



## chairperson's report

On behalf of the ILC Board, I am pleased to report on the outcomes for the Indigenous Land Corporation (ILC) for 2004–2005.

1 June 2005 marked the tenth anniversary of ILC operations and, in that time, the ILC has purchased 176 properties, covering over five million hectares at a value of approximately \$160m. Importantly, 114 of these properties have been divested to Indigenous Corporations. In addition, fifteen former-ATSIC properties were vested in the ILC following the abolition of ATSIC on 24 March this year.

The tenth year of ILC operations also marked the end of direct appropriations from the Australian Government for ILC operations. Our main source of funding is now derived from the realised real return from the investments of the Aboriginal and Torres Strait Islander Land Fund. The Land Fund is administered by the Department of Immigration and Multicultural and Indigenous Affairs (DIMIA), which is responsible for calculating the payment due to the ILC for 2004–2005. The payment amount, \$4,038,109, was made on the last business day of the 2004–2005 financial year.

In the ILC's view, it is problematic that the term 'realised real return' is not defined in the *Aboriginal and Torres Strait Islander Act 2005*. The calculation involved the distribution of cash gains and losses and the retention of accrued gains and losses. The ILC believes that this interpretation is inconsistent with the intention of the Act, specifically as it relates to the perpetual retention of the real value of the fund, and may allow the fund to lose its real value over time.

The ILC has presented an alternative interpretation of the term 'realised real return', which requires the real return to be calculated including capital profits and losses caused by interest rate and market value movements. The real return would then only be distributed to the extent that it has been 'realised'. The ILC continues to progress this matter with DIMIA and relevant Ministers, through the Land Fund Consultative Forum.

In 2004–2005, the ILC continued to meet its primary statutory responsibilities of assisting Indigenous people achieve social, cultural, economic and/or environmental benefits through the acquisition and management of land. The ILC Board reviewed the National Indigenous Land Strategy (NILS) in December 2004 and confirmed its resolve that proposed acquisitions must demonstrate viability and sustainability and applicant groups must clearly demonstrate the commitment and capacity necessary to achieve the benefits expressed in applications. As mentioned, six properties were acquired in 2004–2005 and thirty-one new land management projects were approved (featured in the Performance Overview Chapter).

The ILC Board also confirmed its intention to utilise its strategic land acquisition and land management mechanisms to focus on employment, training and the delivery of social and cultural benefits in regions and specific industries, including the pastoralism and tourism industries. The Board takes a long-term view in strategic land acquisition and, consequently, divestment may take place over a longer-term period while the ILC is an active partner. Land will not be granted unless the ILC is satisfied that the project's future is viable and sustainable. Strategic Land Management projects may be shorter-term but must focus on developing the capacity for land management over regional areas, and employment and training in specific industries.

The Board has decided to increase its activities in the pastoral industry because of the training and employment opportunities that can be generated for Indigenous people in rural and remote Australia, where meaningful employment and economic development opportunities are otherwise limited. The pastoral industry provides an avenue for Indigenous people to gain valuable all-round skills that can be utilised in a variety of employment and service delivery on both Indigenous and mainstream pastoral properties. The ILC, as Australia's 19th largest cattle producer, provided jobs within its businesses for over eighty Indigenous people in 2004–2005. Over the next three-five years, we intend to increase our cattle herd from 42,000 to 80,000, which will significantly increase training and employment opportunities for Indigenous people.

In respect to tourism, the Board initiated scoping studies to assess the potential to create Indigenous training and employment outcomes through tourism ventures on properties like Roebuck Plains Station (Broome, WA), Cardabia Station (Carnarvon, WA), Home Valley Station (Kununurra, WA) and Crocodile/Welcome Station (Cape York, QLD). These properties contain important cultural sites and Indigenous art, magnificent scenery and fishing, and offer the opportunity for tourists to experience life on a large cattle station.

As required by the NILS, much of the ILC's work features joint funding partnerships with Federal, State and Territory agencies. Several successful funding partnerships are illustrated in the Performance Overview Chapter of this report, however, a number of these projects are worthy of particular mention. In the NT, the Indigenous Pastoral Program (IPP) features funding partnerships totalling \$3m over three years and collaboration by a range of agencies including the ILC (50% of overall IPP resources), NT Government agencies and the Northern and Central Land Councils as well as the pastoral industry. The IPP aims to increase the sustainable level of pastoral production from Indigenous land while increasing the level of Indigenous involvement in the industry through training and employment. This focus on improving the skills and capacity of Indigenous landowners, enterprise operators and company directors, has resulted in a further twenty stock camp jobs, more than thirty jobs in short-term fencing contracts and over eighty company directors involved in training. A specific pre-employment training program run from Elliott during 2004–2005 for eighteen young Indigenous people produced thirteen graduates, with eleven being placed in full-time employment, five remaining in the pastoral industry and three gaining employment elsewhere. Three of the remaining four are expected to be re-employed with more suitable employers.



*The ILC and the Department of the Environment and Heritage signed a Memorandum of Understanding to improve Indigenous access to land management services.*

*Left to right: David Galvin (ILC General Manager), Shirley McPherson (ILC Chairperson) and David Barthwick (Secretary, Department of the Environment and Heritage).*

The ILC Board approved an extension of the Kimberley Indigenous Management Support Services (KIMSS) project for a further five years. KIMSS is a \$5m program funded jointly with the Department of Agriculture WA that will employ six people full-time over the five years and aims to maximize Indigenous employment in the pastoral industry. The program provides services including improving pastoral station management and practice (including financial and business management), developing skills and competencies at director, manager and technical levels, property management planning, and increasing the quality and quantity of the cattle herd. KIMSS won the WA Premier's Award in 2004, in the 'Serving a Diverse Client Base' category.

The Top End Aboriginal Employment and Land Management Training Strategy is now in its second stage, and involves the cooperation of key Northern Territory and Australian Government agencies, the Northern Land Council and the ILC. The ILC is the primary funder of the initiative, which aims to address invasive weed (especially *Mimosa pigra*), fire and feral animal issues while building the capacity of the local land owners to effectively manage these and emerging issues such as cane toads, new weed and disease threats. Eighty-five Indigenous people have been trained in natural resource management and thirty people are engaged in contract work on Indigenous and neighbouring properties.

Other collaborative and joint funding arrangements include the Cape York Cattle Strategy, Farmbis through the Department of Agriculture, Forestry and Fisheries, a Memorandum of Understanding with the Department of the Environment and Heritage and discussions with the Victorian Minister for Aboriginal Affairs regarding joint strategic projects on Indigenous-held land.

The Property Remediation Program instituted for 108 ILC-purchased properties (both divested and ILC-held) was again significantly progressed during the financial year. The Program aims to ensure these properties are capable of providing genuine benefits to Indigenous peoples as a result of the ILC's acquisition. The key areas of focus during the year included assisting in the development of property management plans and instituting governance and other training programs. At 30 June 2005, \$5.7m had been committed to the Remediation Program and efforts will be ongoing for several years.

The passage of the *Aboriginal and Torres Strait Islander Act 2005* saw the abolition of ATSIC and some new responsibilities for the ILC. Money from the former Regional Land Fund was transferred to the ILC and fifteen former ATSIC properties were vested in the ILC. I would like to thank Mr Geoff Clark, the former Chairman of ATSIC, and in particular Mr Steve Gordon, former ATSIC Commissioner, who has been on the ILC Board since its inception in 1995, for their valuable contributions as ILC Directors.

I would also like to take this opportunity to thank my former Deputy, Mr Clem Riley, whose appointment expired on 30 August 2004. I am grateful for Clem's contribution to the ongoing success of the ILC. I also welcome the Minister's appointment of the ILC's new Deputy Chairperson, Mr Sam Jeffries. Sam brings a wealth of experience in Indigenous affairs and a particular interest in governance in Indigenous communities.

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

**Shirley McPherson**

Chairperson



Skills Development.  
Indigenous Pastoral Program, NT.