

Senate F&PA Committee

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Inquiry: Additional Estimates 18/19

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Witness Name Mr John Maher, CEO

Organisation: Indigenous Land and Sea Corporation

ILC Group CEO opening statement

Senate Estimates, 22 February 2019

Good Morning.

First, I would also like to acknowledge the Ngunnawal people on whose land we are meeting, and pay tribute to their Elders past, present and emerging.

Also representing the ILSC today is Tricia Stroud ILSC Deputy CEO, and Trevor Edmund, ILSC Group General Counsel.

Since our last attendance at Estimates we have witnessed the passing of three Bills which have given effect to the Indigenous Land and Sea Corporation (ILSC) and the Aboriginal and Torres Strait Islander Land and Sea Future Fund. The ILSC has welcomed the legislative changes which now secures the perpetual nature of the formerly named Land Account, protecting the ability to acquire and manage both land and sea country for future generations of Indigenous people. We also welcomed the expansion of our remit into salt and fresh water. Not only because it rightly reflects the common law recognition of rights to water, but because it opens up further economic, environmental, social and cultural opportunities for Indigenous people.

We would like take this opportunity to thank both sides of Parliament and both Houses for enabling this to happen.

Having become the Indigenous Land and Sea Corporation on 1 February, we have been updating our programs and systems, in order to deliver our

expanded core mandate of acquisition and management in salt and fresh water.

Over the past 2 years we have worked hard to improve operational results in subsidiary entities to reduce ILSC subsidies and therefore free up additional funds to use towards our legislated purpose of buying and granting land and ,now, water related rights; as well as partnering with Indigenous people in managing and improving their land and waters.

Our healthier financial situation will allow us to provide a 'surge' investment into fresh and salt water country, kick starting our foray into this area.

We have commenced the development of our inaugural *National Indigenous Land and Sea Strategy* and *Regional Indigenous Land and Sea Strategies* for our bio-regions of Northern Australia, Australian Desert, South-West Australia and South-East Australia. Noting our 6 month timeline to finalise these, we will be embarking on stakeholder consultations in May. Using this opportunity to also 'launch' the new Indigenous Land and Sea Corporation.

We remain committed to our strategic reform agenda, namely:

1. **Increasing the effectiveness of our spend to achieve a greater return on mandate** – objectively assessing how we spend our funds to ensure the projects we do undertake generate optimal benefits and ensure ongoing prosperity for Indigenous people.
2. **Increasing the quantum of our actual dollar value investment against our mandate** – reshaping our overheads and improving our subsidiary operations so they are not as dependant on the ILSC parent for subsidies relating to operational losses and capital improvements. This has meant that we're able to allocate more that flow directly to the Indigenous Estate - and as such increasing the number and value of land and sea

country area which is being productively managed, improved and returned to the Indigenous Estate for the benefit of Indigenous people.

3. **Focussing on our customer service and stakeholder relationships.**

4. **Continuous business improvement and alignment** – purposefully building **our systems** and **our peoples' capability** so we can be a more high-performing, efficient and accountable organisation.

To this end this financial year:

- We have increased our performance in acquisition, having approved the purchase of 4 properties, covering over 84,000 hectares and valued at almost \$8.0 m already. We have a further 5 in the pipeline.
- We have divested 6 properties valued at \$23.8m, and covering over 400,000 ha. We have a further 5 divestments in train, which if finalised will see \$44m in land granted to Indigenous groups.
- We have some \$26m worth of projects in development, with the capacity to invest further if the right opportunities arise over the next six months.
- We have commenced the process of implementing a new business model for our agribusiness operations. This has entailed transferring some of our cattle operations to proven operators allowing us to fulfil our new commitment to be a partner to Indigenous landholders helping to build capability and not being a sole operator, where in some cases we were in competition to those Indigenous landholders. We are also looking to diversify our agribusiness activities into new geographies and sectors.
- At Ayers Rock Resort, hotel occupancy rates remain high, forecast at 83% in FY19. We are anticipating a small net profit for the year of between \$5m-\$10m.
- In the first 6 months of this year, the National Centre of Indigenous Excellence revenue has grown by 8.5%, while almost 3,000 Indigenous

people have participated in NCIE's fitness, swim, accommodation, conference and job ready programs.

- A Comcare work health and safety management system audit on the ILSC in December 2018, assessed the organisation to have 87% conformance. This is an excellent outcome and a huge improvement of only a couple of years ago. It is attributed to the commitment and emphasis placed on prioritising safety across the organisation.

In October we tabled our 2017/18 Annual Report which carried strong evidence that the efforts we are undertaking to return to our core mandate are paying off. As I mentioned earlier, we are tracking to exceed our land acquisition, land management and divestment targets this financial year. In 2017/18 we exceeded performance indicators in employment, training and business development. We are building on this momentum this financial year.

I am also very pleased to advise Senators that in December the ILSC staff voted in favour of the Enterprise Agreement. We welcomed a 'yes' vote of 72 percent.

Finally, I would like to reiterate that the ILSC now sits in a healthy financial situation giving us capacity to execute our new growth agenda underpinned by our legislated purpose. We are primed to invest significantly into acquiring and returning land and sea country to the Indigenous Estate and working with Indigenous partners to manage land and sea country while building their capability. This includes the \$26m of pipeline projects I mentioned earlier.

Over the last few years the ILSC has faced a number of key challenges including: an eroding Land Account balance; stagnate achievement of key performance targets; and a history of spending more money on its own operations than it was on its core mandate of Land Acquisition and Land Management.

As you can see we have worked hard to address these and look forward to continuing to grow, now as the Indigenous Land and Sea Corporation.

Thank you for the opportunity to address this committee.

We would welcome any questions you may have.