

Senate Finance and Public Administration Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Additional Estimates 2016 - 2017

Prime Minister and Cabinet Portfolio

Department/Agency: Indigenous Land Corporation
Topic: NIPE

Senator: Senator Siewert

Question reference number: 220

Type of question: Written

Date set by the committee for the return of answer: 13 April 2017

Number of pages: 4.

Question:

1. What was the level of ILC subsidy to NIPE for each of the last three years?
2. What was the approved NIPE budget for each of the last three years?
3. How many NIPE Board meetings have been held over the past three years?
4. How many of the eligible meetings has the relevant NIPE Chair attended? Please provide eligible and actual attendance numbers.
5. Which of the last four ILC Board meetings had papers from management relating to NIPE?
6. What were the terms of the decisions taken by the ILC Board in relation to NIPE at those meetings?
7. Has the ILC Board recently imposed funding cuts on the NIPE budget?
8. Is it the case that the ILC Board cut \$4m from the NIPE budget to allow it to fund staff accommodation at ARR?

If this is the case, what is the rationale for these decisions?

Were they recommended by management or decided by the ILC Board independently?

10. Is it the case that the NIPE Board recently dismissed or terminated a number of employees?

If so, please list the positions occupied by those dismissed/terminated and an organisation chart for NIPE at the time of the dismissals/terminations.

What was the rationale for the terminations/dismissals of these staff?

What was the cost of the payouts involved?

If not finalised, what is the estimated cost?

11. What are the current numbers and value of NIPE stock (cattle and sheep)?

Is it anticipated that these numbers will decline over the coming year?

Is there an intention to sell or dispose of NIPE cattle over the coming year?

If so, what is the rationale for such a sell down?

If a sell down occurs, what is the proposed use of the revenue from the sales?

Answer:

1. The subsidy for ILC Group agribusinesses that are managed by NIPE for the last 3 years are as follows:

<i>Financial Year</i>	<i>Level of Subsidy</i>
2013-14	\$4.4m
2014-15	\$2.2m
2015-16	\$0.9m

NIPE also undertakes an Indigenous Employment and Training program and manages land management projects on behalf of the ILC that are not included in the above figures.

2. The budget for ILC Group agribusinesses that are managed by NIPE for the last 3 years are as follows:

<i>Financial Year</i>	<i>Budget</i>
2013-14	(\$6.8m)
2014-15	(\$8.2m)
2015-16	(\$0.8m)

NIPE also undertakes an Indigenous Employment and Training program and manages land management projects on behalf of the ILC that are not included in the above figures.

3. There have been 13 meetings of the NIPE Board since it was established in 2014.

4. The relevant Chair of NIPE has been eligible to attend all 13 Board meetings. The relevant Chair attended 12 of the 13 meetings.

5. Of the last four ILC Board meetings, three were teleconferences with a specific focus not related to NIPE. The full meeting of the ILC Board on 22 February considered papers relating to NIPE.

6. A number of papers relating to NIPE were considered at the 22 February ILC Board meeting. The Board:

- Agreed to further discussions on a joint venture proposal with a current NIPE sub-lessee
- Approved changes to the composition of the NIPE Board
- Approved the NIPE Agribusiness Strategy 2017-2021
- Approved the NIPE Three-year Business Plan and Budget

7. No the ILC Board has not imposed funding cuts on the NIPE budget.

8. As the answer to question 7 is No, question 8 is not applicable.

10. Six positions have been abolished in NIPE that has resulted in the staff occupying those positions being made redundant. Some of those staff were direct employees of NIPE and others were ILC employees that were seconded to NIPE. The affected positions were:

- National Operations Manager, Employment & Training
- Administration Manager
- National Employment & Training Program Administrator
- Employment & Training Manager
- Agribusiness Investments Manager
- Agribusiness Advisor

Attachment A is a NIPE Organisational Chart as at October 2016, prior to the redundancies described above.

The redundancies were part of an ongoing organisational restructure to better align the company with its Agribusiness Strategy 2017-2021. This includes more efficient management of administrative costs, which will lead to a reduced subsidy from the ILC to NIPE. There are ongoing consultations in relation to the full restructure, which NIPE is yet to finalise.

The cost of the payouts finalised to date is \$456,469.00 gross (this is inclusive of annual leave and long service leave entitlements).

Given ongoing consultation with affected employees, it is not appropriate to pre-empt the final outcome of the consultation process by providing an estimated cost of the payouts.

11. As at January 2017, NIPE had 69,726 cattle and 13,284 sheep. Valuation of stock is conducted in June each year.

NIPE's budget for 2017 does not plan for any decline in stock numbers. To the contrary, the company is seeking to rebuild stock numbers over the coming years as our pastoral operations recover from drought.

National Indigenous Pastoral Enterprises Pty Ltd Organisational Chart

October 2016

