

**Senate Finance and Public Administration Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

**SENATE ESTIMATES SESSION**

Supplementary Budget Estimates 18-22 November 2013

Prime Minister and Cabinet Portfolio

**Department/Agency:** Indigenous Land Corporation

**Outcome/Program:** 1.1 Prime Minister and Cabinet

**Topic:** Voyages Board sacking by Indigenous Land Corporation (ILC)

**Senator:** Senator Dean Smith

**Question reference number:** 244

**Type of Question:** Written

**Date set by the committee for the return of answer:** 17 January 2014

**Number of pages:** 3

**Question:**

1. Why did the Board sack Mr Geoff Dixon, the Chair of Tourism Australia and former CEO of Qantas?
2. Why did the Board sack Mr Richard Longes, former Deputy Chairperson Lend Lease International, once owners of Ayres Rock Resort, and now Chairperson of Investec?
3. Why did the Board sack Mr Peter Barge, former Chairman of Jones Lang LaSalle Hotels and CEO of Asia Pacific, Jones Lang LaSalle and one of Australia's most knowledgeable international hotel and tourism experts?
4. Why did the Board sack Mr Ron Morony PSM, former long serving CEO of Indigenous Business Australia, Director of NT Tourism Commission and Chair of The NT Indigenous Economic Advisory Council? What skills in Indigenous business development, including hotel, tourism and marketing, was he lacking? Who amongst the replacements on the Voyages Board can match his skills and experience?
5. In relation to Owen Cole's appointment to the Board, can the ILC confirm if this is the same Mr Cole who was found guilty of aggravated assault in 2009 following a brawl at a football match and in which the magistrate described Mr Cole's behaviour as, "thuggery of the highest order"?
6. Why did the Board not continue with Mr David Baffsky AO, the former Chair of Accor Asia-Pacific and Asia Pacific Hotelier of the Year 2005-current Director Singapore Airports Corporation and recognised as one of the leading tourism experts in Australia, as Chair of Voyages?
7. Has the ILC estimated the current value of Voyages post the negative talk about the resort's viability and negative headlines in the media? The initial write down was estimated at \$62 million. Has the additional write down for the company been calculated since the public disparagement of the resort?
8. What will happen to the 300 or so Indigenous employees at the resort? Can their jobs be guaranteed? How can this be done? What of their skills and experience?

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9. Given that a decision was taken to sack the majority of the Board, without reference to any inquiry, what is the purpose of the “end to end review” given it is costing \$300,000 plus?
10. The Managing Director of Voyages Indigenous Tourism Australia, Mr Koos Klein, who has been running a suite of indigenous tourism assets on behalf of the owners, stated that he could not continue after the removal of half the Board. What will the effect of Mr Klein’s resignation be?
11. Did Mr Dillon have any prior involvement with ILC in any capacity? If so, can the ILC provide the details and dates of any previous positions in which Mr Dillon had dealings or involvement in issues with the ILC in some other capacity?

#### **Answer:**

1. To ensure alignment between the two Boards.
2. To ensure alignment between the two Boards.
3. To ensure alignment between the two Boards.
4. (a) To ensure alignment between the two Boards.  
(b) No analysis of Mr Morony’s skills was undertaken.  
(c) A comprehensive skills audit was undertaken to ensure the Board included the requisite skills required for a commercial organisation such as Voyages Indigenous Tourism Australia.
5. Yes
6. To ensure alignment between the two Boards
7. In preparation of the 2012-13 financial statements for Voyages Indigenous Tourism Australia, Voyages Directors assessed the fair value of the resort in accordance with Australian Accounting Standards. The Directors’ valuation resulted in a write down of \$62.25million.  
  
A full speaking valuation has been initiated by the ILC Board.  
  
The current ILC Board has never disparaged or criticised the operation of the Resort.
8. Since October 2011, the ILC has spent in excess of \$9 million on supporting Indigenous employment at Ayers Rock Resort. Future Indigenous employment at

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Ayers Rock Resort is inextricably linked to the ILC's capacity to continue the support it has provided over the past two years.

9. The ILC Board is committed to the highest standards of accountability, good corporate governance and transparency. ILC Directors have a duty to ensure the effective operation of the Corporation, and its subsidiaries.

The end-to-end review was requested by the previous Minister for Indigenous Affairs.

10. The Voyages Board has taken action to fill the Managing Director position.

11. (a) Yes

(b) Yes

- First Assistant Secretary – Department of the Prime Minister and Cabinet – 1993 to 1995.
- Senior Advisor – Office of the Minister for Families, Community Services and Indigenous Affairs – 2008 to 2010 and 2010 to 2011.
- Deputy Secretary – Department of Families, Housing, Community Services and Indigenous Affairs - 2011 to 2013.