Indigenous Land Corporation
5th September 2002

Head Office
Indigenous Land Corporation

GPO Box 652
Adelaide SA 5001
Ph: (08) 8216 4100
Fax: (08) 8212 7264

INDIGENOUS LAND CORPORATION
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED JUNE 2002

	Notes	Consol 2002 \$	Consol 2001 \$	ILC 2002 \$	ILC 2001 \$
Revenue from ordinary activities					
Revenues from government	5	52,819,056	51,882,000	52,819,056	51,882,000
Sale of goods and services	6	16,424	-	-	-
Net increment in market value of livestock	7A	5,719,566	5,428,853	5,744,906	4,509,918
Net increment in market value of other SGARA assets			191,473	-	191,473
Net market value of goods extracted	7B	1,531,722	966,056	608,427	219,119
Interest	8A	1,759,055	5,062,569	1,737,687	5,038,866
Net write up of assets	8B	3,074,380	-	3,074,380	-
Net gains from sale of assets	8C	205,748	67,342	213,215	69,772
Other	8D	737,513	605,000	664,481	524,191
Total revenues from ordinary activities		66,054,937	64,011,820	65,053,625	62,243,866
Expenses from ordinary activities					
Land transfer	9A	12,022,433	19,230,846	11,876,132	19,230,846
Provision for land transfer	9B	2,706,752	38,545,319	2,706,752	38,545,319
Land management	10	8,885,403	6,670,744	9,959,522	7,171,213
Net write down of assets	8B	-	2,305,798	-	2,305,798
Employees	11A	6,832,155	5,473,937	4,806,152	4,123,982
Suppliers	11B	5,696,372	5,110,989	5,515,969	4,935,949
Depreciation and amortisation	11C	1,039,944	762,586	874,740	561,542
Net loss from the sale of investments		9,253	11,552	9,253	11,552
Total expenses from ordinary activities (excluding borrowing costs expense)		37,192,312	78,111,771	37,748,520	76,886,201
Interest	11D	9,868	13,360	5,133	8,711
Total expenses from ordinary activities		37,202,180	78,125,131	35,753,653	76,894,912
Net surplus (deficit)		28,852,757	(14,113,311)	29,299,972	(14,651,046)
Increase in retained profits on adoption of new standard		-	1,228,941	-	815,047
Net debit to asset revaluation reserve		(38,613)	(691)	(32,292)	(81)
Total revenues, expenses and valuation adjustments recognised directly in equity		(38,613)	1,228,250	(32,292)	814,966
Total changes in equity other than contributions/withdrawal of capital		28,814,144	(12,885,061)	29,267,680	(13,836,080)

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

INDIGENOUS LAND CORPORATION
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2002

	Notes	Consol 2002 \$	Consol 2001 \$	ILC 2002 \$	ILC 2001 \$
ASSETS					
Financial assets					
Cash	12A	1,482,650	688,823	939,135	505,701
Receivables	12B	1,145,203	1,135,713	1,146,878	1,102,407
Investments	12C	147,305,214	122,987,625	147,305,266	122,987,667
Beneficiary loan	12D	-	-	506,000	506,000
Other	12E	638,552	732,365	2,520,021	2,492,557
Total financial assets		150,571,619	125,544,526	152,417,300	127,594,332
Non-financial assets					
Property held in trust	13A	64,109	147,188	64,109	147,188
Infrastructure, plant & equipment	13B	3,735,756	3,256,999	3,352,253	2,716,171
Leased assets	13E	17,917	96,089	-	71,536
Inventory	13F	13,815,372	11,726,009	12,726,361	9,635,059
Intangibles	13G	350,962	-	350,962	-
Total non-financial assets		17,984,116	15,226,285	16,493,685	12,569,954
Total assets		168,555,735	140,770,811	168,910,985	140,164,286
LIABILITIES					
Interest bearing liabilities					
Loans		-	85,719	-	-
Leases	14	133,546	235,775	113,760	208,054
Total interest bearing liabilities		133,546	321,494	113,760	208,054
Provisions					
Employees	15A	1,325,715	923,217	1,152,154	839,226
Payables					
Suppliers	15B	2,025,418	3,277,069	2,391,581	3,135,157
Other		7,881	-	3,961	-
Total provisions and payables		3,359,014	4,200,286	3,547,696	3,974,383
Total liabilities		3,492,560	4,521,780	3,661,456	4,182,437
EQUITY					
Reserves	16	285,182	323,795	213,000	245,292
Accumulated surplus	16	164,777,993	135,925,236	165,036,529	135,736,557
Total equity		165,063,175	136,249,031	165,249,529	135,981,849
Total liabilities and equity		168,555,735	140,770,811	168,910,985	140,164,286
Current liabilities		2,922,996	4,062,352	3,138,428	3,753,921
Non-current liabilities		569,654	459,428	523,028	428,516
Current assets		163,748,439	136,538,128	162,117,640	134,230,792
Non-current assets		4,807,296	4,232,683	6,793,345	5,933,494

INDIGENOUS LAND CORPORATION
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2002

	Notes	Consol 2002 \$	Consol 2001 \$	ILC 2002 \$	ILC 2001 \$
OPERATING ACTIVITIES					
Cash received					
Receipts from the Land Fund		52,606,000	51,777,000	52,606,000	51,777,000
Receipts from Government		234,362	115,500	234,362	115,500
Sale of goods and services		7,661,271	3,438,517	5,291,384	2,315,249
Interest and bill discounts		1,686,702	5,914,015	1,638,057	5,890,312
Other		1,525,124	284,950	1,442,078	292,212
GST recovered from ATO		1,408,245	1,235,199	1,369,090	1,252,762
Total cash received		65,121,704	62,765,181	62,580,971	61,643,035
Cash used					
Employees		6,429,657	5,369,961	4,493,223	3,991,770
Direct land acquisition suppliers		15,526,523	12,767,615	15,365,592	12,767,615
Land management		10,928,159	6,838,597	11,905,825	7,339,067
Other suppliers		7,838,875	5,398,348	7,050,135	5,142,044
Loans made		-	114,571	-	148,207
Total cash used		40,723,214	30,489,092	38,814,775	29,388,703
Net cash from operating activities	17	24,398,490	32,276,089	23,766,196	32,254,332
INVESTING ACTIVITIES					
Cash received					
Proceeds from the sale of assets		19,140	88,586	5,873	23,738
Total cash received		19,140	88,586	5,873	23,738
Cash used					
Purchase of assets		1,875,973	1,914,164	1,685,241	1,777,018
Purchase of intangibles		387,079	-	387,079	-
Purchases of investments, net		21,222,439	30,207,035	21,222,449	30,207,037
Total cash used		23,485,491	32,121,199	23,294,769	31,984,055
Net cash used in investing activities		(23,466,351)	(32,032,613)	(23,288,896)	(31,960,317)
FINANCING ACTIVITIES					
Cash used					
Lease payments		52,593	37,245	43,866	31,246
Loan payments		85,719	-	-	-
Net cash used in financing activities		(138,312)	(37,245)	(43,866)	(31,246)
Net increase in cash held		793,827	206,231	433,434	262,769
Cash at the beginning of the reporting period		688,823	482,592	505,701	242,932
Cash at the end of reporting period	18	1,482,650	688,823	939,135	505,701

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

INDIGENOUS LAND CORPORATION
SCHEDULE OF COMMITMENTS AS AT 30 JUNE 2002

	Consol 2002 \$	Consol 2001 \$	ILC 2002 \$	ILC 2001 \$
By Type				
CAPITAL COMMITMENTS				
Other	128,591	25,825	-	-
Total capital commitments	<u>128,591</u>	<u>25,825</u>	<u>-</u>	<u>-</u>
OTHER COMMITMENTS				
Operating leases	1,868,257	942,362	1,814,749	825,493
Finance leases	20,721	115,971	-	85,812
Other	101,705	-	-	-
Total other commitments	<u>1,990,683</u>	<u>1,058,333</u>	<u>1,814,749</u>	<u>911,305</u>
COMMITMENTS RECEIVABLE				
Goods and services tax	(174,700)	(85,822)	(164,978)	(83,080)
Other	(963,746)	-	(963,746)	-
Net Commitments	<u>980,828</u>	<u>998,336</u>	<u>686,025</u>	<u>828,225</u>
BY MATURITY				
All net commitments				
One year or less	(132,305)	505,059	(421,539)	393,124
From one to five years	1,089,069	493,277	1,083,500	435,101
Over five years	24,064	-	24,064	-
Net commitments	<u>980,828</u>	<u>998,336</u>	<u>686,025</u>	<u>828,225</u>
Operating lease commitments				
One year or less	643,809	424,413	596,428	346,882
From one to five years	1,197,978	517,949	1,191,851	478,611
Over five years	26,470	-	26,470	-
Net operating lease commitments	<u>1,868,257</u>	<u>942,362</u>	<u>1,814,749</u>	<u>825,493</u>

Capital commitments refers to:

- an amount committed for the Carnarvon Artesian Basin research project with the Waters and Rivers Commission.
- the ILC Board have approved in principle a grant of plant & equipment currently held by Mogila to the owners of the property being Ngurampaa Limited.

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

Other commitments relate to a future grant of monies/goods to property owners from Mogila and Mt Clarence consistent with an ILC Board decision in May 2002.

The amounts reported as at 30 June 2002 as commitments payable include the GST where relevant. Recoveries of GST in relation to commitments payable is included in commitments receivable.

The ILC suffered a substantial loss as a result of a mud slide on one of its properties in WA. The ILC insurer has offered a settlement of \$963,746. The ILC have accepted the offer for settlement.

INDIGENOUS LAND CORPORATION
SCHEDULE OF CONTINGENCIES AS AT 30 JUNE 2002

	Consol 2002 \$	Consol 2001 \$	ILC 2002 \$	ILC 2001 \$
CONTINGENT LOSSES				
Legal fees	-	11,000	-	11,000
Other guarantees	50,000	20,000	50,000	20,000
Other	582,500	562,500	582,500	562,500
Total contingent losses	<u>632,500</u>	<u>593,500</u>	<u>632,500</u>	<u>593,500</u>
CONTINGENT GAINS				
Other	-	40,000	-	40,000
Total contingent gains	<u>-</u>	<u>40,000</u>	<u>-</u>	<u>40,000</u>
Net contingencies losses	<u>632,500</u>	<u>553,500</u>	<u>632,500</u>	<u>553,500</u>

Other guarantees

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

Contingent losses - other

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

A former agistee on a property formerly owned by the ILC has commenced action against the ILC and the current land owners for financial loss.

All contingencies are GST inclusive where relevant.

**INDIGENOUS LAND CORPORATION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2002**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 BASIS OF ACCOUNTING

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

The financial statements have been prepared in accordance with:

- Finance Minister's Orders (being the *Commonwealth Authorities and Companies (Financial Statements 2001-2002) Orders*);
- Australian Accounting Standards and Accounting Interpretations issued by the Australian Accounting Standards Board;
- other authoritative pronouncements of the Board; and
- Consensus Views of the Urgent Issues Group.

The statements have been prepared having regard to:

- the Explanatory Notes to Schedule 1 issued by the Department of Finance and Administration; and
- Finance Briefs issued by the Department of Finance and Administration.

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

Assets and liabilities are recognised in the ILC and Consolidated Statements of Financial Position 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. Assets and liabilities arising under agreements equally proportionately unperformed are however 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.

Revenues and expenses are recognised in the ILC and Consolidated Statements of Financial Performance when and only when the flow or consumption or loss of economic benefit has occurred and can be reliably measured.

1.2 ROUNDING

The financial statements have been rounded to the nearest dollar.

1.3 CHANGES IN ACCOUNTING POLICY

The accounting policies used in the preparation of these financial statements are consistent with those used in 2000-01.

1.4 DEPARTMENTAL AND ADMINISTERED ITEMS

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

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

The Corporation does not have any Administered items.

1.5 PRINCIPLES OF CONSOLIDATION

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

- ILC (the parent entity)
- Land Enterprise Australia Pty Ltd ("LEA")
- Mogila Merino Stud Pty Limited as trustee for Mogila Merino Stud Trust
- Mogila Merino Stud Trust ("Mogila")
- Cardabia Pastoral Company Pty Ltd as trustee for Cardabia Pastoral Company Trust
- Cardabia Pastoral Company Trust ("Cardabia")
- Mt Clarence Pastoral Company Pty Ltd as trustee for Mt Clarence Pastoral Company Trust
- Mt Clarence Pastoral Company Trust ("Mt Clarence")
- Roebuck Plains Station Pastoral Company Pty Ltd ("Roebuck Pastoral Co")
- Myroodah and Luluigui Stations Pastoral Company Pty Ltd ("Myroodah Pastoral Co")
- Murrayfield Pastoral Company Pty Ltd ("Murrayfield Pastoral Co")
- Mount Dare Homestead Nominees Pty Ltd as trustee for Mt Dare Homestead Trust (from 1 May 2002) ("Mt Dare Nominees").

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 2002.

1.6 REPORTING BY OUTCOMES

A comparison of Budget and Actual figures by outcome specified in the Appropriation Acts relevant to the Corporation is presented in Note 2 and 26. Any intra-government costs included in the net figure 'net cost to Budget outcomes' are eliminated in calculating the actual budget outcome for the Government overall.

1.7 TAXATION

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

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

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

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

Revenues and expenses and assets are recognised net of GST except where the GST is not recoverable. The amount of GST incurred by the Corporation that is not recoverable from the Australian Taxation Office (ATO) is recognised as part of the cost of acquisition of an asset or as part of the item of expense.

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

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

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

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

All commitments are GST inclusive where relevant.

1.8 PLANT AND EQUIPMENT

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

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

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

The requirements of Schedule 1 are being implemented as follows:

- Plant and equipment assets held at 30 June 1999 were revalued as at 1 July 1999
- Assets acquired after the commencement of the revaluation cycle are not captured in the revaluation
- Plant and equipment are revalued in accordance with their current market-buying price of a similar asset
- Any assets that would not be replaced or are surplus to requirements are valued at the net present value of cash flows expected from continued use and subsequent disposal.

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

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

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

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

	Diminishing Value 2002	Diminishing Value 2001	Prime Cost 2002	Prime Cost 2001
Office Fitout	20%	20%	-	-
Office Equipment	20-30%	20-30%	-	-
Computer Systems	40%	40%	-	-
Fixture and Fittings	20%	20%	-	-
Other Plant & Equipment	5-50%	5-30%	5-20%	5-20%

1.9 PROPERTY HELD IN TRUST

Property held in trust is land, plant and equipment and livestock held in trust which represents properties purchased for the purpose of transfer to appropriate organisations in line with the objectives of the ILC. Land, plant and equipment and livestock held in trust is initially recorded at cost. Land purchases (including the related plant, equipment and livestock, acquisition and holding costs) are capitalised on purchase. At this time a provision is raised against the Statement of Financial Performance for the full cost of the purchase representing the sacrifice of the future benefits embodied in the assets. On transfer, the assets and provision are offset against one another.

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

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

Any revaluation is expensed to the Statement of Financial Performance.

1.10 SOFTWARE

Internally developed and externally acquired software for internal use are initially recognised at cost, and where applicable, capitalised. Capitalised software is amortised on a straight-line basis over its estimated useful life. Software is classified as intangibles (see Note 13G).

Useful lives are:

	Consol 2002	Consol 2001	ILC 2002	ILC 2001
Internally developed software	5 years	n/a	5 years	n/a
Externally acquired software	5 years	n/a	5 years	n/a

1.11 INVESTMENTS

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

1.12 CASH

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

1.13 EMPLOYEE ENTITLEMENTS

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

The provision for annual leave reflects the value of total annual leave entitlements of all employees as at 30 June 2002 and is recognised at its nominal value.

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

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

The ILC and LEA contributes to the Commonwealth Superannuation Scheme (CSS) or Public Sector Scheme (PSS) which provide retirement, death and disability benefits to employees. The principal type of benefit provided for under the plans are defined benefits. Current contribution rates are 17.9% of CSS salary and 9.5% of PSS salary. The basis of contribution to the plans is as advised by the Minister for Finance and Administration, together with the required productivity benefit under the Superannuation (Productivity Benefit) Act 1988. The Projected Unit Credit (PUC) method is used to calculate the contribution rates. These rates are reviewed every year. The ILC has been advised by the Department of Finance and Administration that the rates for the 2002/03 financial year are 18.9% and 10.4%.

Employer contributions amounting to \$506,718 (2001: \$357,476) for the Corporation in relation to these schemes have been expensed in these financial statements.

1.14 REVENUE

The revenue described in this Note are revenues relating to the core operating activities of the Corporation.

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

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

Revenue from the sale of goods is recognised when control of the goods has passed to the customers. See Note 7 in relation to recognition of income from self-generating and regenerating assets.

Sundry income is recognised on an earned basis.

1.15 LEASES

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

The Corporation's rights and obligations under finance leases are initially recognised as assets and liabilities equal in amount to the present value of minimum lease payments.

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

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

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

1.16 FINANCIAL INSTRUMENTS

Accounting policies in relation to financial instruments are disclosed in Note 25.

1.17 INVENTORY

Inventory consists of Wool, Livestock and Plantings.

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

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

Plantings consists of Citrus fruit trees that are part of a block of land purchased by the ILC during the reporting period. The Plantings are considered to be self-generating and regenerating assets and are accounted for in accordance with Australian Accounting Standard AAS35 and are measured at net market value with market value increments and decrements included in the Statement of Financial Performance.

1.18 STATEMENT OF CASH FLOW

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 the receipt and payment are included in the Statement on the gross basis. Cash flows also include those relating to payables and receivables of prior periods or in advance for future periods.

1.19 CAPITAL USE CHARGE

Capital Use Charge of 11% (2001: 12%) is imposed by the Commonwealth on the net assets of an authority. The charge is adjusted to take account of asset gifts and revaluation increments during the financial year. The Department of Finance and Administration has exempted the Corporation from the Capital Use Charge for the year ended 30 June 2002.

1.20 COMPARATIVE FIGURES

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

1.21 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.

2. REPORTING BY OUTCOMES

The Corporation's statutory prescribed outcome is to:

"Provide economic, environmental, social and cultural benefits for Aboriginal persons and Torres Strait Islanders by assisting in the acquisition and management of an indigenous land base." Only one output group is identified for the outcome. Disclosures of revenue, expenses, assets and liabilities by outcome are at Note 26.

3. ECONOMIC DEPENDENCY

The Corporation was established by section 191A of the *Indigenous Land Corporation (ATSIC Amendment) Act 1995*. The Corporation is dependent on a standing annual appropriation from the Land Fund in accordance with Section 193A of the *Indigenous Land Corporation (ATSIC Amendment) Act 1995*. The Corporation received \$52,606,000 in the current financial year (2001: \$51,777,000).

4. SUBSEQUENT EVENTS

In May 2002, the ILC Board agreed to wind up the pastoral operations of Mogila Merino Stud. Since the end of the reporting period, 75-80% of the herd has been sold at market (market value of total herd as at 30 June was \$305,295). The remainder of the herd and the plant and equipment shall be granted to the property owners Ngurampaa Limited.

	Consol 2002 \$	Consol 2001 \$	ILC 2002 \$	ILC 2001 \$
--	----------------------	----------------------	-------------------	-------------------

5. REVENUE FROM GOVERNMENT

Receipts from the Land Fund	52,606,000	51,777,000	52,606,000	51,777,000
Other revenue from Government	213,056	105,000	213,056	105,000
Total	52,819,056	51,882,000	52,819,056	51,882,000

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

6. SALES OF GOODS AND SERVICES

Sales of Goods and Services relate to sale of fuel and refreshments on Mt Dare. Mt Dare only operated for a month during the reporting period before the business was subleased. There was no stock on hand at the end of the reporting period.

Sales	16,801	-	-	-
Less: cost of goods sold				
Opening stock	-	-	-	-
Purchases	377	-	-	-
Rations	-	-	-	-
Less: closing stock	-	-	-	-
Net profit from trading	16,424	-	-	-

7. SELF-GENERATING AND REGENERATING ASSETS

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

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, (eg 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.

	Consol 2002 \$	Consol 2001 \$	ILC 2002 \$	ILC 2001 \$
--	----------------------	----------------------	-------------------	-------------------

The net market value is determined by independent valuations undertaken by industry experts. The valuation takes into account the general make up of the herd/flock as at reporting date. Increments/decrements on changes in the net market value of livestock are recognised in the Statement of Financial Performance.

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

Non-living produce extracted from self-generating and regenerating assets are recognised as revenue in the reporting period that the produce is extracted. The non-living produce of a self-generating and regenerating asset is then accounted for in accordance with AAS2 Inventories.

7A. NET INCREMENT IN MARKET VALUE OF LIVESTOCK

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

Cattle	5,825,389	4,957,577	5,727,589	4,735,439
Sheep	(707)	764,155	180,027	14,872
Horses	(17,212)	17,700	(17,212)	17,700
Goats	9,537	-	-	-
	<u>5,817,007</u>	<u>5,739,432</u>	<u>5,890,404</u>	<u>4,768,011</u>
Less: movement in provision for deaths	(97,441)	(310,579)	(145,498)	(258,093)
	<u>5,719,566</u>	<u>5,428,853</u>	<u>5,744,906</u>	<u>4,509,918</u>

7B. NET MARKET VALUE OF GOODS EXTRACTED

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

Net market value of wool extracted during reporting period	1,485,752	966,056	562,457	219,119
Net market value of fruit extracted during reporting period	45,970	-	45,970	-
	<u>1,531,722</u>	<u>966,056</u>	<u>608,427</u>	<u>219,119</u>
Wool				
Revenue from sale of wool	1,307,612	704,803	556,717	219,119
Deemed cost of wool	1,307,612	704,803	556,717	219,119
Net revenue from sale of wool	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fruit				
Revenue from sale of fruit	45,970	-	45,970	-
Deemed cost of fruit	45,970	-	45,970	-
Net revenue from sale of fruit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

8. Other revenue from ordinary activities

8A. Interest

Interest on deposits	1,726,919	5,031,515	1,705,551	5,007,812
Interest on loans	32,136	31,054	32,136	31,054
	<u>1,759,055</u>	<u>5,062,569</u>	<u>1,737,687</u>	<u>5,038,866</u>

	Consol 2002 \$	Consol 2001 \$	ILC 2002 \$	ILC 2001 \$
8B. NET WRITE-UP (WRITE-DOWN) OF ASSETS				
Investments (held in-house)	(197,585)	(5,449,302)	(197,585)	(5,449,302)
Investments (out-sourced)	3,301,998	3,507,023	3,301,998	3,507,023
Net write-up (write-down) of investments	3,104,413	(1,942,279)	3,104,413	(1,942,279)
Inventory held for transfer	(18,582)	(14,089)	(18,582)	(14,089)
Infrastructure plant & equipment revalued	(11,451)	(15,089)	(11,451)	(15,089)
Plant and equipment held in trust	-	(334,341)	-	(334,341)
	3,074,380	(2,305,798)	3,074,380	(2,305,798)
8C. NET GAIN FROM SALE OF ASSETS				
Infrastructure, plant and equipment				
Proceeds from sale	11,282	11,885	4,332	2,685
Net book value at sale	(22,627)	(13,192)	(8,210)	(1,562)
Net gain (loss) from sale of infrastructure, plant and equipment	(11,345)	(1,307)	(3,878)	1,123
Livestock held in trust				
Proceeds from sale	288,134	100,311	288,134	100,311
Net book value at sale	(72,591)	(21,662)	(72,591)	(21,662)
Net gain (loss) from sale of Livestock held in trust	215,543	78,649	215,543	78,649
Plant and equipment held in trust				
Proceeds from sale	1,550	16,360	1,550	16,360
Net book value at sale	-	(26,360)	-	(26,360)
Net gain (loss) from sale of plant and equipment held in trust	1,550	(10,000)	1,550	(10,000)
	205,748	67,342	213,215	69,772
8D. OTHER REVENUE				
Income from properties held in trust	560,206	494,341	560,206	494,341
Other	177,307	110,659	104,275	29,850
	737,513	605,000	664,481	524,191

		Consol 2002 \$	Consol 2001 \$	ILC 2002 \$	ILC 2001 \$
--	--	----------------------	----------------------	-------------------	-------------------

9. LAND TRANSFER

9A. LAND TRANSFER

Land Grants

Boole Poole	VIC	361,857	-	361,857	-
Dawnvale	QLD	140,201	-	140,201	-
Emu Creek	QLD	107,038	-	107,038	-
Geikie Station	QLD	158,135	-	158,135	-
Illaroo Farm	NSW	1,532,931	-	1,532,931	-
Jarwonga	NSW	1,551,828	-	1,551,828	-
Jonelia/Tambellup	WA	1,259,201	-	1,259,201	-
Martang	VIC	469,238	-	469,238	-
Millers Farm	SA	371,230	-	371,230	-
Mouth House	SA	122,068	-	122,068	-
Mount Clarence Pastoral Company	SA	146,301	-	-	-
Myrtle Springs	SA	1,171,483	-	1,171,483	-
Nioka	WA	1,224,791	-	1,224,791	-
Poolamacca	NSW	849,190	-	849,190	-
Port Victoria Fish Farm #1	SA	113,363	-	113,363	-
Quindanning	WA	1,394,589	-	1,394,589	-
Twin Rivers	NT	647,741	-	647,741	-
Chatahoochie Station	NT	-	1,052,976	-	1,052,976
Coobabla	WA	-	1,525,485	-	1,525,485
Edgerton	NSW	-	363,237	-	363,237
Elimdale	NSW	-	616,459	-	616,459
Glen Boree	SA	-	310,932	-	310,932
Hexters & Karyrie	WA	-	1,327,825	-	1,327,825
Kirrama Holdings	QLD	-	1,267,239	-	1,267,239
Kooreelah	VIC	-	1,195,841	-	1,195,841
Laura Bay	SA	-	216,026	-	216,026
Manunka Farm	SA	-	574,418	-	574,418
Montille Excision	SA	-	106,555	-	106,555
Mooki & Bassendean	NSW	-	1,387,927	-	1,387,927
Silver Plains	QLD	-	562,500	-	562,500
Strathgordon	QLD	-	899,677	-	899,677
Toogimbie/Lorenzo/Glen Hope	NSW	-	4,060,006	-	4,060,006
Yallalie Downs	WA	-	852,597	-	852,597
Yappala	SA	-	1,144,373	-	1,144,373
Yeilima	VIC	-	942,922	-	942,922
Associated land acquisition and holding expenses		401,248	823,851	401,248	823,851
		<u>12,022,433</u>	<u>19,230,846</u>	<u>11,876,132</u>	<u>19,230,846</u>

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

	Consol 2002 \$	Consol 2001 \$	ILC 2002 \$	ILC 2001 \$
--	----------------------	----------------------	-------------------	-------------------

9B. PROVISION FOR LAND TRANSFER

A provision is raised in the Statement of Financial Performance 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.

Provision for land held in trust	2,855,066	36,769,960	2,855,066	36,769,960
Provision for plant and equipment held in trust	(148,314)	1,775,359	(148,314)	1,775,359
	<u>2,706,752</u>	<u>38,545,319</u>	<u>2,706,752</u>	<u>38,545,319</u>

10. LAND MANAGEMENT

The ILC negotiates 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 Statement of Financial Performance in the period in which they are incurred.

Land Management expenses also include land management on land held by the ILC and includes the cost of caretaking, use, maintenance and improvement of that land.

11. OTHER EXPENSES FROM ORDINARY ACTIVITIES

11A. EMPLOYEE EXPENSES

Basic remuneration for services provided	6,824,905	5,376,208	4,798,902	4,026,253
Separation and redundancy	7,250	97,729	7,250	97,729
Total	<u>6,832,155</u>	<u>5,473,937</u>	<u>4,806,152</u>	<u>4,123,982</u>

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

Number of employees as at 30 June (full time equivalents)	106.9	105.5	76.9	66
---	-------	-------	------	----

11B. SUPPLIERS EXPENSES

Supply of goods and services	5,111,247	4,622,290	4,104,602	3,622,632
Appropriations to subsidiaries	-	-	900,000	899,530
Operating lease rentals	585,125	488,699	511,367	413,787
	<u>5,696,372</u>	<u>5,110,989</u>	<u>5,515,969</u>	<u>4,935,949</u>

11C. DEPRECIATION AND AMORTISATION

Depreciation of property, plant and equipment	1,003,113	718,532	844,545	525,760
Amortisation of leased assets	35,903	44,054	29,267	35,782
Amortisation of software	928	-	928	-
	<u>1,039,944</u>	<u>762,586</u>	<u>874,740</u>	<u>561,542</u>

	Consol 2002 \$	Consol 2001 \$	ILC 2002 \$	ILC 2001 \$
11D. INTEREST EXPENSE				
Finance charges on leased assets	5,408	9,275	3,905	7,102
Other	4,460	4,085	1,228	1,609
	<u>9,868</u>	<u>13,360</u>	<u>5,133</u>	<u>8,711</u>
12. FINANCIAL ASSETS				
12A. CASH				
Cash at bank and on hand	1,472,650	600,223	929,135	417,101
Cash advances	10,000	88,600	10,000	88,600
	<u>1,482,650</u>	<u>688,823</u>	<u>939,135</u>	<u>505,701</u>
12B. RECEIVABLES				
Interest receivable	155,352	83,000	155,352	83,000
Income receivable from properties	236,652	361,585	236,652	361,585
Other debtors	378,754	301,406	349,197	276,023
Cash with agent	290,500	122,200	290,500	122,200
GST recoverable	83,945	426,173	115,177	418,250
	<u>1,145,203</u>	<u>1,294,364</u>	<u>1,146,878</u>	<u>1,261,058</u>
Provision for doubtful debts	-	(158,651)	-	(158,651)
	<u>1,145,203</u>	<u>1,135,713</u>	<u>1,146,878</u>	<u>1,102,407</u>
Receivables (gross) are aged as follows:				
Not overdue	1,141,289	1,047,772	1,145,975	1,025,923
Overdue by				
- less than 30 days	-	1,522	-	1,522
- 30 to 60 days	203	12,441	-	11,074
- more than 60 days	3,721	232,629	903	222,539
	<u>3,924</u>	<u>246,592</u>	<u>903</u>	<u>235,135</u>
	<u>1,145,203</u>	<u>1,294,364</u>	<u>1,146,878</u>	<u>1,261,058</u>
12C. INVESTMENTS				
Bank and other securities	13,336,572	4,004,207	13,336,572	4,004,207
Term deposits	3,205,911	5,100,000	3,205,911	5,100,000
Interest rate securities	2,698,731	510,080	2,698,731	510,080
Managed funds (at market value)	128,064,000	113,373,338	128,064,000	113,373,338
Shares in subsidiary companies	-	-	52	42
	<u>147,305,214</u>	<u>122,987,625</u>	<u>147,305,266</u>	<u>122,987,667</u>

The ILC holds shares in each of its 100% owned subsidiaries.

	Consol 2002 \$	Consol 2001 \$	ILC 2002 \$	ILC 2001 \$
--	----------------------	----------------------	-------------------	-------------------

12C. INVESTMENTS (CONTINUED)

The ILC held an investment in Wisdom (FAI) No 2 Trust that is effected by the provisional liquidation of the HIH Group. The recoverability of this investment is unknown at reporting date. However, the investment has no market value and was written down to its market value, being zero, in the previous reporting period. The Corporation is considering action against an external advisor in relation to this investment.

12D. BENEFICIARY LOANS

Trust distributions receivable				
Mt Clarence Pastoral Company Pty Ltd	-	-	104,572	104,572
Cardabia Pastoral Company Pty Ltd	-	-	401,428	401,428
	<u>-</u>	<u>-</u>	<u>506,000</u>	<u>506,000</u>

12E. OTHER

Loans to subsidiaries				
Mt Clarence Pastoral Company Pty Ltd	-	-	654,115	654,115
Cardabia Pastoral Company Pty Ltd	-	-	421,277	300,000
Mogila Merino Stud Pty Ltd	-	-	806,077	806,077
	<u>-</u>	<u>-</u>	<u>1,881,469</u>	<u>1,760,192</u>
Loans to aboriginal corporations	638,552	732,365	638,552	732,365
	<u>638,552</u>	<u>732,365</u>	<u>2,520,021</u>	<u>2,492,557</u>

		Consol 2002 \$	Consol 2001 \$	ILC 2002 \$	ILC 2001 \$
--	--	----------------------	----------------------	-------------------	-------------------

13. NON-FINANCIAL ASSETS

13A. PROPERTY HELD IN TRUST

Asset detail		Land & Incidentals	Plant & Equipment	Livestock	Total
Alice Springs Rail Yards	NT	637,030	-	-	637,030
Bollanolla Farm	NSW	480,596	22,375	2,564	505,535
Boundary Bend	VIC	583,502	103,355	-	686,857
Cape Elizabeth	SA	457,969	-	-	457,969
Clarke Island	TAS	440,428	61,244	12,279	513,951
Crocodile Station	QLD	1,281,801	-	-	1,281,801
Culpra	NSW	1,340,119	-	-	1,340,119
Dowrene Farm	WA	885,924	-	-	885,924
Edmund Stn	WA	232,410	48,621	7,656	288,687
Eurool	NSW	659,322	19,454	-	678,776
Gwambygine	WA	925,213	-	-	925,213
Home Valley, Durrack River	WA	1,295,332	559,996	1	1,855,329
Jinchilla Gardens	NSW	549,272	-	-	549,272
Karnte Block	NT	72,978	-	-	72,978
Kippa Ring	QLD	1,151,391	-	-	1,151,391
Kywong	NSW	649,432	-	-	649,432
Maidenwell	QLD	84,780	-	-	84,780
Menera	NSW	2,290,382	6,074	-	2,296,456
Mimosa	QLD	1,384,478	8,749	18,692	1,411,919
Modder River	TAS	503,760	-	-	503,760
Mt Dare	SA	322,814	160,135	-	482,949
Mt Tabor	QLD	1,288,548	-	-	1,288,548
Mt View Station	WA	1,305,455	212,033	-	1,517,488
Mt William Axe Quarry	VIC	56,863	-	-	56,863
Mulgul Station	WA	479,490	98,785	9,045	587,320
Murrayfield	TAS	3,771,631	-	-	3,771,631
Myroodah	WA	799,790	-	-	799,790
Nenen Station	NT	856,928	137,422	-	994,350
Old Pooncarie Mission	NSW	211,156	-	-	211,156
Paddy's Plain	NSW	330,000	-	-	330,000
Port Victoria Fish Farm #2	SA	142,226	-	-	142,226
Randwick Farm	NT	408,813	23,237	-	432,050
Roebuck Plains	WA	3,542,300	-	-	3,542,300
Sunbury Earthen Rings	VIC	682,623	-	-	682,623
Swanport	SA	83,577	-	-	83,577
Thule	TAS	878,933	29,775	-	908,708
Wanarie Pastoral Station	WA	297,896	14,672	13,872	326,440
Warriparinga	SA	2,165,421	-	-	2,165,421
Waterview	QLD	547,032	10,000	-	557,032
Weilmoringle & Orana	NSW	1,239,743	37,511	-	1,277,254
Welcome Station	QLD	971,321	-	-	971,321
Wittenburra/Turn Turn	QLD	1,873,439	59,997	-	1,933,436
Women's Place	WA	361,118	-	-	361,118
Wurdi Youang	VIC	685,708	13,610	-	699,318
		39,208,944	1,627,045	64,109	40,900,098
Acquisitions in Progress		416,082	-	-	416,082
Total assets held in trust		39,625,026	1,627,045	64,109	41,316,180
Less: provision for land transfer		(39,625,026)	(1,627,045)	-	(41,252,071)
Net assets held in trust		-	-	64,109	64,109

	Consol 2002 \$	Consol 2001 \$	ILC 2002 \$	ILC 2001 \$
--	----------------------	----------------------	-------------------	-------------------

13A. PROPERTY HELD IN TRUST (CONTINUED)

The ILC holds the title for all the above properties. The land is held for the intention of divesting 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.

13B. INFRASTRUCTURE, PLANT AND EQUIPMENT

Office equipment , revalued 1999	152,799	231,854	116,231	180,525
Less: Accumulated depreciation	(90,693)	(111,614)	(72,276)	(89,426)
	<u>62,106</u>	<u>120,240</u>	<u>43,955</u>	<u>91,099</u>
Office equipment , at cost	183,894	80,368	165,168	74,914
Less: Accumulated depreciation	(35,389)	(13,063)	(33,027)	(12,028)
	<u>148,505</u>	<u>67,305</u>	<u>132,141</u>	<u>62,886</u>
Total office equipment, net	<u>210,611</u>	<u>187,545</u>	<u>176,096</u>	<u>153,985</u>
Furniture and fittings , revalued 1999	214,863	214,863	129,934	129,834
Less: Accumulated depreciation	(127,281)	(108,641)	(85,396)	(76,436)
	<u>87,582</u>	<u>106,222</u>	<u>44,438</u>	<u>53,398</u>
Furniture and fittings , at cost	19,110	11,770	19,110	11,770
Less: Accumulated depreciation	(3,886)	(1,442)	(3,886)	(1,441)
	<u>15,224</u>	<u>10,328</u>	<u>15,224</u>	<u>10,329</u>
Furniture and fittings, at cost, net	<u>102,806</u>	<u>116,550</u>	<u>59,662</u>	<u>63,727</u>
Computer systems , revalued 1999	511,435	688,941	437,916	589,045
Less: Accumulated depreciation	(423,440)	(501,076)	(360,198)	(423,875)
	<u>87,995</u>	<u>187,865</u>	<u>77,718</u>	<u>165,170</u>
Computer systems , at cost	734,585	414,423	667,249	404,809
Less: Accumulated depreciation	(294,952)	(120,462)	(272,749)	(117,468)
	<u>439,633</u>	<u>293,961</u>	<u>394,500</u>	<u>287,341</u>
Computer systems, net	<u>527,628</u>	<u>481,826</u>	<u>472,218</u>	<u>452,511</u>
Office fitout , revalued 1999	116,018	116,018	54,757	54,757
Less: Accumulated depreciation	(61,750)	(48,181)	(30,421)	(24,337)
	<u>54,268</u>	<u>67,837</u>	<u>24,336</u>	<u>30,420</u>

	Consol 2002 \$	Consol 2001 \$	ILC 2002 \$	ILC 2001 \$
13B. INFRASTRUCTURE, PLANT AND EQUIPMENT (CONTINUED)				
Office fitout , at cost	708,898	596,124	708,898	596,124
Less: Accumulated depreciation	(280,281)	(180,367)	(280,281)	(180,367)
	<u>428,617</u>	<u>415,757</u>	<u>428,617</u>	<u>415,757</u>
Office fitout, net	<u>482,885</u>	<u>483,594</u>	<u>452,953</u>	<u>446,177</u>
Other plant and equipment , revalued 1999	792,646	1,110,835	534,566	534,566
Less: Accumulated depreciation	(454,150)	(548,446)	(270,073)	(212,460)
	<u>338,496</u>	<u>562,389</u>	<u>264,493</u>	<u>322,106</u>
Other plant and equipment , at Directors Valuation (1)	127,099	127,099	-	-
Less: Accumulated depreciation	(85,926)	(75,630)	-	-
	<u>41,173</u>	<u>51,469</u>	<u>-</u>	<u>-</u>
Other plant and equipment , at cost	2,530,586	1,456,367	2,390,969	1,338,249
Less: Accumulated depreciation	(498,429)	(82,741)	(464,138)	(60,584)
	<u>2,032,157</u>	<u>1,373,626</u>	<u>1,926,831</u>	<u>1,277,665</u>
Other plant and equipment, net	<u>2,411,826</u>	<u>1,987,484</u>	<u>2,191,324</u>	<u>1,599,771</u>
Total infrastructure, plant & equipment	<u>3,735,756</u>	<u>3,256,999</u>	<u>3,352,253</u>	<u>2,716,171</u>

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

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

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

13C. ANALYSIS OF PLANT AND EQUIPMENT (CONSOLIDATED)

Item	Other Plant & Equip \$	Office Equip \$	Furniture & Fittings \$	Computer Systems \$	Office Fitout \$	Total \$
Gross value at 1 July 2001	2,694,301	312,222	226,633	1,103,364	712,143	5,048,663
Additions	1,134,843	105,327	7,340	345,151	112,772	1,705,433
Assets Transferred in (out)	-	-	-	-	-	-
Disposals	(388,522)	(16,561)	-	(177,505)	-	(582,588)
Revaluations: write ups (write downs)	18,946	-	-	(24,990)	-	(6,044)
Write offs	(9,237)	(64,295)	-	-	-	(73,532)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Gross value at 30 June 2002	3,450,331	336,693	233,973	1,246,020	824,915	6,091,932
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Accumulated depreciation/ amortisation at 1 July 2001	706,817	124,677	110,083	621,538	228,549	1,791,666
Depreciation/amortisation for assets held at 1 July 2001	429,668	38,290	20,704	182,310	96,719	767,691
Depreciation/amortisation charge for asset additions	140,954	8,288	380	69,038	16,762	235,422
Adjustment for disposals	(229,697)	(8,993)	-	(140,955)	-	(379,647)
Revaluations: write ups (write downs)	-	-	-	(13,539)	-	(13,539)
Write offs	(9,237)	(36,180)	-	-	-	(45,417)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Accumulated depreciation/ amortisation at 30 June 2002	1,038,505	126,082	131,167	718,392	342,030	2,356,176
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value at 30 June 2002	2,411,826	210,611	102,806	527,628	482,885	3,735,756
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value at 1 July 2001	1,987,484	187,545	116,550	481,826	483,594	3,256,999
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Item	Other Plant & Equip \$	Office Equip \$	Furniture & Fittings \$	Computer Systems \$	Office Fitout \$	Total \$
------	------------------------------	-----------------------	-------------------------------	---------------------------	------------------------	-------------

13D. ANALYSIS OF PLANT AND EQUIPMENT (ILC)

Gross value at 1 July 2001	1,872,815	255,439	141,604	993,854	650,882	3,914,594
Additions	1,034,243	90,254	7,340	287,430	112,773	1,532,040
Disposals	(469)	-	-	(151,129)	-	(151,598)
Revaluations: write ups (write downs)	18,946	-	-	(24,990)	-	(6,044)
Write offs	-	(64,294)	-	-	-	(64,294)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Gross value at 30 June 2002	2,925,535	281,399	148,944	1,105,165	763,655	5,224,698
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Accumulated depreciation/ amortisation at 1 July 2001	273,044	101,454	77,877	541,343	204,705	1,198,423
Depreciation/amortisation for assets held at 1 July 2001	331,566	33,067	11,025	171,537	89,235	636,430
Depreciation/amortisation charge for asset additions	130,070	6,962	380	53,941	16,762	208,115
Adjustment for disposals	(469)	-	-	(120,335)	-	(120,804)
Revaluations: write ups (write downs)	-	-	-	(13,529)	-	(13,529)
Write offs	-	(36,180)	-	-	-	(36,180)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Accumulated depreciation/ amortisation at 30 June 2002	734,211	105,303	89,282	632,947	310,702	1,872,445
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net book value at 30 June 2002	2,191,324	176,096	59,662	472,218	452,953	3,352,253
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net book value at 1 July 2001	1,599,771	153,985	63,727	452,511	446,177	2,716,171
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

13E. LEASED ASSETS

	Consol 2002 \$	Consol 2001 \$	ILC 2002 \$	ILC 2001 \$
Leased assets, at cost	38,963	178,295	-	139,332
Less: Accumulated amortisation	(21,046)	(82,206)	-	(67,796)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total leased assets, net	17,917	96,089	-	71,536
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

13F. INVENTORY

Livestock	14,016,964	12,068,164	13,052,110	10,142,167
Provision for deaths	(700,849)	(603,408)	(652,606)	(507,108)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	13,316,115	11,464,756	12,399,504	9,635,059
Wool	178,140	261,253	5,740	-
Citrus trees	321,117	-	321,117	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	13,815,372	11,726,009	12,726,361	9,635,059
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The Corporations holding of livestock as inventory is measured at market values at reporting date in accordance with Australian Accounting Standard AAS35 *Self-generating and regenerating assets*.

13F. INVENTORY (CONTINUED)

Wool is valued at reporting date in accordance with *AAS 2 Inventories*.

The Corporations holding of Citrus Trees as inventory is measured at market values at reporting date in accordance with Australian Accounting Standard *AAS35 Self-generating and regenerating assets*.

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

Class	Consol Number	Consol \$	ILC Number	ILC \$
Livestock on hand at the beginning of the reporting period at net market value				
Cattle	27,277	10,380,859	25,635	9,841,964
Sheep	48,596	1,617,893	9,949	230,791
Horses	100	69,412	100	69,412
		<u>12,068,164</u>		<u>10,142,167</u>
Livestock on hand at the end of the reporting period at net market value				
Cattle	32,809	12,600,271	31,464	12,204,318
Sheep	48,523	1,364,493	22,933	795,592
Horses	78	52,200	78	52,200
		<u>14,016,964</u>		<u>13,052,110</u>

13G. INTANGIBLES

	Consol 2002 \$	Consol 2001 \$	ILC 2002 \$	ILC 2001 \$
Intangibles, at cost	351,890	-	351,890	-
Less: Accumulated amortisation	(928)	-	(928)	-
Total intangibles, net	<u>350,962</u>	<u>-</u>	<u>350,962</u>	<u>-</u>

	Consol 2002 \$	Consol 2001 \$	ILC 2002 \$	ILC 2001 \$
--	----------------------	----------------------	-------------------	-------------------

14. LEASES

Deferred benefit from lease incentive	113,760	125,908	113,760	125,908
Finance lease liabilities	19,786	109,867	-	82,146
	<u>133,546</u>	<u>235,775</u>	<u>113,760</u>	<u>208,054</u>

14A. DEFERRED BENEFIT FROM LEASE INCENTIVE

Lease incentive:

The lease incentive benefit is as follows:

- within one year	49,970	43,719	49,970	43,719
- within one to two years	49,970	40,256	49,970	40,256
- within two to five years	13,820	41,933	13,820	41,933
	<u>113,760</u>	<u>125,908</u>	<u>113,760</u>	<u>125,908</u>

14B. FINANCE LEASE LIABILITIES

Lease liabilities recognised in the Statement of Financial Position

- Current	19,786	90,081	-	82,146
- Non-current	-	19,786	-	-
	<u>19,786</u>	<u>109,867</u>	<u>-</u>	<u>82,146</u>

Finance lease liabilities at reporting date and related finance charges are payable as follows:

- within one year	20,721	95,249	-	85,812
- within one to two years	-	20,721	-	-
- within two to five years	-	-	-	-
Minimum lease payments	20,721	115,970	-	85,812
Future finance charges	(935)	(6,103)	-	(3,666)
	<u>19,786</u>	<u>109,867</u>	<u>-</u>	<u>82,146</u>

15. PROVISIONS AND PAYABLES

15A. EMPLOYEES

Salaries and wages	255,441	131,016	215,078	113,249
Annual leave	564,410	465,122	477,838	417,583
Long service leave	505,864	327,079	459,238	308,394
	<u>1,325,715</u>	<u>923,217</u>	<u>1,152,154</u>	<u>839,226</u>

Employee provisions are categorised as follows:

Current	819,851	611,924	692,916	546,618
Non-current	505,864	311,293	459,238	292,608
	<u>1,325,715</u>	<u>923,217</u>	<u>1,152,154</u>	<u>839,226</u>

	Consol 2002 \$	Consol 2001 \$	ILC 2002 \$	ILC 2001 \$
--	----------------------	----------------------	-------------------	-------------------

15B. SUPPLIERS

Amounts owing to suppliers	2,025,418	3,212,569	2,391,581	3,135,157
Advance for mustering salaries	-	64,500	-	-
	<u>2,025,418</u>	<u>3,277,069</u>	<u>2,391,581</u>	<u>3,135,157</u>

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 has yet to have been received and where the Corporation was under a legal liability to pay. All supplier payables are current.

16. EQUITY**16A. ANALYSIS OF EQUITY (CONSOLIDATED)**

Item	Asset Revaluation Reserve \$	Accumulated Results \$	Total Equity \$
Balance at 30 June 2001	323,795	135,925,236	136,249,031
Surplus (deficit)	(38,613)	28,852,757	28,814,144
Balance at 30 June 2002	<u>285,182</u>	<u>164,777,993</u>	<u>165,063,175</u>

16B. ANALYSIS OF EQUITY (ILC)

Item	Asset Revaluation Reserve \$	Accumulated Results \$	Total Equity \$
Balance at 30 June 2001	245,292	135,736,557	135,981,849
Surplus (deficit)	(32,292)	29,299,972	29,267,680
Balance at 30 June 2002	<u>213,000</u>	<u>165,036,529</u>	<u>165,249,529</u>

	Consol 2002 \$	Consol 2001 \$	ILC 2002 \$	ILC 2001 \$
--	----------------------	----------------------	-------------------	-------------------

17. CASH FLOW RECONCILIATION

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

Operating surplus (deficit)	28,852,757	(14,113,311)	29,299,972	(14,651,046)
Depreciation and amortisation of property, plant and equipment	1,039,944	762,586	874,740	561,542
Revaluation of assets	11,451	15,089	11,451	15,089
Grant of assets	146,301	-	-	-
Loss on sale of investments	9,253	11,552	9,253	11,552
Write down (up) of investments	(3,104,413)	1,942,279	(3,104,413)	1,942,279
Net loss on sale of assets	(10,195)	(67,342)	(2,328)	(69,772)
Movement in lease incentive	(46,148)	(78,004)	(46,148)	(78,004)
GST recovered on non-operating cash flows	215,841	169,345	191,674	162,231
Provision for land transfer	2,709,762	38,545,319	2,709,762	38,545,319
Increase in retained profits on adoption of new standard	-	1,228,941	-	815,047
Movement in receivables	(9,491)	206,045	(44,471)	209,139
Movement in employee liabilities	402,498	113,976	312,928	142,212
Movement in assets held for transfer	(2,623,673)	7,759,379	(2,623,673)	7,759,379
Movement in other current assets	(1,227,354)	(6,080,647)	(3,082,935)	(4,939,100)
Movement in creditors	(1,968,043)	1,860,882	(739,616)	1,828,465
Net cash from operating activities	24,398,490	32,276,089	23,766,196	32,254,332

18. RECONCILIATION OF CASH

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

Cash on hand	3,030	3,040	2,500	2,500
Cash on advance	10,000	88,600	10,000	88,600
Cash at bank	1,469,620	597,183	926,635	414,601
Total cash	1,482,650	688,823	939,135	505,701

19. OTHER CONTINGENCIES

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

In May 2002, as a result of the independent inquiry into the purchase and management of Roebuck Plains Station and Cardabia Station, conducted by Mr Andrew Rogers QC, the Board agreed to indemnify the directors and officers of the ILC at the date of delivery of the report to the Board of the ILC, or at the date of any publication or distribution of the report by the Board of the ILC in respect of the provision of information to Mr Andrew Rogers QC (or his Lawyers) in the course of the inquiry and the publication or distribution of the report.

	Consol 2002 \$	Consol 2001 \$	ILC 2002 \$	ILC 2001 \$
--	----------------------	----------------------	-------------------	-------------------

19. OTHER CONTINGENCIES (CONTINUED)

As a result of an incident regarding injury to an employee of Mogila, there is a potential liability under the *Occupational Health and Safety Act 2000 (NSW)* although there is no prosecution currently underway. In relation to the same incident there is a potential liability to the employee at common law.

20. REMUNERATION OF DIRECTORS

Remuneration received or due and receivable by directors	320,023	320,794	267,443	231,778
--	---------	---------	---------	---------

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

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

21. RELATED PARTY DISCLOSURE DIRECTORS OF ILC

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

Shirley McPherson (Chairperson)
 Clem Riley (Deputy Chairperson)
 Geoff Clark (Chairman ATSIC)
 Steve Gordon (ATSIC Nominee)
 Norma Ingram
 Kevin Driscoll
 David Baffsky

The aggregate remuneration of Directors is disclosed in Note 20. All ILC Directors, other than the Chairperson, are also Directors of LEA as at reporting date.

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

The amount of aggregate superannuation contributions paid on behalf of Directors for 2002 was \$20,018 (2001: \$19,485)

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.

In the previous reporting period, the ILC made a claim against the former Chairperson of the ILC, Ms. Sharon Firebrace, for costs associated with litigation commenced in the Federal Court by Ms. Firebrace during 2000. During the reporting period agreement was reached over the payment of costs awarded to the ILC in the proceedings. After due inquiry into the financial position of the former Chairperson, the ILC Board agreed to waive costs of \$39,861.

	Consol 2002 \$	Consol 2001 \$	ILC 2002 \$	ILC 2001 \$
--	----------------------	----------------------	-------------------	-------------------

22. TRANSACTIONS WITH WHOLLY OWNED ENTITY

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

The ILC provided appropriation funding to its subsidiaries as follows:

LEA - \$900,000 (2001: \$899,430)
 Roebuck Pastoral Company - \$718,624 (2001: \$298,766)
 Myroodah Pastoral Company - \$287,877 (2001: \$201,705)
 Murrayfield Pastoral Company - \$57,618 (2001: \$nil)

23. REMUNERATION OF OFFICERS

Income received or due and receivable by the officers:	1,162,678	943,192	934,036	736,473
Performance pay	-	31,600	-	22,100
	<u>1,162,678</u>	<u>974,792</u>	<u>934,036</u>	<u>758,573</u>

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

Less than \$100,000	3	2	4	3
\$100,000 - \$110,000	1	1	1	1
\$120,000 - \$130,000	2	-	2	-
\$130,000 - \$140,000	1	2	1	1
\$140,000 - \$150,000	2	1	1	1
\$160,000 - \$170,000	1	1	-	-
\$180,000 - \$190,000	-	1	-	1

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 (2001: \$31,600).

24. REMUNERATION OF AUDITORS

Auditors remuneration for auditing the ILC's financial statements for this reporting period was \$47,355 (2001: \$41,140). No other services were provided by the external auditor.

25. FINANCIAL INSTRUMENTS

25A. 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	12A	Deposits at call are recognised at their nominal amounts. Interest is credited to revenue as it accrues.	
Receivables	12B	Receivables are recognised at nominal amounts due less any provision for bad and doubtful debts. Provisions are made when collection of the debt is judged to be less rather than more likely.	Credit terms are generally 28 days. (2001:28 days)
Term Deposits	12C	Deposits are recognised at cost. Interest is brought to account as earned.	Fixed term and fixed interest deposits with financial institutions.
Floating Rate Notes (FRN)	12C	Notes held are initially recorded at cost and revalued to lower of cost or net realisable value at reporting date. Interest recorded as accrued.	The FRN are readily convertible into cash with minimal transaction costs but are held for the purpose of investment and not cash management. The interest rate accrued on floating rate investments is based on the 30-180 day BBSW rate plus 50 to 225 basis points.
Other Deposits	12C	Deposits are recognised at their nominal amounts. Interest is brought to account as earned.	Temporarily surplus funds are placed on deposit with the Corporations banker. Interest is earned on a daily basis at the prevailing daily rate. Rate at 30/6/02 of 4.70%.
Cash Enhanced Units	12C	Units in cash enhanced funds are carried at their quoted market-buying price. Movements in these values between reporting dates are accounted for in accordance with the provisions of AASB 1041 "Revaluation of Non-Current Assets". Distributions are recognised when declared by the company.	Distributions accrue monthly and are reinvested back into units in the cash enhanced fund. Units are held with Westpac Banking Corporation and Commonwealth Bank.
Equities	12C	Equities are carried at their quoted market-buying price. Movements in these values between reporting dates are accounted for in accordance with the provisions of AASB 1041 "Revaluation of Non-Current Assets". Dividend income is recognised when declared by the company.	The shares held are ordinary shares.

25A. TERMS, CONDITIONS AND ACCOUNTING POLICIES (continued)

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)
Interest Rate Securities	12C	Interest Rate Securities are carried at their quoted market-buying price. Movements in these values between reporting dates are accounted for in accordance with the provisions of AASB 1041 "Revaluation of Non-Current Assets". Dividend income is recognised when declared by the company.	The Corporation holds units in issuer sponsored mandatory converting secured notes with Austrim. Interest on the notes is at 9.5% payable quarterly. Conversion is due to occur in 2004. The Corporation also holds Income Securities with AMP, Macquarie and National Australia bank. Interest is paid quarterly.
Funds with Fund Managers	12C	Funds transferred to fund managers are initially recorded at the value of the funds transferred. The funds are re-valued to net market value on a monthly basis. The carrying amount of investments are reviewed to determine whether they are in excess of their recoverable amount at balance date. If the carrying amount of an investment exceeds the recoverable amount, the asset is written down to the lower amount. Income is recognised when realised by the ILC.	The ILC transferred an additional \$11.8m to 3 fund managers during the year for their management, making total funds under management \$121.8m. Each of the fund managers has an investment mandate and their performance is assessed against that mandate and each other. Fund managers report to the ILC on a monthly basis.
Loans	12D	Loans are recognised at amounts lent. The loans are secured by a charge over the assets of the borrower. Provision is made for bad and doubtful loans when collection of the loan or part thereof is judged to be less rather than more likely. Interest is credited to revenue as it accrues.	Loans are either interest free, or interest only for a defined period. Requirements for principal repayments are set out in the lending instrument.
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.	
Loans		Loans are recognised at their nominal amounts. Interest is credited to revenue as it accrues	This loan facility is a short term overdraft facility with the Corporation's bankers.
Finance Lease Liabilities	14	Liabilities are recognised at the present value of minimum lease payments at the beginning of the lease. The discount rates used are estimates of the interest rates implicit in the leases.	At reporting date, the Corporation had 1 finance lease with less than 1 year remaining. The interest rate implicit in the lease is 6.9%. The lease liability is secured by the leased asset.

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)
Trade Creditors	15B	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 being invoiced).	Settlement is usually made in 30 days.
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.
Indemnities	19	Details of the indemnity are disclosed in note 19. At the time of completion of the financial statements, there was no reason to believe that the indemnity would be called upon, and recognition of the liability was therefore not required.	Refer Remote Contingencies.

25B. INTEREST RATE RISK (CONSOLIDATED ONLY)

Financial Instrument	Note	Floating Interest Rate		Fixed Interest Rate Maturing In				Non Interest Bearing		Total	Weight Average Effective Interest Rate		
		2002 \$000	2001 \$000	1 Year or Less		1 to 5 Years		2002 \$000	2001 \$000		2002 \$000	2001 \$000	
				2002 \$000	2001 \$000	> 5 Years 2002 \$000	> 5 Years 2001 \$000						
Financial Assets													
Cash	13A	1,470	600					13	89	1,483	689	4.4	4.6
Receivables	13B							1,145	1,136	1,145	1,136	N/a	N/a
Term Deposit	13C			3,206		5,100				3,206	5,100	5.3	5.4
Floating													
Rate Notes	13C		4,004							-	4,004		6.4
Other Deposits	13C	6,116								6,116	-	5.1	N/a
Cash													
Enhanced Units	13C	7,220								7,220	-	5.1	N/a
Interest Rate Securities				194	510	2,505				2,699	510	5.4	9.5
Funds with													
Fund Managers	13C	128,064	113,373							128,064	113,373	2.7	5.9
Loans	13E					639	732			639	732	4.5	4.5
Total										150,572	125,544		
Total Assets										168,556	140,771		
Financial Liabilities													
Loans						86				-	86		8.25
Finance Lease Liabilities				20	44	66				114	126	134	6.9
Trade Creditors										2,025	3,277	2,025	N/a
Total										2,159	3,599		
Total Liabilities										3,492	4,521		
Unrecognised Financial Liabilities													
Other													
Guarantees										50	20	50	N/a
Total										50	20	50	20

25C. NET FAIR VALUE OF FINANCIAL ASSETS – INVESTMENTS (CONSOLIDATED)

	Total Carrying Amount 2002 \$	Aggregate Net Fair Value 2002 \$	Total Carrying Amount 2001 \$	Aggregate Net Fair Value 2001 \$
Financial Assets				
Cash	1,482,650	1,482,650	688,823	688,823
Receivables	1,145,203	1,145,203	1,135,713	1,135,713
Term deposits	3,205,911	3,205,911	5,100,000	5,100,000
Floating rate notes	-	-	4,004,207	4,004,207
Other deposits	6,116,144	6,116,144	-	-
Cash enhanced funds	7,220,428	7,220,428	-	-
Interest rate securities	2,698,731	2,698,731	510,080	510,080
Managed funds	128,064,000	128,064,000	113,373,338	113,373,338
Loans	638,552	638,552	732,365	732,365
	<u>150,571,619</u>	<u>150,571,619</u>	<u>125,544,526</u>	<u>125,544,526</u>
Financial Liabilities				
Loans	-	-	85,719	85,719
Finance lease liabilities	113,546	113,546	235,775	235,775
Trade creditors	2,025,418	2,025,418	3,277,069	3,277,069
	<u>2,138,964</u>	<u>2,138,964</u>	<u>3,598,563</u>	<u>3,598,563</u>
Financial Liabilities (Unrecognised)				
Other guarantees	-	50,000	-	20,000
	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>20,000</u>

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.

Loans receivable are carried at cost, which estimates their net fair value, because it is intended to hold them to maturity.

The net fair value of loans payable, finance leases, lease incentives and 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.

25D. 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 Statement of Financial Position. The Corporation has no exposures to any concentration of credit risk.

26. REPORTING OF OUTCOMES

26A. TOTAL COST/CONTRIBUTION OF OUTCOMES

	Outcome 1 Actual \$	Outcome 1 Budget \$	Total Actual \$	Total Budget \$
Net cost of departmental outputs	-	-	-	-
Net cost to Budget outcome	-	-	-	-

26B. MAJOR DEPARTMENTAL REVENUES AND EXPENSES BY OUTPUT GROUP

	Output Group 1 2002 \$	Output Group1 2001 \$	Total 2002 \$	Total 2001 \$
<i>Operating revenues</i>				
Revenues from Land Fund	52,606,000	51,777,000	52,606,000	51,777,000
Other revenues from government	213,056	105,000	213,056	105,000
Sale of goods and services	16,424	-	16,424	-
Net increment in market value of livestock	5,719,566	5,428,853	5,719,566	5,428,853
Net increment in market value of other	191,473	-	191,473	-
Net market value of goods extracted	1,531,722	966,056	1,531,722	966,056
Interest	1,759,055	5,062,569	1,759,055	5,062,569
Net write up of assets	3,074,380	-	3,074,380	-
Net gains from sale of assets	205,748	67,342	205,748	67,342
Other	737,513	605,000	737,513	605,000
Total operating revenues	66,054,937	64,011,820	66,054,937	64,011,820
<i>Operating expenses</i>				
Land transfer	12,022,433	19,230,846	12,022,433	19,230,846
Provision for land transfer	2,706,752	38,545,319	2,706,752	38,545,319
Land management	8,885,403	6,670,744	8,885,403	6,670,744
Net write down of assets	-	2,305,798	-	2,305,798
Employees	6,832,155	5,473,937	6,832,155	5,473,937
Suppliers	5,696,372	5,110,989	5,696,372	5,110,989
Depreciation and amortisation	1,039,944	762,586	1,039,944	762,586
Net loss from the sale of investments	9,253	11,552	9,253	11,552
Interest	9,868	13,360	9,868	13,360
Total operating expenses	37,202,180	78,125,131	37,202,180	78,125,131

26C. MAJOR DEPARTMENTAL ASSETS AND LIABILITIES BY OUTPUT GROUP

	Output Group 1 2002 \$	Output Group1 2001 \$	Total 2002 \$	Total 2001 \$
<i>Departmental assets</i>				
Cash	1,482,650	688,823	1,482,650	688,823
Receivables	1,145,203	1,135,713	1,145,203	1,135,713
Investments	147,305,214	122,987,625	1,407,305,214	122,987,625
Other	638,552	732,365	638,552	732,365
Livestock held in trust	64,109	147,188	64,109	147,188
Infrastructure, plant & equipment	3,735,756	3,256,999	3,735,756	3,256,999
Leased assets	17,917	96,089	17,917	96,089
Inventory	13,815,372	11,726,009	13,815,372	11,726,009
Intangibles	350,962	-	350,962	-
Total departmental assets	168,555,735	140,770,811	168,555,735	140,770,811

	Output Group 1 2002 \$	Output Group1 2001 \$	Total 2002 \$	Total 2001 \$
<i>Departmental liabilities</i>				
Loans	-	85,719	-	-
Leases	133,546	235,775	133,546	321,494
Employees	1,325,715	923,217	1,325,715	923,217
Suppliers	2,025,418	3,277,069	2,025,418	3,277,069
Other	7,881	-	7,881	-
Total departmental liabilities	3,492,560	4,521,780	3,492,560	4,521,780

When the ILC acquires land it is recorded as an asset on the Statement of Financial Position. At this time, a provision is raised against the Statement of Financial Position for the full cost of the purchase representing the sacrifice of future benefits embodied in the assets. When that land is then granted to an Aboriginal Corporation the asset and the provision are offset against each other. Budgeted outcomes assumed a higher spend on Land Acquisition and thus a higher expense for Land Transferred. Budgeted outcomes also assumed higher expenditure on Land Management. The lower expenditure on both Land Acquisition and Land Management was due to less than expected projects and acquisitions being submitted to and approved by the Board.