

ILC Group CEO opening statement

Senate Estimates, 2 March 2018

John Maher, ILC Group CEO.

Thankyou Senator &
everyone.

Good Morning. First, I would also like to acknowledge the traditional owners on whose land we are meeting and pay tribute to their Elders past, present and emerging. I would also like to ~~pay my respects to~~ all indigenous people here with us today. ^{acknowledge.}

Please let me introduce Mrs Tricia Button, Deputy ILC CEO. Also representing the ILC today is Mr Nigel Wilson, ILC's General Counsel..

In October I spoke about our consultations regarding our **National Indigenous Land Strategy** or *NILS* as well as our consultations around proposed changes to the Aboriginal and Torres Strait Islander Act.

Today I am pleased to advise that the ILC's fifth **NILS** was tabled in the Parliament in February. The Strategy covering the period 2018-2022, signals a shift from state and territory based focus to bio-regions which better reflect environmental, economic and demographic characteristics. ^{cultural} ~~These regions are~~ ~~Northern Australia, Desert, South-West and South-East Australia.~~ The Strategy also demonstrates the ILC's focus to ^{pro-actively} ~~seek~~ more opportunity driven investment partnerships rather than ^{reactive} funding. We are actively seeking ~~partnership~~ ^{relationship} opportunities with Indigenous people in the areas of agribusiness, urban development, ^{business / carbon (Ind tech)} Niche Indigenous products, Tourism and renewable energies - ^{an affinity &} areas where we believe Indigenous landholders have market advantage which

we can assist them to optimise. The National Indigenous Land Strategy is now available on the ILC website.

Further to my October statement, I am pleased to advise that on 12 February the Australian Government announced its intention to legislate changes to the ILCs enabling legislation, the **Aboriginal and Torres Strait Islander Act**. These changes will see the Government establish an Aboriginal and Torres Strait Islander Land and Sea Future Fund, managed by the Future Fund Management Agency and Board of Guardians.

The proposed legislative reforms will also extend the ILC's sphere of operations beyond land to include water based activities, recognising the continuity between land and water for Aboriginal and Torres Strait Islander people and in alignment with the establishment of Indigenous rights to water country at common law.

These reforms are strongly supported by the ILC and arise in large part from the ILC's work and advocacy. ^{→ with strong support from the Minister & PM & C.} The reforms to the Land Account are in keeping with recommendations from the 2016 report of the Expert Advisory Panel commissioned by the ILC, and the numerous consultations we undertook with Indigenous stakeholders last year in partnership with the Department of the Prime Minister and Cabinet.

We received very positive feedback on our two proposals: to secure the future of the Land Account as a ^{live} perpetual fund; and to allow the ILC to invest in salt and fresh water based activities.

The Aboriginal and Torres Strait Islander Land and Sea Future Fund will be the ^{significant} ~~second largest~~ fund within the Future Fund in monetary terms. This is an extremely important gain for Indigenous people and their future generations as it will secure the perpetual nature of the fund - as intended by the genesis of the ILC and the Land Account.

The ILC Group currently comprises National Operations, plus three subsidiary companies, in the pastoral, tourism and community-services industries.

Complementing the external legislative reforms, the ILC Group is transforming itself internally to ensure greater alignment and efficiencies between ^{our} ~~the~~ 4 entities ~~just mentioned~~, so that we can achieve the greatest value for Indigenous people from the funds we have available and can invest.

We continue with efforts in bringing the ILC and its ³ subsidiary companies – **The ILC Group** – into a common strategic vision focussed on: our core mandate; a far more efficient use of our funds; and ^{consequently} a greater yield of Indigenous benefits from our investments.

We have established a more active land acquisition program, with 2 properties purchased so far this financial year, and active due diligence being undertaken on 3 other properties. We continue our commitment to divestment of properties and I'm pleased to say that since the last Estimates hearing the ILC has completed a divestment plan for every one of the 52 properties now held by the ILC.

We continue to invest in our Indigenous staff through an **Indigenous Executive Development** program conducted in collaboration with IBA. Seven Indigenous Executive staff participate in the program across the two organisations. In the last 18 months we have increased the number of Indigenous executives within the ILC executive from 2 to 5.

We are pursuing an integrated and best-practice approach to **work health and safety** across the many diverse locations where the ILC Group operates. It is pleasing to note that, while we still have a lot of work to do, the metrics we now have in place measuring the safety of our people are continuing to improve.

An **ILC Group Procurement Review** has been completed, identifying \$2-\$4 million potential upside ,and we are pursuing these savings through consistent, uniform systems and a strategic approach to procurement across the whole group.

In accordance with Australian Government policy, the ILC is prioritising the purchase of goods and services from Indigenous businesses. In the first half of this financial year, the ILC exceeded our 5 per cent target, achieving 7.5 per cent. This translates to almost \$5 million of the ILC Group spend *going to Indigenous businesses.*

Finally, now being committed to measuring what matters, we have introduced Stage 1 of a new **performance framework** and indicators, to include stronger, more relevant internal and external measures to drive our achievements and

the direction of the business which will go to building a stronger and more prosperous Indigenous Estate.

Thank you Senator for the opportunity to address the committee. &

We welcome any questions.