

**INQUIRY INTO ECONOMIC DEVELOPMENT IN
ABORIGINAL COMMUNITIES**

Organisation: Indigenous Land Corporation

Date received: 1/03/2016



Australian Government
Indigenous Land Corporation

**NSW Legislative Council, Standing Committee on State Development –
Inquiry into economic development in Aboriginal communities**

SUMMARY

The Indigenous Land Corporation (ILC) plays a fundamental role in the development and management of the Indigenous estate, now covering around 30 per cent of the Australian continent. After 20 years of operation, the ILC is well placed to discuss, within the context of its terms of operation, ‘what works’ in generating economic development on Indigenous-held land.

The ILC is pleased to make this submission to the New South Wales Legislative Council, Standing Committee on State Development *Inquiry into economic development in Aboriginal communities*. The ILC’s submission includes appearing at the public hearing of the Inquiry on Friday 26 February 2016.

In relation to the terms of reference of this Inquiry, the following can be summarised:

- Since 2004, the ILC has acquired 55 and granted 38 properties to Indigenous organisations in New South Wales, and provided assistance and support to 33 land management projects, representing a total investment of over \$160 million.
- The ILC’s experience is that social, cultural and environmental objectives are equally as important to Indigenous landholders as economic objectives. The ILC’s consultations with its Indigenous stakeholders strongly suggest that economic benefits are most effectively realised where cultural, social and environmental objective are also met.
- There is longer term potential (though no current plans) for ILC subsidiaries, in particular National Indigenous Pastoral Enterprises, to extend their activities into New South Wales. There is opportunity for partnerships and joint ventures with Indigenous communities in agricultural enterprises.
- Land management activities, including natural resource and heritage management, can be a key source of employment for Indigenous communities, particularly in regional and remote Australia.
- Governance and capacity building, both personal and corporate, are crucial to enabling Indigenous groups to derive benefits from landowning.

A. ABOUT THE ILC

The ILC is an independent corporate entity of the Australian Government, established in 1995 operating under the *Aboriginal and Torres Strait Islander Act 2005 (ATSIA Act)*.¹ The ILC assists Indigenous Australians to acquire land, and to manage Indigenous-held land to provide economic, environmental, social or cultural benefits for Aboriginal and Torres Strait

¹ http://www.austlii.edu.au/au/legis/cth/consol_act/aatsia2005359/

Islander people (s.191B of the *ATSI Act*). The ILC uses revenues from a perpetual fund, the Aboriginal and Torres Strait Islander Land Account (Land Account).

The *ATSI Act* requires that the ILC's land management and land acquisition functions can only be performed in addition to, and not instead of, the functions conferred on other state or federal agencies (see the box below about land rights in New South Wales). Further information on the ILC can be found at <http://www.ilc.gov.au/Home/About-Us>.

Origins

The Land Account (previously called the Land Fund) and the ILC were established as key elements of the negotiated settlement after the High Court's *Mabo* judgment (1992) which recognised native title to land at common law. The *Native Title Act 1993*, and the later Wik amendments, not only confirmed prior extinguishment of native title over much of the Australian continent, but validated grants by the Crown since 1975 over native title tenure that would otherwise have been invalid by virtue of inconsistency with the *Racial Discrimination Act 1975*. In return for tenure certainty for non-Indigenous Australians, Indigenous interests gained access to a Land Fund, subsequently implemented through the establishment of the Land Account and the ILC.

The Land Account and ILC provided recognition of, and partial compensation for, the 'vast majority of Indigenous Australians (that) have been dispossessed of that which is most precious to their sense of history and spirituality, that most essential component of their heritage—their land'.²

The ILC is established as a perpetual entity, recognising the intergenerational impact of dispossession and the need to ensure the sustainable management of the Indigenous estate into the future.

Land rights in New South Wales

The ILC acknowledges that the *Aboriginal Land Rights Act 1983* (NSW)(ALRA) is the key legal mechanism in New South Wales that compensates Aboriginal people for prior dispossession from their lands, achieved largely by the claiming of certain Crown land by land councils. In addition, the ALRA sets up the land council network, consisting of the New South Wales Aboriginal Land Council (NSWALC) and Local Aboriginal Land Councils (LALCs) which have a range of land acquisition, land use and land management functions.

The ILC recognises the potential of the land council network to complement the legislative functions of the ILC particularly with regard to land management. In addition, groups in New South Wales have access to processes under the *Native Title Act 1993*.

Operations

In March 2015 the ILC launched a new way of operating its former land acquisition and land management programs. The *Our Land Our Future* arrangements allow the ILC to operate more flexibly and responsively along a spectrum of assistance ranging from small land management grant funding through to working with land holders in joint venture and business partnerships, potentially involving multiple parties. Features of the new arrangements include:

- open timelines and simplified processes
- more engagement with stakeholders, driven by landholders

² ATSI Amendment (Indigenous Land Corporation and Land Fund) Bill 1994, Second Reading

- co-investment and partnerships—bringing groups together across regions with multiple funding partners
- sustainability, with a focus on impact—the ILC will work with landholders to develop clear visions and projects that support the achievement of these visions.

Our Land Our Future moves away from an application based program to one of partnerships and collaborations along a spectrum of assistance. The ILC seeks to work with Indigenous landholders to identify economic opportunities which their land can support and to develop these opportunities.

Our Land Our Future can support the development of land-based enterprises in a number of ways:

- Land Management funding supports property planning and infrastructure projects which aid the exploration, establishment and support for land-based enterprises (eg. building infrastructure to support pastoral enterprises).
- Formal commercial partnerships which see the ILC invest in equity and market share into enterprise opportunities.
- ILC subsidiaries operating or partnering with Indigenous land owners to increase productivity of Indigenous-held lands and to provide training and employment outcomes.

Further detail on *Our Land Our Future* can be found at <http://www.ilc.gov.au/Home/Our-Land-Program>.

Land acquisition

Since its inception, the ILC has acquired properties totalling around 6 million hectares. Land acquisitions have ranged across remote pastoral and tourism properties, urban commercial properties and significant cultural properties. **Figure A** shows ILC land acquisitions and divestments across Australia.

ILC acquired and granted properties to date³

State/ Territory	Total properties acquired	Total properties granted
NSW	55	38
NT	19	14
Qld	56	42
SA	27	22
Tas.	7	5
Vic.	34	32
WA	53	36
Total	251	189

³ ILC Annual Report 2014-2015, p.25

ILC land acquisition in New South Wales

Under its land acquisition function, the ILC has acquired 55 properties in New South Wales, representing around 21 percent of the ILC's acquisitions nationally. Thirty eight (around 70 per cent) of these properties have been granted to Indigenous title holding bodies.

Around 13 of the granted properties are of a significant size (greater than 1,000 hectares), valued at over \$19 million. In total, around \$107.4m has been invested by the ILC in land acquisition and capital expenditure in New South Wales, with around \$59.7m (55 per cent of the total) occurring in Redfern, Sydney.

In its early years the ILC's main focus was on redressing dispossession through acquiring properties and, as quickly as possible, divesting them to Indigenous corporations, as required by s191D[3][b], ATSI Act.

The ILC's land acquisition policies and processes have been incrementally refined to maximise the sustainability of Indigenous benefits including cultural, social, economic and environmental opportunities that can be realised through land ownership. Benefits are optimised when:

- Indigenous land owners hold clear aspirations and a plan for achievable and sustainable benefits;
- Indigenous land owners have the capacity and skills to implement viable activities on the land;
- the land sustains the activities and delivers sufficient income to cover the costs arising from land ownership; and
- Indigenous land owners have access to information, networks, support and partnerships with industry expertise to develop their land for productive uses.

This refinement has driven an increased focus on financial viability for building the Indigenous estate and in supporting Indigenous economic development. In say that, the ILC continues to give attention to Indigenous people's environmental, social and cultural aspirations in its decision making on land acquisition. The acquisition and divestment of Mawonga Station in central New South Wales is a strong land acquisition example of cultural and environmental values being pursued (see box below).

Most often, the ILC acquires alienable title (such as fee simple or long-term leasehold from the Crown) on behalf of an identified Indigenous corporate entity and as part of the assessment process to acquire land it develops a strategy and plan for the granting of legal ownership.

When land is granted, the ILC registers a caveat designed to help protect the land from being lost from the Indigenous estate, without appropriate consideration. As part of developing increased benefits, land owners are able to negotiate commercial lease agreements, negotiate changes in land use and/or in some cases, sell portions of the property granted. Indigenous land owners can also secure mortgage on the property (to support economic pursuits). However, land owners are encouraged to come to the ILC early

in their planning, to discuss their proposal including the process for obtaining the ILC's consent in relation to the caveat.

Land Acquisition Case Study: Mawonga Station

The ILC acquired Mawonga Station, a 22,373 hectare Western Lands Lease property in NSW, under the Cultural and Environmental Values category for the Winangakirri Aboriginal Corporation (WAC). Mawonga was granted to WAC in September 2015.

The acquisition was conducted in conjunction with the former Australian Government Department of Sustainability, Environment, Water, Population and Communities (SEWPaC), which contributed two-thirds of the acquisition costs under the National Reserve System program. Since acquisition, the Mawonga features important rock art sites and is located in the Cobar Peneplain bioregion, a landscape that is under-represented in Australia's National Reserve System.

The acquisition provides security of access and ownership to *Ngiyampaa Wangaaypuwan* peoples' traditional land and contributes to cultural revival and reconnection. Traditional Owners now have ongoing access to the property to manage the significant sites, including 15 shelters with rock art, camp sites and scarred trees. The acquisition also provides protection for the critical habitat of up to 23 threatened species.

In December 2014, a conservation covenant was successfully registered on the title of the land and IPA funding was approved for four years by the Commonwealth Government for the on-going conservation and land management of Mawonga. Winangakirri Aboriginal Corporation is working with the Department of the Environment to have the property declared an Indigenous Protected Area (IPA) upon the formal transfer of Mawonga to WAC.

WAC employs one full-time Indigenous manager and engages 15 part-time volunteers each year to assist with conservation monitoring and land management, while training in land management is expected to achieve approximately fifty training outcomes. Through its management of the property, WAC has achieved the conservation objectives of the acquisition while also generating alternative, complementary income sources, including from the removal and sale of feral goats.

With the assistance of ILC funding, WAC members have refurbished the shearer's quarters, with their members providing most of the labour (including re-stumping, re-wiring and painting, and the installation of a standalone solar power plant).

Mawonga has provided vocational training and employment opportunities with two full-time jobs created and four contract positions enabled for Indigenous people during the lease period. Accredited training has included 12 Indigenous people completing a *Certificate II in Conservation and Land Management*.

Land management

Under its land management function, the ILC can provide assistance for activities that consist or relate to the managed use, care or improvement of Indigenous-held land, and that delivers economic, environmental, social and cultural benefits to Indigenous people.

Figure B shows the geographical spread of ILC land management activities at 30 June 2015.

The *ATSI Act* gives the ILC a mandate to work with Aboriginal and Torres Strait Islander people and corporations across the breadth of Australia (excepting marine areas), irrespective of the tenure and property rights regimes operating in the areas of land owned.

ILC land management in New South Wales

Since January 2004, the ILC has committed a total of \$14.8 million to 33 land management projects relating to Indigenous-held land in New South Wales that have been completed or are currently being implemented. In addition the ILC has invested approximately \$40 million to build the National Centre of Indigenous Excellence Ltd (NCIE), an ILC subsidiary located in Redfern, Sydney.

Land Management investment in NSW represents approximately 17 per cent of the ILC's total national Land Management investment.

Since 2004, the ILC has committed \$668,000 to eight land management projects specifically involving NSWALC and/or its network of LALCs. In April 2015, the ILC also committed to a partnership with NSWALC to trial an approach that supports socio-economic development for Aboriginal people using funding under the ILC's *Our Land Our Future* program and from the NSWALC *Economic Development Strategy*. At 16 February 2016, the ILC was assessing 11 new land management proposals, eight relating to LALC-held land with seven of these being considered as part of the Economic Development Partnership between the ILC and NSWALC.

The ILC and NSWALC are currently working together with 2 LALCs on the implementation of their land-based enterprise projects. The collaboration in these initial projects include ILC Land Management support (infrastructure), and NSWALC patient loan, business support and mentoring.

In addition to the above investments, the ILC-operated Merriman Shearing School and the NCIE (see boxes below) receive substantial investment and support by the ILC.

Land management assistance is provided in two streams:

- Property specific projects that can deliver planning, capacity building, infrastructure, or plant and equipment on single properties.
- Regional projects embracing multiple properties and partners, and more complex structural or environmental challenges.

The ILC's Land Management project with Jigamy Farm (Twofold Aboriginal Corporation), near Eden, New South Wales is a good example of how it supports Indigenous landholders in planning for the management, development and productivity for their properties (see box below).

The ILC's land management projects may focus on the protection and maintenance of cultural and environmental values, as well as the development of land-based enterprise. In fact, the ILC's experience is that social, cultural and environmental objectives are just as important to Indigenous land owners as economic aspirations—this was reflected in the consultations undertaken by the ILC to inform the National Indigenous Land Strategy 2013–17.

The ILC has also been at the forefront in providing opportunities for Indigenous land holders in carbon and payment for ecosystem services markets. Indigenous people are well placed to participate in the conservation economy, particularly those who live on country. The ILC is working with Indigenous organisations and other partners (such as The Nature Conservancy, natural resource management groups, the private sector and government

agencies) across Northern Australia to develop projects in carbon, biodiversity and ecosystem services markets (see case study on NT Carbon Project).

Land Management Case Study: Twofold Aboriginal Corporation – Jigamy Farm

Twofold Aboriginal Corporation aspires to develop Jigamy Farm as a regional Aboriginal Cultural Precinct that will capitalise on regional tourism opportunities and contribute to economic development.

In 2014, the ILC provided \$39,809 (GST exclusive) to TwoFold Aboriginal Corporation to undertake a property planning exercise to inform the management and future development of the property. The Plan focussed on environmental and bushfire management, future development planning and identification of future property management needs.

The planning process was completed in July 2015 and involved three workshops with members of Twofold Aboriginal Corporation and included analysis of the natural and cultural values, landholder responsibilities, property management and maintenance requirements, a bushfire and wastewater assessment, development of a landscape master plan management and an action plan.

The CEO of Twofold Aboriginal Corporation reports that “The Property Management Planning process has achieved some great outcomes for Twofold and the property it owns called Jigamy. A new energy is emerging to finalise projects that have stagnated for years following the closure of ATSIC and the end of CDEP, and to continue developing the property as a Cultural Precinct for the region and a community facility for the Indigenous population.”

As a result of the planning process, Twofold Aboriginal Corporation has a clear action plan on how to achieve its vision of a cultural precinct.

Commercial activity through ILC subsidiaries

As part of its land management function, the ILC engages in commercial activity through three wholly-owned subsidiaries that operate according to sound business principles, as required by s191F (1) of the *ATS/ Act*. These businesses are run on behalf of, and to provide benefit for, Indigenous peoples. The ILC’s commercial subsidiaries operate in one or both of two circumstances:

- i) to ensure land that is managed and put to effective use so as to benefit Indigenous people and future Indigenous ownership(e.g. by building up infrastructure on the land and/or by providing Indigenous employment); and
- ii) to assist Indigenous landholders derive maximum benefits from their land by leasing it from them on commercial terms, and delivering long-term benefits to Indigenous people through the application of specialist commercial skills and expertise.

Two subsidiaries manage the operation of the ILC’s pastoral and tourism businesses respectively.

National Indigenous Pastoral Enterprises (NIPE) Pty Ltd manages cattle 13 properties located across northern Australia and a sheep farm in Tasmania. The NIPE ten-year plan envisages major expansion of this business, bringing more Indigenous land into production and increasing the size of the herd (see case study).

Voyages Indigenous Tourism Australia (Voyages) Pty Ltd was established in 2011 to own and manage Ayers Rock Resort, NT, and operate the ILC's other tourism assets (Mossman Gorge Centre, Qld and Home Valley Station, WA) as well as assist in the development of Indigenous tourism more generally.

Through its subsidiaries, the ILC invests in critical business assets such as infrastructure and herd development (in the case of agricultural businesses). It brings intellectual capital to partnerships in addition to funds—the ILC and its subsidiaries apply sound operational methods, model best practice, test new ways of gaining income from the land, monitor the health of the land and look for ways of improving the land in the longer term. ILC-run businesses are key links to wider networks supporting Indigenous enterprises and other land-based projects in the regions where they operate.

ILC subsidiaries in New South Wales: National Centre of Indigenous Excellence

The National Centre of Indigenous Excellence Ltd (NCIE) was developed by the ILC on the site of the former Redfern Public School in Sydney. The ILC acquired the land from the New South Wales Government in 2006 and undertook a major renovation and construction project. The ILC incorporated a subsidiary company to manage the NCIE in 2008, and the centre opened in early 2010 as a social enterprise.

The NCIE runs programs for Indigenous young people in four pathways: learning and development, sports and recreation, arts and culture, and health and wellness. The centre has sporting, hostel and conferences facilities and also hosts other Indigenous organisations. Since October 2013 it has operated the Koori Job Ready programme from separate premises.

During last financial year, more than 1,500 local Indigenous people participated in core NCIE programs such as fitness, aquatics, healthy lifestyles, jobs training, afterschool programs, young leaders programs, and sports and school vacation programs. Community groups staying at the NCIE came from across Australia and more than 50 organisations have used NCIE facilities. Programs delivered from the NCIE site touched more than 10,000 Indigenous people during 2014–15 (including programmes delivered by resident Indigenous organisations).

Of NCIE's 99 employees at 30 June 2015, around half were Indigenous. NCIE Koori Job Ready ran Certificate II and III programs in hospitality and construction from the Yaama Dhiyaan training facility at the Australian Technology Park in Darlington, with more than 100 trainees graduating. The course educates participants for job placements and provides mentoring and support throughout their placements.

Employment and training

ILC-run businesses create significant opportunities for employment and training for Indigenous Australians, particularly in regional and remote Australia. The *Our Land Our Jobs* training-to-employment program is delivered at residential training facilities established on the enterprises managed by NIPE and Voyages and the Merriman Shearing School, operated by the ILC near Brewarrina, NSW. The program is integrated into the operation of the businesses, helping to create a highly skilled Indigenous workforce for the pastoral, tourism

and related industries. For the financial year ending 30 June 2015, ILC-run enterprises provided traineeship or employment positions for 908 Indigenous participants.⁴

ILC training in New South Wales: Merriman Shearing School

The ILC operates Merriman Shearing School at Merriman Station, a 16,000-hectare sheep property near Brewarrina in northern New South Wales. The school trains young Indigenous people for employment in the wool industry. The aim is to create a realistic workplace environment so trainees can more effectively acquire industry skills.

Training runs for 16 weeks and comprises a three week pre-vocational course followed by a 13-week practical programme in shearing, animal husbandry, wool handling, workplace safety, fencing and life skills. Individual life skills, mentoring and coaching are key components of the 16 week course and critical to the completion and job take up rates of Merriman participants. Participants also have the opportunity to attend and compete in shearing and wool handling competitions at agriculture shows and other events in New South Wales and Queensland.

There were two intakes during the 2014-15 year, with participants from the local area and Brisbane. Forty participants commenced the pre-vocational training and 30 went on to undertake vocational training, with 25 graduating with a Certificate II in Rural Operations. All graduates maintain a shearing rate of 80 sheep a day, the industry requirement for learning shearers. At the end of their training, 68 per cent of graduates received job offers in Western Australia and New Zealand, the majority from shearing contractors for work as shearers and wool handlers.

Strong industry partnerships, national and local, are critical to the school's success. Bateman Shearing, a local Indigenous shearing contractor, provides training and mentoring; MEGT provides employment services and accredited training; and the University of Queensland Gatton Vocational Education Centre is the Registered Training Organisation. A local grazier supplies up to 8,000 sheep which enables hands-on training and provides income to assist the school with costs. In 2014-15 the ILC provided around \$750,000 for equipment, property and school running costs in addition to funding from the Australian Government through the Indigenous Employment Programme and the Indigenous Advancement Strategy.⁵

Other ILC contributions to Indigenous economic development

The development of small to medium size enterprises is recognised as a key driver of economic growth in the mainstream economy. Likewise, incentives and support for small to medium size enterprise development by Indigenous people are important enablers of economic development on Indigenous land. The ILC supports the development needs of small and medium enterprises through its *Our Land Our Future* program.

Over the 2014-15 rounds, nine individual enterprises have received capital and infrastructure development funding, five entities have been funded to develop plans to further their business operations, and more than \$560,000 has been invested in property management planning to establish the viability of land-based enterprises. In total, the ILC has invested more than \$1.3 million in the development of S small and medium size enterprises on Indigenous-held land through grants in 2014-15. In NSW some \$398,402 has been delivered in small land management assistance during 2014-2015.

⁴ ILC Annual Report 2014-15, p 17.

⁵ ILC Annual Report 2014-2015, p.18

The recently released Commonwealth Indigenous Procurement Policy⁶ recognises that Indigenous business needs demand-side support. This is critical to creating successful enterprises, especially in areas where opportunities may be harder to come by: regional and remote Australia. The ILC has a legislative imperative to ‘give priority’ to: *maximising the use of goods and services provided by businesses owned or controlled (whether directly or indirectly) by Indigenous people.*⁷ Through its procurement activities and those of its subsidiaries, the ILC supports the achievement of the objectives of the Indigenous Procurement Policy.

B. PRECONDITIONS FOR INDIGENOUS ECONOMIC DEVELOPMENT

As the experience of the ILC demonstrates, the preconditions for advancing Indigenous economic development are complex and multi-faceted.

The need for individual and corporate capacity building

As was demonstrated in the early history of the ILC, Indigenous land owners and corporations have often lacked the capacity to manage the responsibilities arising from their land holdings and associated ventures. Integral to the ILC’s current programs is the development of individual and corporate capacity in the land sector.

Since 2007 the ILC’s *Our Land Our Jobs* program has invested approximately \$27 million⁸ in employment and training activities on ILC-run agricultural and tourism businesses. The ILC makes this investment on the basis that other responsible State and Australian Government agencies provide adequate co-investment in order to cover the delivery costs. In April 2015, the ILC co-invested \$3.74 million with the Australian Government committing \$3.19 million through the Indigenous Advancement Strategy to deliver over 300 Indigenous jobs through ILC subsidiaries for 12 months from 1 February 2015.

Our Land Our Jobs provides participants with workplace-based training, culminating in employment in an ILC enterprise or with an industry partner. Participants benefit from the holistic support provided by the program including pre-vocational and life skills training as well as a supportive residential component. *Our Land Our Jobs* works to break the cycle of training for training’s sake, producing graduates with the skills and personal capacity to succeed in their chosen industry.

The need to seek innovative land-use arrangements within existing legislative regimes

The argument is often made that Aboriginal land ownership regimes, which confer communal interests, restrict the ability of remote Indigenous communities and/or native title holders to leverage financial value from their land to achieve economic outcomes. In this context Australia sits well behind other jurisdictions, such as Canada, where creative mechanisms have been developed and governments, major financial institutions and Indigenous interests have worked in genuine partnership to address the tension between the inalienability of Indigenous rights over and connection to land and the ‘bankability’ of title to enable Indigenous communities to participate in economic development.

⁶ <http://www.dpmc.gov.au/indigenous-affairs/publication/commonwealth-indigenous-procurement-policy>

⁷ *Aboriginal and Torres Strait Islander Act 2005*, s.191F(2)(c)
http://www.austlii.edu.au/au/legis/cth/consol_act/aatsia2005359/

⁸ Board Decisions: 294, 307 & 406; LM Decisions 136, 172, 204.

In Australia there have been only limited efforts to explore opportunities arising from the leasing or other regimes established by land rights legislation and the Native Title Act, in particular the flexibility available under the Indigenous Land Use Agreement provisions of the latter Act. The mining industry is the one exception, and has successfully employed these and related mechanisms in reaching negotiated agreements to secure exploration and/or mining operations on lands either held under Indigenous ownership or the subject of native title claims.

There is potential to engage directly with Indigenous interests (via land councils and Native Title Representative Bodies) and major financial institutions to explore and identify means of overcoming existing barriers to private investment in land held or under claim by Indigenous interests. The availability of secure (alienable) tenure options, without compromising underlying communal and inalienable title, has the potential to stimulate private investment.

The need for pre start-up business support

Indigenous land owners would benefit greatly from access to: business support to test the commercial viability of business ideas; business planning; business coaching and mentoring; and support with working capital, all critical in the start-up phase. The ILC's Land Management programme which can support infrastructure and development of the land (to support enterprises) would complement other enterprise start-up support.

There are a range of products available to Indigenous land owners seeking to establish enterprises, notably the ILC's Land Management planning (land use planning) and infrastructure, as well as, IBA's programs. However there is a gap for enterprise opportunities in undertaking the initial commercial feasibility assessments – which is critical to the ILC's consideration of infrastructure support.

Attachment: Case Studies

ILC agricultural businesses ILC agricultural businesses are operated as commercial enterprises using sound business principles in accordance with section 191F (1) of the *Aboriginal and Torres Strait Islander Act 2005*. The ILC operates businesses to increase on-the-job training and employment opportunities for Indigenous people, not only in pastoral activities, but also in natural resource management. Through these businesses, Indigenous-held land is making a significant contribution to the economic activity of the region in which each business is located and is bringing large areas of previously undeveloped land into production. During the past seven years, the ILC has been developing its businesses and establishing each one as an autonomous business entity. Now that process has largely been completed and the individual businesses are fully operational, their activities are being integrated, where practical, to increase productivity and profitability.

Gunbalanya Station and Meats, Gunbalanya, NT The ILC's lease-back of Gunbalanya Station and Gunbalanya Meat Supplies from Traditional Owners has enabled the development of a floodplain pastoral operation, small commercial abattoir and pastoral and meat processing training centre in a remote community with few options for sustainable economic activities. Gunbalanya receives cattle from ILC properties in the Northern Territory for the meatworks and finishes cattle for live export. Gunbalanya Meats operates a small abattoir and retail butcher shop in the community of Gunbalanya. Beef and buffalo meat is processed and sold to a wide range of customers, including eight Indigenous community supermarkets, various Northern Territory meat wholesalers and retailers, and Voyages Indigenous Tourism Australia which operates Ayers Rock Resort, Mossman Gorge and Home Valley Station.



How the ILC is working

- Injected more than \$4 million capital investment.
- Provided training, support, planning and management support to develop a pastoral business and meatworks.

Collaboration

- The ILC and Traditional Owners entered into a 15-year agreement with Gunbalanya Meat Supply Pty Ltd, the Arnhem Land Aboriginal Land Trust and the Northern Land Council.

Outputs

The business has brought Indigenous-held land back into production, increased throughput at the meatworks and improved food security for the region

- Gunbalanya Station produced a cash operating surplus of \$328,000 for the year ending June 2014.
- Gunbalanya Meats achieved a cash operating surplus of \$76,000 for 2013–14.
- In 2014, 24 Indigenous people were employed by Gunbalanya Meats and Gunbalanya Station; integration of the businesses enables a wider range of employment opportunities for local workers.
- In 2013–14, there were 18 new training commencements and 18 training participants were carried over from 2012–13; 59 Indigenous trainees completed training across the two businesses.

Cultural, environmental and social benefits

- Income received by Indigenous staff and trainees benefits individuals and families living in the Gunbalanya community.
- Gunbalanya Meats supplies fresh affordable meat to eight Indigenous community grocery stores.
- *Mimosa pigra* weed has been controlled over more than 1000 hectares of Gunbalanya Station.

ILC and the carbon economy: The ILC provides support to Indigenous people to assist in managing environmental challenges and heritage values on their land and to create sustainable land-based economic development opportunities. The ILC seeks innovative solutions to environment, carbon and heritage challenges in the development of policy, the design and implementation of new initiatives and the conduct of research and development.

The ILC is committed to collaborating with Indigenous landowners, the Australian Government and industry to maximise opportunities for Indigenous people in the emerging carbon economy.

Indigenous people are well placed to take advantage of opportunities in the carbon economy, including through tropical savanna fire management, revegetation, forestry, native vegetation management and improved cattle management. These land-based activities offer opportunities for generating income under carbon-offset schemes, at the same time helping to protect the cultural and environmental values of Indigenous-held land.

Fish River Fire Project Fish River is Australia's first controlled savanna burning project to be approved under the Carbon Farming Initiative (CFI) to produce Kyoto-compliant Australian Carbon Credit Units (ACCUs). Fish River is a largely pristine 178,000 hectare property located in the Daly River catchment of the Northern Territory. Management of this nationally significant conservation property is guided by a comprehensive plan and an Indigenous Advisory Group representing four Traditional Owner groups: Larbaganyan, Wagiman, Malak Malak and Kamu. The project links traditional burning practices with the latest satellite imagery and mapping technologies and provides training and employment for Indigenous Australians on country. Traditional pattern or mosaic burning is used to protect the country from devastating wildfires.



How the ILC is working

- Acquired 178,000 hectare property in Daly River region, NT.
- As the proponent of the Fish River CFI project, the ILC manages the creation and sale of ACCUs.
- Provides technical guidance and support to other Indigenous groups across the north of Australia, with Fish River being used as a demonstration project to assist development of other controlled savanna burning projects.

Collaboration

The North Australian Indigenous Land and Sea Management Alliance Ltd (NAILSMA) was responsible for developing the Carbon Farming (Reduction of Greenhouse Gas Emissions through Early Dry Season Savanna Burning) Methodology used on Fish River. NAILSMA and project partner, The Nature Conservancy, helped develop the project, together with funding from the Caring for our Country program.

Outputs

- 49,041 ACCUs produced through the Fish River Fire project between 2010 and 2014.
- The employment of local Indigenous people, many of whom have familial connection to Fish River, is facilitating access of Traditional Owners to the property, reconnection with cultural values and protection of important cultural sites.
- Under the comprehensive Plan of Management, Fish River is managed as an International Union for Conservation of Nature Category II Protected Area. The reduction of late dry season wildfires helps protect the many rare and threatened animal and plant species found on the property.
- The project is expected to continue to deliver around 13,000 tonnes of CO₂-e emissions abatement each year, making a positive contribution to the challenge of tackling climate change.

Divestment

The ILC is working with the Northern Land Council and the Indigenous Advisory Group to establish an appropriate Aboriginal corporation to which the property will be granted. Fish River is a culturally significant landscape for the Larbaganyan, Wagiman, Malak Malak and Kamu people who are the Traditional Owners of the property.

ILC Held and Granted Properties
Australia, 06 May 2015

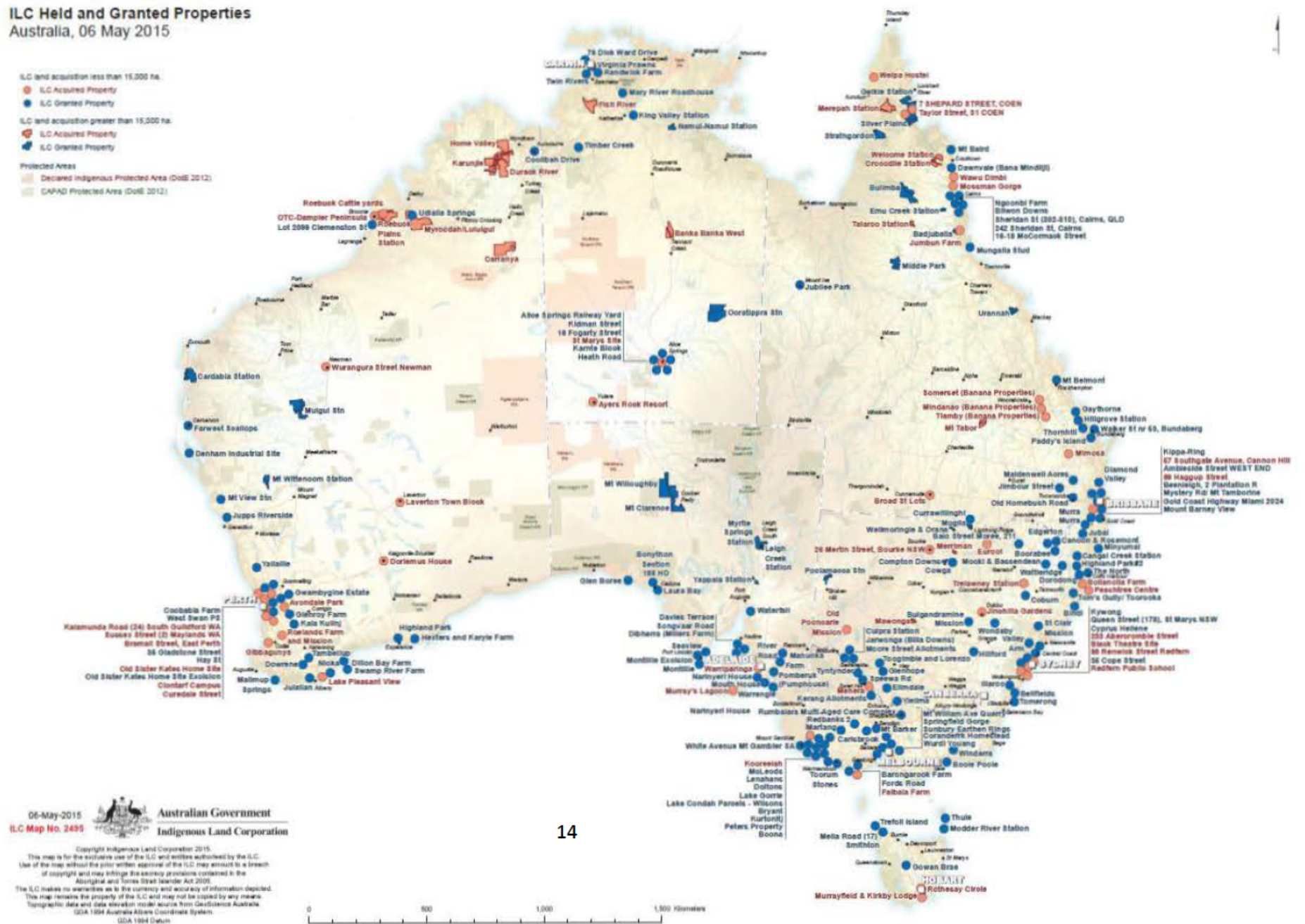


Figure B:

ILC Land Management Projects*
Regional and Property Based Projects
as of 30 June 2015.

