

21 February 2018

Ms Ann Palmer
Committee Secretary
Senate Finance and Public Administration Legislation Committee
Parliament House
CANBERRA ACT 2600

Dear Ms Palmer,

Re: Senate Estimates session on 27 October 2017

The ILC is seeking to correct the record in relation to an answer made at the Senate Estimates session on 27 October 2017.

At issue is the length of time the ILC has been advocating reforms to protect the capital balance of the Aboriginal and Torres Strait Islander Land Account, the ILC's principal source of income. Upon reflection of the draft transcript (below) the conversation, could give the impression that the ILC has only recently considered these matters, which is not correct.

CHAIR: I'm more interested in the internal dynamics at the ILC, because I would have thought sustainability of the account would be a critical issue. Scenario planning for good times, but also for less-good times, would have been very, very important as part of the whole management style of the organisation. So you're telling me that only in the recent past has the issue been considered, a structure put around it and a plan implemented, starting, it sounds like, with David Murray's intervention?

Mr Maher: David Murray hasn't intervened. We asked David to chair the expert panel.

CHAIR: I mean his policy intervention and his credibility?

Mr Maher: Well, him chairing it has certainly helped out on the credibility front. I think your previous comments, from what I understand from having only been here a short while, are correct.

It is correct that in recent times (2016 to 2017) the ILC has lead an intensive and disciplined consideration of the sustainability of the Land Account. This has included:

1. Discussions with the Minister for Indigenous Affairs, Senator the Honourable Nigel Scullion, who agreed to consider a submission based on independent expert advice.
2. Establishment of a Land Account Expert Advisory Panel, chaired by Mr David Murray AO.
3. Commissioning (by the Expert Panel) of modelling from the Australian Government Actuary (AGA).
4. National consultations with Indigenous leaders and stakeholders on the reform of the parameters of the Land Account.
5. Collaboration with the Department of Prime Minister and Cabinet in these consultations.



It is also correct that the expertise of Mr David Murray AO and his fellow Expert Panel Members; Mr Bill Moss AO; Dr Doug McTaggart; Ms Elayne Grace; and Mr Glen Brennan PSM have provided the finance credibility critical to such a significant agenda. However, any interpretation that the ILC has only, “in the last 2 years”, considered the sustainability of the Land Account would not be correct.

The ILC considered the matter and advocated to the Australian Government broadening of the Land Account investment parameters in:

1. 2008 through the Watson Wyatt Investment Consultants and KPMG Reports to the Australian Government.
2. 2014 through drafting of a Bill and the subsequent Stronger Land Account Bill, proposed by the Australian Greens.
3. 2015 through the ILC Commissioned Deloitte Report and proposal to the Honourable Mathias Cormann, Minister for Finance.

Given the history outlined above, the ILC is requesting that the public record be amended to acknowledge that the corporation has given some consideration over previous years to management of the Land Account with a view to ensuring its longer term existence as a source of revenue for the ILC and ultimately of benefits to Indigenous Australians.

Yours sincerely

John Maher
Group CEO