

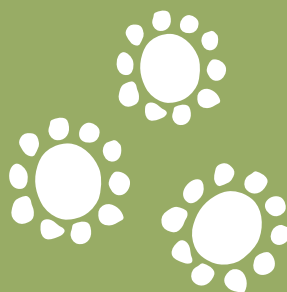


Australian Government  
Indigenous Business Australia

# CORPORATE PLAN 2017-18

Strategy towards 2021

**Our vision is for a nation in which the First Australians are economically independent and an integral part of the economy.**

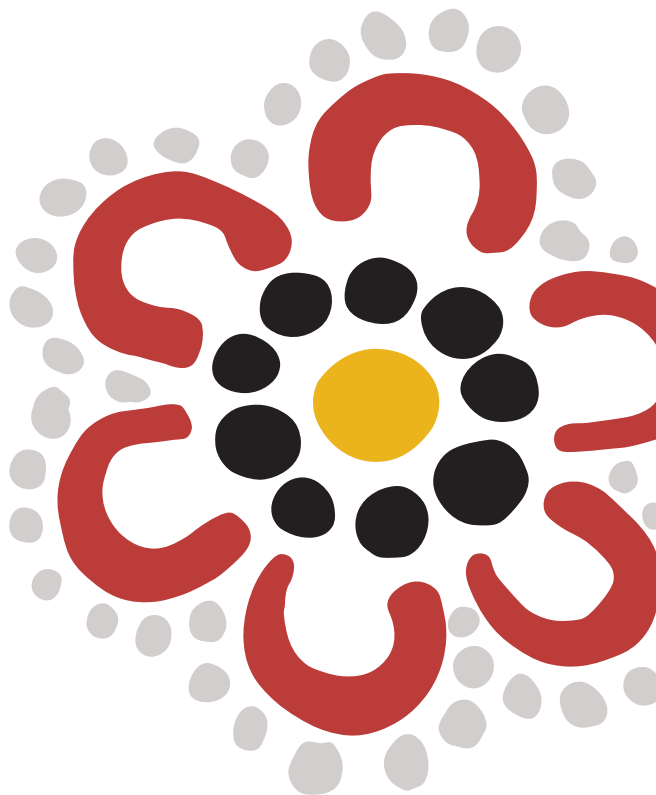
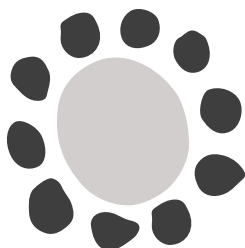


### **About the design**

Australian Indigenous art is one of the oldest unbroken traditions of art in the world. With respect and in recognition of that tradition, the painted rocks used to create the design of this publication were made with pride by IBA staff members during 2016 Reconciliation Week activities.

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# MESSAGE FROM THE CHAIR & CEO

Indigenous Business Australia (IBA) is on a path of growth in which we are expanding our offering, innovating through new product development and continuing to build impactful partnerships with Indigenous communities and the private sector. We are deeply invested in the financial success and economic independence of Aboriginal and Torres Strait Islander people.

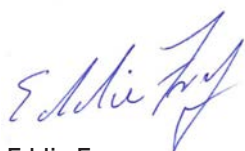
While we must maintain a strong focus on performance and achieving the goals we have set for ourselves, we must recognise that the aspirations and needs of our customers—Indigenous businesses, communities and families—are not static.

This in turn means that we must continue to innovate so that our products and services keep pace with change, offer the range of solutions our customers seek, and are delivered in the most effective and accessible manner.

We will ensure that all new initiatives are evidence based (that is, they meet an identified need), are underpinned by a strong business case and costings, and are measured against appropriate targets and objectives. And we will continue to work with key stakeholders and build onto our strong partnerships to better meet the needs of our growing markets.

In recent years, IBA has shown that it has the capability to launch and deliver new initiatives, such as new investment funds, financing products, online assistance tools and platform enhancements, which contribute to enhanced service delivery and outcomes for our customers. In the coming years, we expect to expand and enhance our offering across all that we do to assist Aboriginal and Torres Strait Islander people to realise their dreams.

This plan outlines our path and intentions to achieve these goals.



**Eddie Fry**  
Chairperson, IBA



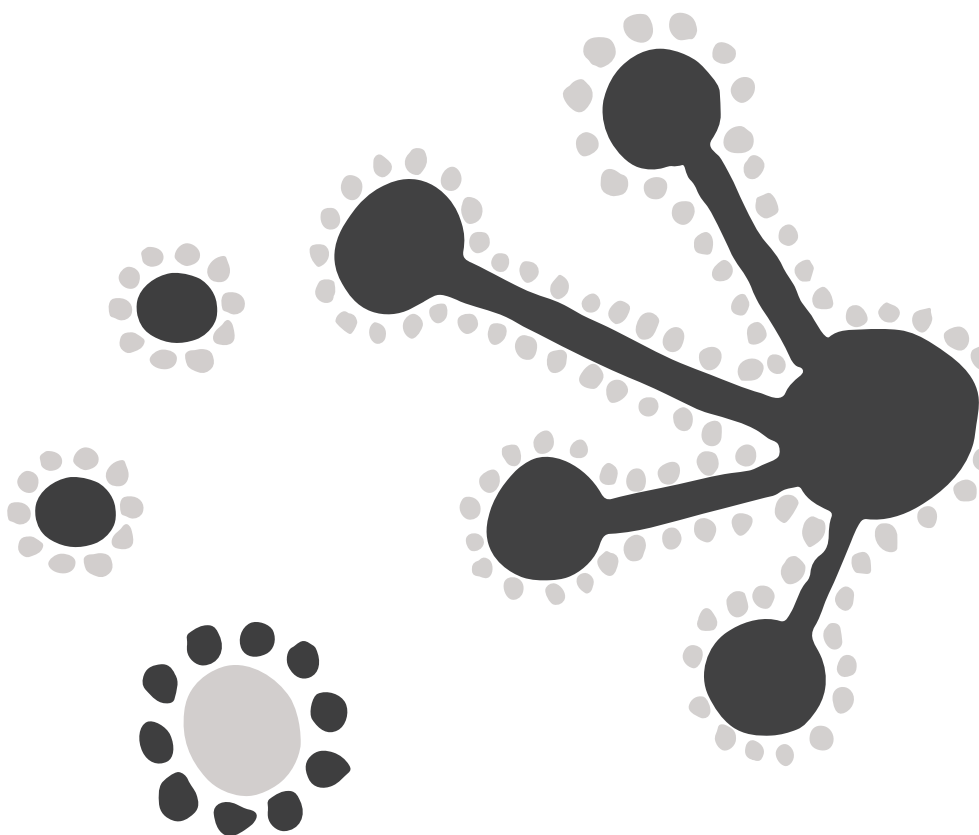
**Rajiv Viswanathan**  
Chief Executive Officer, IBA



# INTRODUCTION

As the accountable authority of IBA, the Board presents the *IBA Corporate Plan 2017–18*, as required under section 35(1)(b) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). The plan is consistent with the obligations arising from IBA's enabling legislation, the *Aboriginal and Torres Strait Islander Act 2005* (ATSI Act), and was prepared in accordance with the Public Governance, Performance and Accountability Rule 2014. This plan covers the period 2017–18 to 2020–21, and replaces *IBA Corporate Plan 2016–17*.

THIS PLAN OUTLINES  
OUR PATH AND  
INTENTIONS...



# PURPOSES

IBA’s vision is for a nation in which the First Australians are economically independent and an integral part of the economy. Established under the ATSI Act, IBA’s purposes are set out in section 146 of the Act and noted in the figure below.

Figure 1 demonstrates how we will use our vision to achieve our purposes through delivering our core functions. Table 1 shows how we will resource those functions.

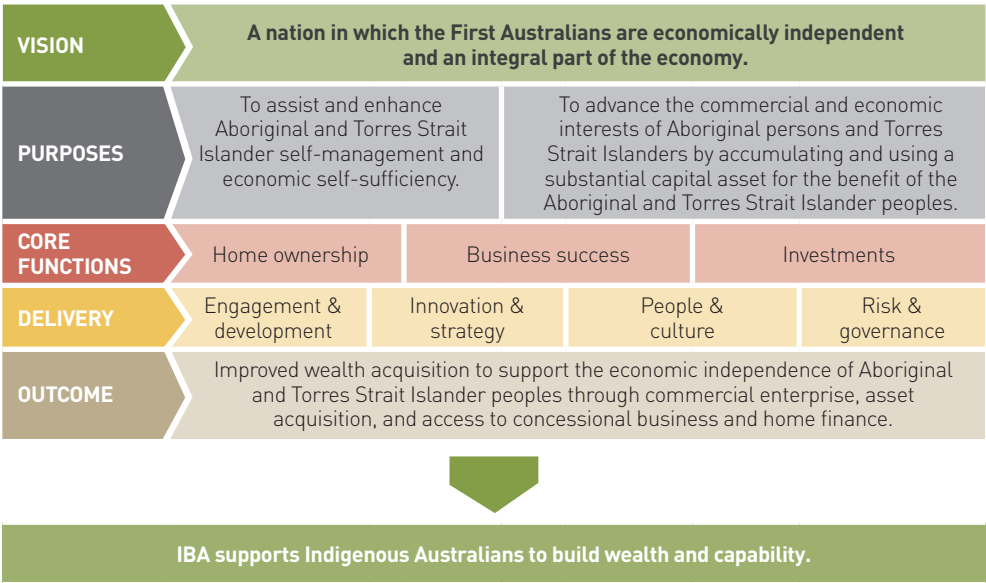
IBA serves, partners and invests with Indigenous Australians who want to own their future. We provide financial products and services, and we go further: we invest in people, places and ideas that are ready.

The financial success and economic independence of Indigenous Australians is why we exist.

To achieve our purposes, IBA provides:

- finance products and support to assist Indigenous customers to enter into home ownership when they may not qualify for housing finance elsewhere
- finance products and support to assist Indigenous customers to start-up, acquire or grow their own businesses
- direct management and investments that assist Indigenous Australians to access financial returns and employment, training and supply chain opportunities.

FIGURE 1: Corporate plan at a glance



# ALIGNMENT & COLLABORATION

IBA recognises the value of effective stakeholder engagement and is committed to continually improving our approach in this area. To achieve our purposes, it is imperative that we align with government objectives and collaborate in a coordinated approach with relevant stakeholders in government, Indigenous organisations and communities.

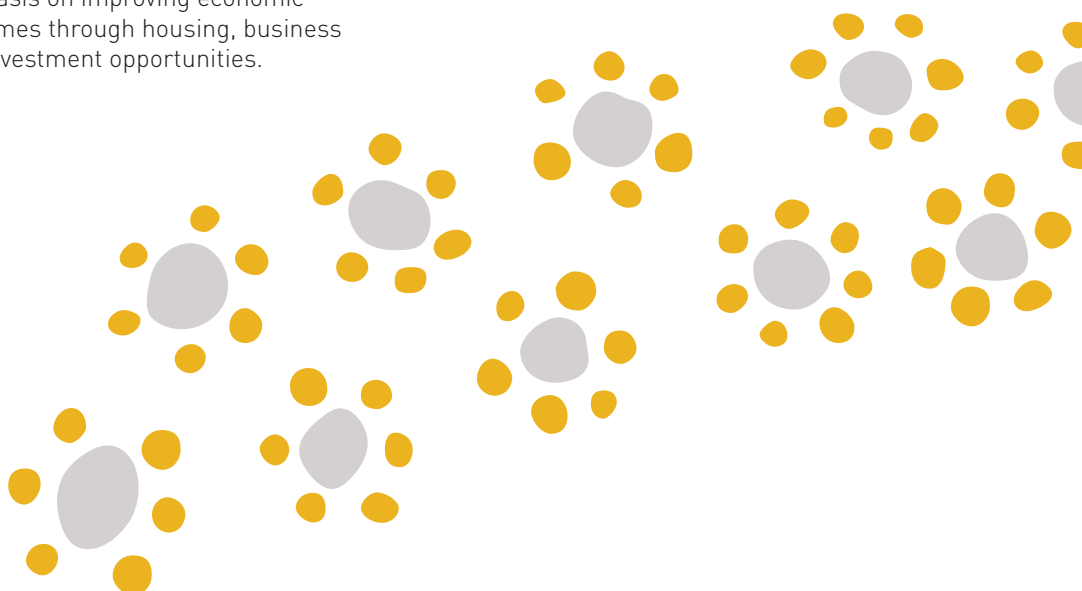
The Australian Government's Statement of Expectations and a Commonwealth entity's Statement of Intent ensure that the responsibilities of portfolio bodies and other arms of government are well defined and aligned, and that the entity's actions are transparent and accountable.

Our responsible minister, the Minister for Indigenous Affairs, Senator the Hon Nigel Scullion, issued a Statement of Expectations for IBA in May 2015. Through the responding Statement of Intent, IBA committed to efficiently develop our activities with a particular emphasis on improving economic outcomes through housing, business and investment opportunities.

To further develop our performance-reporting tools, IBA actively participates in the Department of Finance's Performance Community of Practice, in which best practice ideals are shared across government entities.

Industry roundtables held with relevant Indigenous stakeholders in the business and housing sectors are an integral part of IBA's engagement. They help to give us insight into the needs of the communities we work with and shape future growth in those sectors.

Having regard to the Commonwealth's Indigenous Procurement Policy, as well as recommendations by the Australian National Audit Office, IBA is working to meet and progress initiatives for Indigenous businesses, communities and future home buyers.





# ENVIRONMENT

The dynamic setting of our business is influenced not only by the economic aspirations of Australia's current and emerging Indigenous population, but also by changing economic, social and political circumstances.

The rate of population growth of Indigenous Australians is exceeding that of the non-Indigenous population, with a considerable increase in the youth demographic. It is estimated that Indigenous groups now own or have rights to around 40 per cent of Australia's land mass, under various forms of title and legislation: for example, Native Title Determinations and Indigenous Land Use Agreements.

Our customers continue to face more adversity than non-Indigenous Australians do on a range of socioeconomic, health and education measures. Members of regional and remote communities may lack the financial literacy needed to make the most of their resources and environments.

In the broad economic environment, movements in lead indicators—such as interest rates, unemployment, the consumer price index, gross domestic product, and house prices—have a strong influence on housing affordability, the viability of businesses, and returns on investments. IBA monitors movements in these indicators to inform our risk management and planning processes.

The outlook for the global economy is looking more positive, in terms of both growth and inflation. The Reserve Bank of Australia (RBA) expects economic growth to be around 3 per cent over the next couple of years, with not much change in the current rate of unemployment yet a gradual increase in inflation. Wage growth remains subdued but is not expected to decline further, and spare capacity is likely to remain in the economy for some time yet.

The subdued growth in household income is likely to continue to constrain consumption growth in the near term.

The labour market and wage growth have been weak to low over recent years, and the market is taking time to adjust. The RBA estimates that the impact of the decline of mining investment back to normal levels is around 90 per cent complete.

## Home ownership

Of the 209,000 Indigenous households recorded in the most recent available census data (2011 Census), 37 per cent owned their homes, as compared to 70 per cent of non-Indigenous Australians. IBA faces the challenge of helping to close this gap while being mindful of the risks and challenges that potential customers face in entering the housing market.

Significant differences in the housing market are apparent across the country. Major cities, especially Sydney and Melbourne, continue to see housing prices increase, yet Perth shows a continued decline. A flow of new apartments to the market over the next year or so will soften rents, primarily in the eastern capital cities.

The risks to customers getting into home ownership include possible future declines in property prices and increases in interest rates and unemployment. Our policy of adjusting eligibility requirements to ensure that housing repayments do not give rise to financial stress (typically by limiting repayments at around 30 per cent of gross income) is an appropriate response to escalated property prices and the risk of interest rate increases. On the other hand, extending assistance to those who are more sensitive to economic change invites unacceptable risk. A rationale of responsible lending drives our customer management.





## Business success

Of the 140,000 employed Indigenous Australians recorded in the 2011 Census data, only 6 per cent were operating businesses of their own, as compared to 15 per cent for non-Indigenous Australians. The end of the mining boom may disproportionately affect Indigenous businesses, particularly in rural and remote areas. The viability of the local business environment, including at the macro level, will impact on the viability of the small and medium enterprise (SME) sector, including the Indigenous SME market.

In response to the Commonwealth Indigenous Procurement Policy launched in July 2015, IBA restructured its business development model to deliver more holistic, regionally based training and support services. We will continue to respond to the needs of Indigenous businesses to position them to leverage the policy's opportunities.

Our objective is to continually meet our customers' needs and innovate accordingly. Start-ups are a key area of focus of our work to build our customers' capability and capacity. We offset the risk inherent in lending to our customers by ensuring that business proposals are commercially viable or have the potential to become viable, and by providing appropriate planning and guidance in developing customers' ideas and increasing their capabilities before they enter into business.

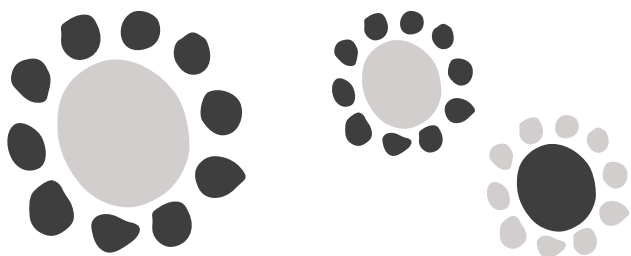
## Investments

IBA's investment portfolio comprises three main segments: direct investments, asset and funds management, and capability development. Across these segments, IBA co-invests in a range of sectors and geographic locations, seeking to provide strong financial returns as well as employment, training and supply chain outcomes for Indigenous Australians.

Interest rates are at record lows, creating a high level of demand for investments with attractive returns and creating intense competition for assets. This is making it more difficult for IBA and its co-investors to acquire investments at attractive levels. It also means that the yields available in traditional asset classes are relatively low, particularly in key sectors such as commercial property. As a result, IBA is exploring new sectors for investment opportunities, such as renewable energy.

The continued demand from Indigenous communities for intergenerational investment means that many organisations are looking to build more diversified investment portfolios, with a willingness to invest 'off country' across various sectors. This has a direct impact on IBA's asset and funds business as well as organisations' interest in partnering with IBA to pursue direct investment opportunities.

Another significant trend is the private sector's increased interest and participation in Indigenous economic development. IBA is responding to this trend by proactively engaging with Indigenous investors and private sector investors, often creating new opportunities for our customers and brokering strategic partnerships.



# PERFORMANCE DELIVERY

Our impact is made when Indigenous Australians have more opportunity in home ownership, business success and investment gain—that is, they have more opportunity to build wealth and economic independence—than they did without IBA.

Our performance reporting informs government, customers, staff and other key stakeholders about how we are achieving our purposes. The key reporting elements of IBA's performance framework incorporate our portfolio budget statements, corporate plan, risk management plan, annual report and annual performance statements.

Our performance indicators measure the success of IBA in providing wealth opportunities to Indigenous Australians through assisting them in home and business ownership, as well as creating investment and employment opportunities. Where relevant, the performance measures relate to IBA inclusive of its subsidiaries and associates. The performance measures set out in our 2017–18 Portfolio Budget Statements are detailed in an appendix to this plan.

A new framework is being developed to move from an activity-focused or output-focused approach to become more outcomes focused. As part of the new framework, there will be changes to how data is collected and what information is sought, from the customer perspective and the program perspective. While the focus is shifting to outcomes, some activity-focused targets will be retained, as they are still valid and important in measuring our performance of core functions.

IBA tracks its performance and reports to the Executive Management Team on a monthly basis and to each Board meeting throughout the year. The frequency of reporting, together with qualitative reporting of performance, is designed to drive senior leaders' engagement with and use of performance information.

Across all that IBA does to build wealth and capability for Indigenous Australians, we engage and develop initiatives with customers and stakeholders, innovate in our products and strategy, invest in our people and culture, and align our risk management and governance with sound judgement. This is outlined in Figure 2.

OUR IMPACT IS MADE  
WHEN INDIGENOUS  
AUSTRALIANS HAVE  
MORE OPPORTUNITY...

**FIGURE 2:** Delivery framework



## Engagement & development

IBA provides access to partnerships and capability to assist Indigenous Australians to enter home ownership, develop their business success, and build their investment knowledge. We also support Indigenous Australians in regional and remote communities to overcome the barriers they experience in taking up such opportunities.

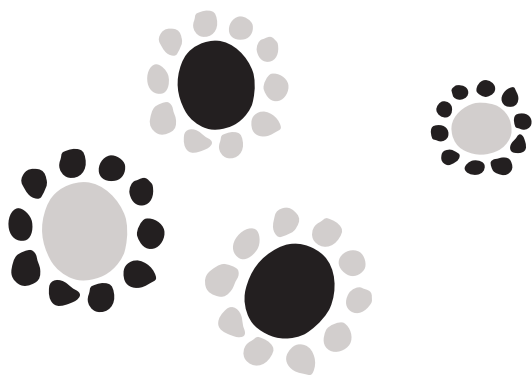
With the Indigenous population growing at a faster rate than the non-Indigenous population, increasing the numbers of Indigenous homeowners and successful businesses is essential in order to move towards closing the gap in economic self-sufficiency between the two populations. IBA recognises our role in that imperative.

Engagement with the relevant individuals, communities and organisations will help to raise awareness of what IBA has to offer. Through information sessions, training and workshops, IBA can assist Indigenous Australians to access the finance available to purchase homes and build their capability in business and investment.

**CONNECT PEOPLE,  
COMMUNITIES AND  
ORGANISATIONS TO PROVIDE  
OPPORTUNITIES FOR  
INDIGENOUS AUSTRALIANS  
TO BUILD WEALTH  
AND CAPABILITY.**

To take advantage of the Commonwealth Indigenous Procurement Policy, IBA is focusing on the support required to build the pipeline for start-up businesses and assisting established businesses to grow and diversify in order to access supply chain and procurement opportunities. These initiatives will have the combined effect of mitigating portfolio risk and ensuring that IBA is more effective in assisting the Indigenous business sector to grow.

By following the framework set out in the Indigenous Investment Principles, IBA works with our investment partners to help them access sound financial returns.



## Immediate focus

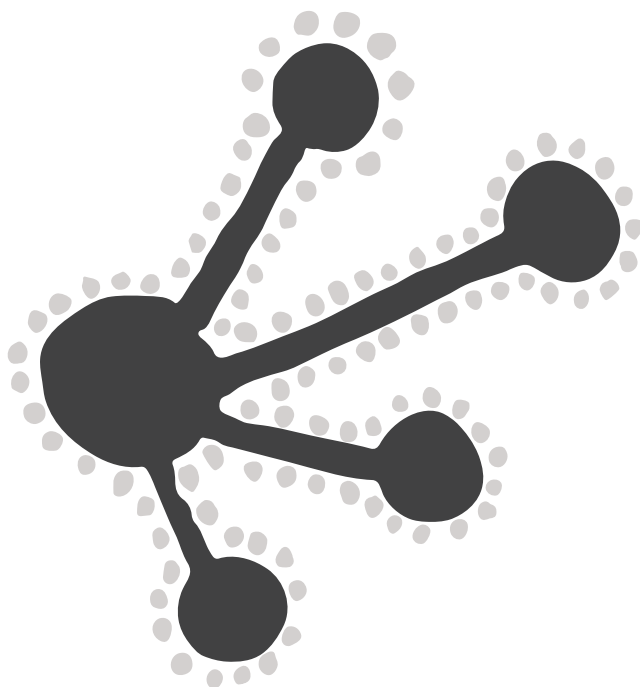
In the next twelve months, IBA will:


- Build collaborative partnerships with key Indigenous organisations, corporate entities and non-government organisations that are aligned with IBA's strategic focus.
- Implement relevant initiatives in response to customer surveys completed in 2017.
- Deliver information sessions to individuals, communities and organisations to build awareness of the opportunities provided by IBA loans and financial services.
- Hold roundtable with key experts across the spectrum of Indigenous, community and mainstream housing sectors to identify opportunities to improve outcomes for Indigenous Australians.
- Refine procurement workshops to support Indigenous businesses to take advantage of the supply chain opportunities created by the Indigenous Procurement Policy.
- Further rollout the business accelerator pilot program, which provides entrepreneurs with workshops and coaching opportunities to develop their business plans.
- Grow investment awareness among participants in Indigenous Investment Principles workshops.

## Longer term

In the next four years, IBA will:

- Develop engagement strategies with particular communities and businesses to support them with their employment and other economic development goals.
- Develop customer engagement mechanisms to build and provide evidence of continuous improvement in product development and support.
- Build a recognisable, contemporary and attractive brand that embodies our work and values and the aspirations of our customer base.
- Alongside the Indigenous Land Corporation, support commercial development of property on Indigenous-held land.





‘Most importantly,  
I know I am going to  
leave something to my  
kids in the long run.’

**YOU, INVESTED**

When Brogan first decided that she wanted to buy her own home she did not have enough saved for a deposit. But by getting in touch with IBA early, she found help to set her goals and make a plan. She moved into her own home in July 2016.



From having the big idea through to making it happen, IBA provides the right mix of products, services, advice, networks and capability to support Indigenous Australians to build their future. Whether it be in home ownership, business success or investment return, we have a vested interest in the success of customers.

IBA invests together with Indigenous Australians in a portfolio that provides financial and social returns for Indigenous investors and their communities. The portfolio of sustainable investments—including direct investments, asset and funds management, and leasing—is diversified by industry and geography. These investments collectively benefit Indigenous Australians through the generation of financial returns, commercial capability, employment, training, and supply chain opportunities.

PROVIDE INNOVATIVE  
WAYS FOR INDIGENOUS  
AUSTRALIANS TO ACCESS  
PARTNERSHIPS, KNOWLEDGE  
AND FINANCE TO OWN  
THEIR FUTURE.

Initiatives such as the launch of pooled investment vehicles—including the Indigenous Prosperity Funds and the Indigenous Real Estate Investment Trust (I-REIT)—complement IBA's other investment offerings, and enable us to support Indigenous groups to establish long-term investment portfolios. This in turn provides an economic base from which investors can partner with IBA to pursue direct investment, commercial property investment and local enterprise development.



## Immediate focus

In the next twelve months, IBA will:

- Foster a genuine culture of innovation, in which we can introduce new solutions across our areas of work.
- Look at new ways to facilitate home ownership and housing security, through a review of product and delivery options for supply, affordability and capacity.
- Continue to build a wider and more agile product suite to support Indigenous entrepreneurs from start-up to expansion, through training, business support, advice, mentoring, and enhanced financial products and services.
- Expand initiatives of collaborative spaces that provide a venue for Indigenous entrepreneurs to access hot desks and meeting rooms when visiting major cities, along with expanding access to business development support and building a professional network.
- Grow the Indigenous observership and leadership program Elevate, which launched in 2017, to provide emerging Indigenous leaders with mentoring and practical experience in business management and investment strategy.
- Grow the renewable energy sector strategy which provides opportunities for Indigenous communities and organisations to benefit from solar and other renewable energy development on their land.
- Scan new industries and sectors for investment and business development opportunities.
- Grow the assets under management and numbers of Indigenous investors in our managed funds.

## Longer term

In the next four years, IBA will:

- Introduce a structured, evidence-based approach to business and product development, in which we design solutions that are informed by the needs of Indigenous Australians, and in which outcomes (not just activity) are regularly measured and reviewed.
- Investigate potential enhanced models for credit provision, particularly by the private sector, for home loans.
- Undertake due diligence investigations into housing projects with Indigenous organisations which will provide transitional housing resulting in home ownership for their members.
- Build a portfolio of investments in the tourism sector which offer domestic and international visitors the opportunity to engage with and experience Indigenous cultures and peoples in an ethical, authentic and dynamic context.





**‘Dream big... If you put  
the hard work in, the  
rewards will follow.’**

**IDEAS, INVESTED**

Tiarnie and Markus Mueller’s landscaping business, Outdoor Solutions, has gone from strength to strength. The Cairns-based business started with a domestic service offering and is now winning big commercial contracts.



## People & culture

IBA will ensure that our capabilities match the needs of the services we deliver. We will align a skilled and adaptable workforce with the right level of capital investment in technology and information management.

IBA will help to build the financial literacy of Indigenous Australians to ensure that they are successful in their aspirations. We want our customers to become self-managed, self-sufficient and self-sustainable, with the ultimate goal of achieving wealth, employment, and social and cultural outcomes.

**DEVELOP OUR SYSTEMS  
AND PEOPLE TO DELIVER  
OUR SERVICES TO  
INDIGENOUS AUSTRALIANS.**

Our people are our best assets. The attraction, development, retention and performance of IBA's staff are driven by our People Plan, which brings together key strategies including our Indigenous Employment Strategy, Learning and Development Framework, and Performance Management and Development System. Workforce planning underpins the development of these strategies, with IBA placing a strong emphasis on succession management to ensure that it has the deep 'bench strength' needed to respond to future business needs and that the right people with the right skills are ready to step into critical roles.

IBA's Information and Communications Technology Strategic Framework provides a clear focus on using ICT and information management to improve customer service delivery and achieve value for our investment. It aims to be adaptable to changing business needs and is premised on an approach of support and coordination across IBA, to maximise our ability to share expertise and fully capitalise on opportunities arising from emerging technologies. Leveraging integrated technologies will enable IBA to improve cross-program interaction and customer management.



## Immediate focus

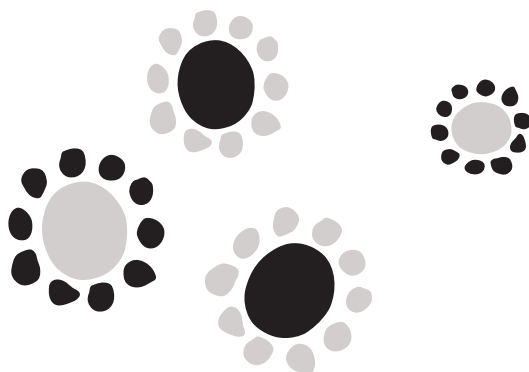
In the next twelve months, IBA will:

- Promote continuous improvement in operations, including by looking for smarter and better ways to deliver our work by enhancing systems and processes and leveraging external expertise.
- Continue to develop and deploy IBA's customer relationship management system to enable a more customer-centric approach.
- Develop a new Reconciliation Action Plan.
- Enact the initiatives of engagement, understanding and communication from the strategic plan developed by our Galambany Staff Network (IBA's Aboriginal and Torres Strait Islander staff network).
- Engender a high level of professionalism, an outcome focus and a strong work ethic throughout the organisation, by recognising and rewarding success, and by establishing consistent performance standards for staff.

## Longer term

In the next four years, IBA will:

- Position IBA as an employer of choice with the ability to attract, retain and develop staff with the skills, commercial acumen, proactive approach and personal commitment to Indigenous economic development required to service our customers to the highest standard.
- Align staff development in terms of the needs of the business, including leadership, project management and career planning.
- Increase representation of Indigenous employees at all levels across IBA through our Indigenous Employment Strategy, including by investing in Indigenous graduate and intern programs to attract and develop new talent, and build a senior executive Indigenous capability through the launch of an Indigenous executive leadership development program in collaboration with the Indigenous Land Corporation.
- Ensure that IBA takes advantage of relevant emergent technologies to meet the future needs of the business.



## Risk & governance

Due to the nature of IBA's operations in the financial services sector, our portfolios naturally carry a degree of risk. This emphasises the need for IBA to focus on sound risk management in its decision making, to ensure the long-term economic sustainability of our customers and to maintain strong stakeholder confidence and trust.

IBA undertakes a professional approach to managing risk in relation to our financial affairs, compliance and governance issues, and reputational and operational matters. In order to achieve our objectives and allow for innovation in developing our business strategy and delivering our equity and sustainable lending programs, we have a greater appetite for risk than a commercial lender would have.

The IBA Risk Management Framework and Policy is designed to provide IBA with an integrated and structured process to identify risk exposures across all of our activities and to provide assurance that these exposures are adequately controlled and addressed. The IBA Risk Management Plan details the risk appetite statement, risk tolerance limits and strategic risk register.

### CREATE A RISK CULTURE THAT DRIVES SOUND JUDGEMENT AND VALUE CREATION.

#### Immediate focus

In the next twelve months, IBA will:

- Review our Risk Management Framework and Policy and our assurance and internal audit schedule to ensure that they are suitable for the nature of our business and closely reflect IBA's strategic and key risk areas.
- Review the risk appetite and tolerance limits—in particular, credit risk—to ensure that they align to IBA's future lending focus.
- Enhance risk reporting at the Executive Management Team and Board levels.

#### Longer term

In the next four years, IBA will:

- Embed a strong risk culture at all levels of the organisation in order to drive sound judgement and value creation through strategic decision making.
- Enhance risk capability, through targeted training.





**‘As a cornerstone investor in the I-REIT, we have utilised our returns for a range of local initiatives, including supporting local business activities.’**

**Corallie Ferguson, Group CEO of  
GEBIE (Groote Eylandt and Bickerton  
Island Enterprises)**

**FUTURES, INVESTED**

The I-REIT's investments are managed by IBA Asset Management Pty Ltd, a wholly owned subsidiary of IBA. Since its launch in 2013, the net asset value of the I-REIT has grown from around \$69 million to over \$100 million.



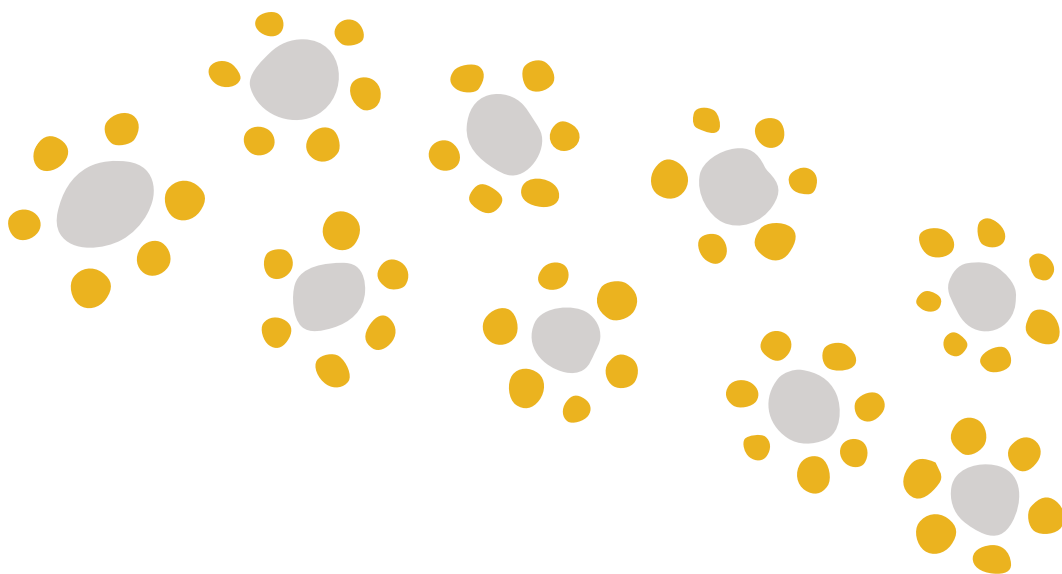
# RESOURCING

IBA's resourcing as a corporate Commonwealth entity is managed through the Commonwealth portfolio budget statements and portfolio additional estimates statements process under the Prime Minister and Cabinet portfolio. The budgeted financial statements are approved by the Board and incorporated in the portfolio budget statements.

Most of IBA's consolidated operations are funded by self-generated revenue from home and business loan interest and investments. IBA receives funding from the Australian Government to assist with the operations of the business and home ownership programs. Operation of the business program is funded under a contract arrangement within the Indigenous Advancement Strategy through the Prime Minister and Cabinet portfolio.

The funds for IBA's investments (including all operating expenses) are generated solely from overall returns on IBA's investment portfolio and are not appropriated from the government.

Details of IBA's revenue and expenses are provided in Table 1.





**TABLE 1: IBA revenue, equity injections and expenses (\$'000)**

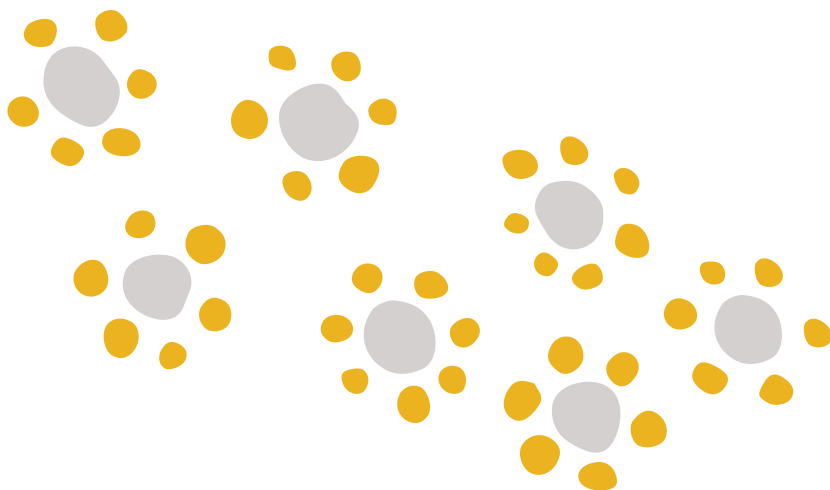
	2016–17 budget	2017–18 forward estimate	2018–19 forward estimate	2019–20 forward estimate	2020–21 forward estimate
<b>Revenue</b>					
Funds from Government	33,688	37,675	37,300	37,143	37,268
Appropriation funding	10,602	10,133	9,762	9,587	9,712
Grants <sup>1</sup>	23,086	27,542	27,538	27,556	27,556
Other revenue <sup>2</sup>	170,807	150,571	152,830	155,123	157,447
<b>Total revenue</b>	<b>204,495</b>	<b>188,246</b>	<b>190,130</b>	<b>192,266</b>	<b>194,715</b>
<b>Equity injections from Government</b>	<b>36,550</b>	<b>22,850</b>	<b>22,850</b>	<b>22,850</b>	<b>22,850</b>
<b>Expenses</b>					
Home ownership	28,283	32,083	32,564	33,052	33,548
Business development	21,086	15,564	15,797	16,034	16,275
Investments <sup>3</sup>	112,269	98,416	99,794	101,313	102,833
Other enabling services <sup>4</sup>	12,535	13,361	13,561	13,764	13,970
<b>Total expenses</b>	<b>174,173</b>	<b>159,424</b>	<b>161,716</b>	<b>164,163</b>	<b>166,626</b>

<sup>1</sup> Funding provided by the Department of the Prime Minister and Cabinet to the Business Development and Assistance Program was in the form of an equity injection of \$13.7 million and a grant of \$23.1 million in 2015–16, and has been replaced by purely grant-based funding from 2016–17 and future years.

<sup>2</sup> 'Other revenue' consists of interest earnings from loan portfolio, rental receipts, and sales of goods and services within IBA's subsidiary investments.

<sup>3</sup> Revenue and expenses for the Equity and Investments Program represent the consolidated revenue and expenses of IBA and its investment subsidiaries. The program does not receive any Australian Government appropriation.

<sup>4</sup> Includes unallocated overheads from corporate activities, finance, legal and governance, and other.



# APPENDIX: PERFORMANCE TABLE

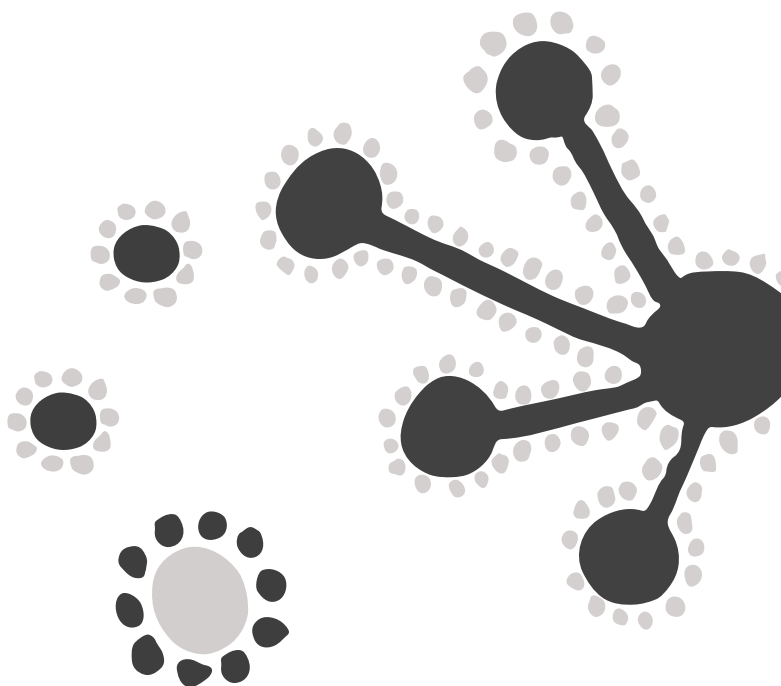
The criteria in this table are indicators from IBA's 2017-18 Portfolio Budget Statements and are aligned to the key elements of IBA's purposes.

The approach and criteria to performance measures have been revised since the 2016-17 corporate plan and portfolio budget statements, to better demonstrate and achieve our purposes.

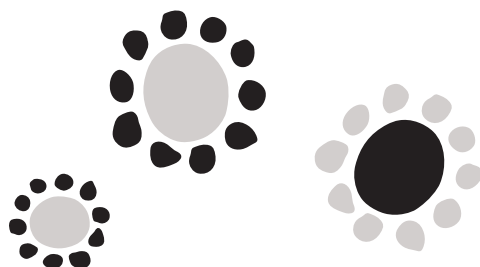
Purpose	Performance criteria		2016–17 estimated actual	2017–18 budget	2018–19 forward estimate	2019–20 forward estimate	2020–21 forward estimate
Enhance self-management and economic self-sufficiency	Number of Indigenous jobs created or supported by IBA <sup>1</sup>		49	57	67	68	69
	Percentage of jobs held by Indigenous people within IBA <sup>1</sup>		26.0%	30.5%	35.0%	35.0%	35.0%
	Number of Indigenous jobs created or supported by IBA's associates, subsidiaries and program customers <sup>2</sup>		1,050	1,050	1,070	1,090	1,110
	Percentage of jobs created or supported by IBA's associates, subsidiaries and program customers held by Indigenous people <sup>2</sup>		35%	37%	38%	39%	40%
	Total value of Indigenous procurement <sup>3</sup>		\$3.75m	\$3.75m	\$4.00m	\$4.25m	\$4.50m
	Percentage of suppliers that are Indigenous		5%	10%	11%	12%	13%
	Total number of customers supported per regional area <sup>4</sup>	Remote	770	775	800	825	850
		Regional	3,626	3,650	3,700	3,750	3,800
		Urban/metro	1,393	1,400	1,450	1,500	1,550
	Number of Indigenous co-investors and organisations who benefitted from the support of investment's services <sup>5</sup>		85	90	95	100	105



Purpose	Performance criteria	2016–17 estimated actual	2017–18 budget	2018–19 forward estimate	2019–20 forward estimate	2020–21 forward estimate
Advance commercial and economic interests	Number of capability and development workshops conducted <sup>6</sup>	140	140	140	140	140
	Number of home ownership outcomes financed <sup>7</sup>	530	580	650	675	695
	Value of finance for home ownership outcomes approved in the financial year	\$160m	\$175m	\$200m	\$210m	\$220m
	Percentage of housing customers who transition or are supported into mainstream lending <sup>8</sup>	4.5%	4.5%	4.5%	4.5%	4.5%
	Percentage of housing loans to applicants who are first home buyers	90%	90%	90%	90%	90%
	Proportion of Indigenous investment in portfolio <sup>9</sup>	29.0%	30.0%	32.5%	35.0%	37.5%
	Wealth created for Indigenous co-investors <sup>10</sup>	\$6.0m	\$6.0m	\$6.5m	\$7.0m	\$7.5m
	Portfolio return to Indigenous co-investors <sup>11,12</sup>	CPI +4%	CPI +4%	CPI +4%	CPI +4%	CPI +4%
Manage capital	Portfolio return to IBA's investment portfolio (budget year) <sup>12,13</sup>	CPI +4%	CPI +4%	CPI +4%	CPI +4%	CPI +4%
	Portfolio return IBA's investment portfolio (rolling five years) <sup>12,13</sup>	CPI +4%	CPI +4%	CPI +4%	CPI +4%	CPI +4%



- 1 Is calculated as the sum of the rolling twelve-month average of all Indigenous employees of IBA.
- 2 Is calculated as the sum of (i) the rolling twelve-month average of all Indigenous employees of IBA subsidiaries and associates (to incorporate seasonality changes); and (ii) the number of Indigenous employees within IBA's businesses finance customers (recorded annually).
- 3 Total dollar value of goods and services procured from Indigenous businesses by IBA and its subsidiaries and associates.
- 4 Regional areas derived from Australian Bureau of Statistics Remoteness Areas, coinciding with ARIA (Accessibility/Remoteness Index of Australia), with Remote and Very Remote collated into 'remote', Outer and Inner Regional collated into 'regional' and major cities classed as 'urban/metro'. Customers include Indigenous co-investors, investment partners and those who receive investment-related support; customers receiving business workshops, support or business finance; and customers receiving finance or support relating to home ownership.
- 5 Includes current Indigenous co-investors; Indigenous co-investors to whom investments were sold during the budget year; organisations that participated in capability development activities such as investment strategies and investment information sessions; and Indigenous investors supported through investment's services.
- 6 Includes investment workshops, business workshops, individual sessions and home ownership sessions.
- 7 Number of loans, guarantees and other finance products provided for new home acquisitions (including purchase of residential land), property settlement, refinance and essential home improvements.
- 8 Transition to mainstream lending arises where the customer refinances home finance with a commercial lender. Support provided by IBA to access mainstream lending includes loans, guarantees, deposit assistance and other finance products that enable the customer to access finance with a commercial lender.
- 9 Total equity held, in aggregate, by Indigenous co-investors and beneficiaries in the budget year, expressed as a percentage of the total investment portfolio value.
- 10 Indigenous co-investors' and beneficiaries' after-tax comprehensive income (including valuation increments and decrements).
- 11 Portfolio return to IBA's Indigenous co-investors during the year, calculated as the after-tax comprehensive income (including valuation increments and decrements) generated by Indigenous co-investors' and beneficiaries' interests in the investment portfolio in the budget year, expressed as a percentage of the aggregate value of Indigenous co-investors' and beneficiaries' holdings.
- 12 CPI refers to the average consumer price index for Australia during the measurement period. For example, if the realised CPI for 2017–18 is 1.7%, the expected return based on a target of CPI + 4% is 5.7% (1.7% + 4%).
- 13 Portfolio return to IBA during the year is calculated as the after-tax comprehensive income (which includes valuation increments and decrements) generated by IBA's interests in the investment portfolio in the budget year, expressed as a percentage of the value of IBA's holdings. Portfolio return to IBA over a rolling five-year period (inclusive of the designated year) is calculated as the average of the portfolio return to IBA in each of the past five budget years.



IBA has taken all reasonable steps to ensure that the contents of this publication do not offend Aboriginal or Torres Strait Islander peoples.

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