

2019–20

ANNUAL REPORT

1990–2020 Celebrating 30 years of Indigenous success



Australian Government
Indigenous Business Australia

ACKNOWLEDGMENT

IBA pays respect to our Elders past, present and emerging.

We honour the resilience and continuing connection to country, culture and community by all Aboriginal and Torres Strait Islander people across Australia.

We recognise that the decisions we make today will impact the lives of generations to come.

INDIGENOUS BUSINESS AUSTRALIA ANNUAL REPORT

IBA has taken all reasonable steps to ensure that the content of this publication is sensitive and considerate of Aboriginal and Torres Strait Islander people.

Throughout this document the term Indigenous refers to Aboriginal and Torres Strait Islander people.

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Brand artwork by Indigenous artist Penny Evans.

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For more information, visit IBA's website at iba.gov.au or call **1800 107 107**.

LEGAL FRAMEWORK

IBA is established under the *Aboriginal and Torres Strait Islander Act 2005* (ATSI Act) and is a corporate Commonwealth entity for the purposes of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

IBA is accountable to the Australian Parliament through the Minister for Indigenous Australians.

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CARBON
NEUTRAL



MANAGEMENT
SYSTEMS



RECYCLED
CONTENT



FOREST
MANAGEMENT



RENEWABLE
ENERGY

1990–2020 Celebrating **30** years of Indigenous success

Over the past 30 years, it has been a privilege for IBA to walk alongside tens of thousands of Aboriginal and Torres Strait Islander people as they have achieved their dreams of buying a home, starting and growing a business and investing in their future.

Established in 1990 following the proclamation of the Aboriginal and Torres Strait Islander Commission (ATSIC) Act 1989, IBA was originally known as the Aboriginal and Torres Strait Islander Commercial Development Corporation (CDC). In 2001 the name was changed to Indigenous Business Australia and over the years has significantly expanded its scope, reach, products and services.

Our 30 year milestone is an opportunity to celebrate thousands of inspiring Aboriginal and Torres Strait Islander individuals, families, businesses and communities we have worked with over the past 30 years.

www.iba30years.com



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28 September 2020

The Hon. Ken Wyatt
Minister for Indigenous Australians
Parliament House
CANBERRA ACT 2600

Dear Minister

On behalf of the Board of Indigenous Business Australia, I am pleased to submit our annual report for the financial year ended 30 June 2020.

The Board is responsible for preparing the annual report and presenting it to you in accordance with Section 46 of the Public Governance, Performance and Accountability Act 2013, Division 3A of the Public Governance, Performance and Accountability Rule 2014 and Section 189 of the Aboriginal and Torres Strait Islander Act 2005.

This report includes IBA's annual performance statements and audited financial statements and has been prepared for the purposes of section 46 of the Public Governance, Performance and Accountability Act 2013, section 189 of the Aboriginal and Torres Strait Islander Act 2005 and in accordance with the requirements of the Public Governance, Performance and Accountability Rule 2014. It was approved by resolution of the Board on 24 September 2020.

I commend this report to you as a record of our achievements and compliance.

Yours sincerely

Eddie Fry
Chair



PART 1 OVERVIEW

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ABOUT IBA

Indigenous Business Australia was established under the *Aboriginal and Torres Strait Islander Act 2015* (ATSI Act). The ATSI Act sets out the purposes, functions and powers of IBA. IBA is a corporate Commonwealth entity and its Board is the accountable authority under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

Section 146 of the ATSI Act sets out IBA's purposes:

- to assist and enhance Aboriginal and Torres Strait Islander self-management and economic self-sufficiency
- to advance the commercial and economic interests of Aboriginal persons and Torres Strait Islanders by accumulating and using a substantial capital asset for the benefit of the Aboriginal and Torres Strait Islander peoples

These purposes are included in the 2019–20 Corporate Plan and were achieved through IBA's single portfolio outcome—to improve wealth acquisition and economic independence of Indigenous Australians—via:

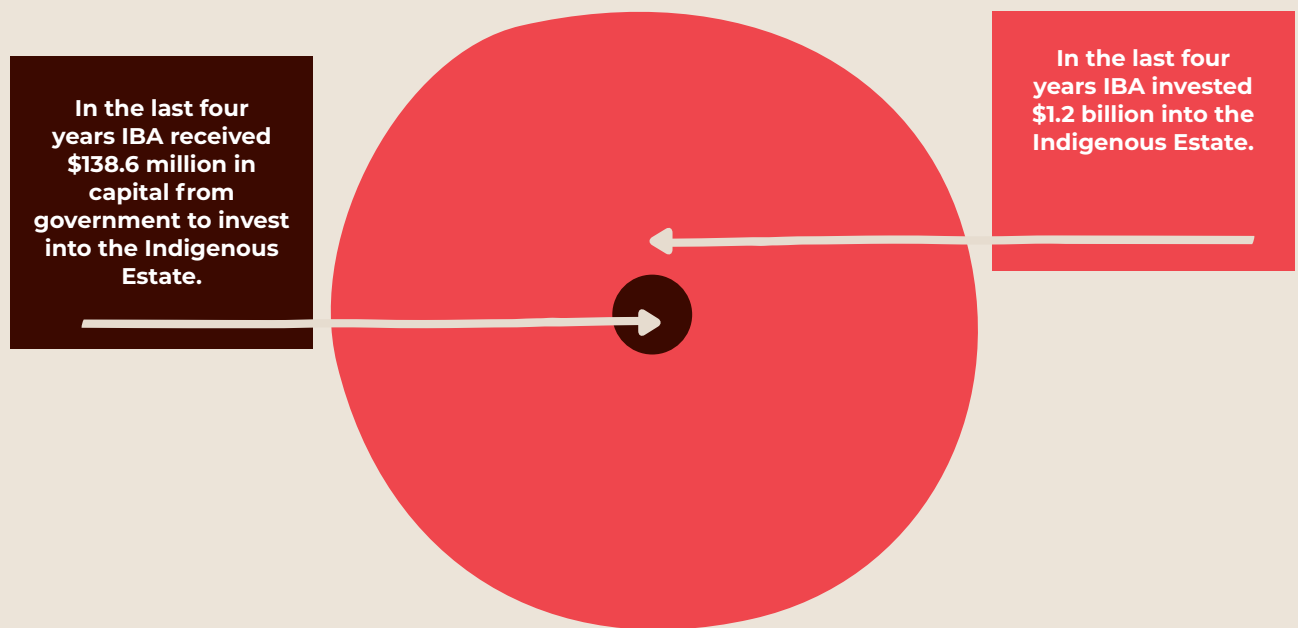
- commercial enterprise
- asset acquisition
- access to concessional business and home finance

IBA is accountable to the Australian Parliament through the NIAA and the Minister for Indigenous Australians, the Hon Ken Wyatt AM MP.



FIGURE 01: HOW IBA INVESTS FUNDS TO GROW OPPORTUNITY FOR ABORIGINAL AND TORRES STRAIT ISLANDER PEOPLE

CAPITAL FUNDING RECEIVED VS OVERALL INVESTMENT MADE



Over the past four financial years, IBA received a total of \$138.6m in capital funding from the Australian Government to invest into the Indigenous Estate by way of home loans, business loans and support and investment opportunities and support but deployed \$1.2 billion in capital. IBA also received appropriations of \$40.0m to support the operational costs of the Indigenous Home Ownership Program and \$69.2m in funding to support the operational costs of the Business Development and Assistance Program. These amounts are used to support operational expenses and business support activity and cannot be used as capital.

CHAIR REVIEW



The resolve of Indigenous Business Australia (IBA) and our customers has been tested in 2019–20 in ways unimaginable twelve months ago. Despite this, IBA's vision for Aboriginal and Torres Strait Islander peoples who are economically independent and integral to the economy remains unaltered.

IBA was originally formed in 1990 as the Aboriginal and Torres Strait Islander Commercial Development Corporation. Thirty years later, its proven model for generating economic independence by investing in people, places, and ideas continues to deliver. Over this time, particularly in the last few years, many new and innovative ways were constantly being developed to support customer aspirations.

The economic impacts of the COVID-19 pandemic will be felt locally, nationally and globally for years. Although this may place constraints on IBA's capital, IBA will explore ways to continue to grow to meet customer demand, including through innovation and partnerships with the private sector.

Over the coming years, IBA will draw on its experience as an independent, commercially focused organisation to realise its unique mandate and capabilities. As the Australian and global economy recovers, focus will remain on how to support Aboriginal and Torres Strait Islander people to skilfully innovate, commercialise and enter new sectors and opportunities.

IBA's model is premised on independent operation and a strong commercial focus. The year ahead will see the IBA Board continue to push through challenges to its operating model to extend customer impact and reach and meet ever-growing demand.

As Chair, I have also had the great honour and pleasure of working with Rajiv Viswanathan, IBA's outgoing CEO, who will finish with IBA in December 2020. Rajiv has combined exemplary vision, innovation, intellect, wisdom and leadership to IBA. He will be missed enormously. On behalf of the Board, I want to thank him for the positive impact of his leadership and the significant benefits that his vision and work have had for Aboriginal and Torres Strait Islander peoples.

Finally, I want to thank all IBA staff for their ongoing dedication. This year has been unique in so many ways, and the ability of staff to rise to the challenges and continue to serve our customers has been inspiring. I also want to thank the IBA Board for their ongoing strategic insight and stewardship.

Eddie Fry
Chair, IBA

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CONTINUE TO SERVE
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CEO REVIEW



The 2019–20 financial year has been dominated by environmental and economic crises that will have impacts for generations to come. Whilst they've had a profound impact across ecosystems and economies, our Aboriginal and Torres Strait Islander customers have once again demonstrated their resilience and ingenuity through these times.

The first of these crises was the catastrophic bushfire events that began to unfold across eastern Australia from October 2019, reaching a peak as the New Year broke, destroying lives, livelihoods, homes, businesses, communities, wildlife and bushland on a massive scale.

As pictures of the resulting ecological wastelands were beamed across the globe, smoke from these fires lingered, reminding us all of the devastating reality of the disaster. IBA responded swiftly by establishing a Bushfire Crisis Fund and assisting our business finance and home loan customers directly impacted by the bushfires.

Soon after, as momentum recognising how knowledge held by Indigenous Australians could help manage and mitigate these catastrophic fire events grew, the COVID-19 pandemic rapidly escalated. In response, IBA worked hard to navigate the rapidly changing situation to ensure we could support our customers through the crisis, while maintaining continuity of business operations and safeguarding the wellbeing of IBA staff. We continued a coordinated approach to benefit our customers, while rapidly and successfully transitioning staff to remote working arrangements.

IBA offered our economically affected business finance customers deferrals of repayments and waivers of interest for an initial period of four months. We worked with the National Indigenous Australians Agency to develop the \$50m Indigenous Business Relief Package. This was then announced by the Hon Ken Wyatt AM MP and deployed by IBA to support eligible Aboriginal and Torres Strait Islander businesses impacted by the COVID-19 pandemic, whether IBA customers or not. We also moved quickly (and before many mainstream lenders) to announce relief measures for IBA home loan customers; offering an interest rate reduction to reduce repayments, and hardship assistance to customers in need, including deferring repayments and other support.

Despite challenging market conditions, IBA achieved the majority of its key performance indicators for 2019-20, with limited exceptions, most of which were directly attributable to COVID-19.

IBA exceeded its targets for value of business finance approved, and importantly, survivability rates for our customers exceeded averages

for comparable sized businesses in the wider market. IBA also met its targets under its funding agreement with the Commonwealth for the Business Development and Assistance program.

Whilst IBA's level of home lending was comparable to its long-term average, it was below the target originally set for the year prior to COVID-19. The loan relief and assistance offered temporarily affected the level of income to IBA on the loan book. This, taken together with COVID-19 restrictions which impacted open house inspections and auctions, affected the level of home loans IBA was able to settle between March and June 2020.

However, IBA prudently managed its capital and financial exposures, ensuring that its balance sheet has remained robust despite the crisis. Pleasingly, portfolio income has also since held up at strong levels and demand for IBA's home loans has remained at record levels throughout. IBA is actively exploring ways to meet growing demand for home loans into the future, including through (amongst other things), partnerships with the private sector to increase refinance options for more established IBA customers to move to a mainstream lender.

IBA also did not meet its targets for return on investment and level of Indigenous co-investment given COVID-19 affected investment returns across markets (as it did for investors across the globe), had substantial impacts on IBA's tourism co-investments (as a result of border closures) and led to reduced investor appetite to make new investments.

Overall, for the past 30 years, we have remained committed to our mandate to support Aboriginal and Torres Strait Islander peoples, businesses, organisations and communities to pursue their aspirations for economic independence.

For the past three years we have charted a new strategic direction, launched a range of new products and solutions, and significantly increased lending and investment levels—all while maintaining strong results across our program areas. As a demonstration of this

uplift in productivity, since 1 July 2016, IBA has deployed over \$1 billion through our investment and lending activity which is around nine times the level of Government funding provided to IBA by way of capital during that period. These results indicate the increase in demand for IBA, even as we operate with about 15% fewer staff than we had in the recent past. They also reflect our investments in new ways of working, to meet customer needs. Along the way, we introduced regular customer feedback through digital surveys, with strong levels of satisfaction across programs.

IBA is largely reliant on returns from its own investment and loan portfolios to fund its work. While we work hard to make our capital go as far as possible, without additional investment from Government, or change to our legislation to enable us to borrow or raise capital, there will be limits to what we are able to do. However, I am confident that in the years to come we will continue to put customers first, and do our utmost to make our capital go as far as it can, and to be as impactful as possible.

This will be my final Annual Report as CEO of IBA. I announced my intention to step down in early 2020 to spend more time with my young family, and will be departing in December 2020. It's been an incredibly fulfilling experience to work at IBA, both in my current and prior role at IBA. I'm proud of the numerous initiatives we've launched; including our investment funds, investments in new industries, a range of business financing products, and signature initiatives to support more women, youth and at risk men into business, and a significant growth in our home lending platform. Underpinning this, we refocused IBA around the pillars in our first five-year strategy, launched in 2018, developed a new, cutting edge impact framework to measure our outcomes, a prudent whole-of-organisation approach to capital management, and the Digital Futures Program to modernise our systems and infrastructure across all areas of work.

Along the way, I have been incredibly fortunate to work with so many incredible communities, business owners, entrepreneurs and families who are doing amazing things, sometimes against all the odds. I'm also proud to have been able to walk alongside and work with our dedicated team of staff, including the Executive, over many years, including many who have gone on to other walks of life over the years, and with whom I have been lucky to develop lasting relationships. They have helped make the role so enjoyable—and the way in which they rapidly transitioned to new working arrangements in response to the COVID-19 pandemic and continued to support our customers through these challenging times has been exemplary.

Lastly I would also like to express my deepest appreciation to IBA Chair Eddie Fry, Deputy Chair Anthony Ashby, and all current and past Board members, who have consistently demonstrated integrity, insight, humility and an unwavering commitment to delivering outcomes for those we serve, as well as showing incredible generosity to help me stay resilient throughout, not just professionally, but also personally. For this, I will always be grateful.

We remain at an inflexion point for Indigenous economic development, and IBA has a vital role to play in the years to come to support our customers to take control of and change their futures. I look forward to seeing the organisation continue to grow its reach and impact, and to find new ways of supporting the many inspiring communities, families and entrepreneurs we work with across Australia.

Rajiv Viswanathan
Chief Executive Officer, IBA

FOR THE PAST
30 YEARS, WE
HAVE REMAINED
COMMITTED TO
OUR MANDATE
TO SUPPORT
ABORIGINAL AND
TORRES STRAIT
ISLANDER PEOPLES,
BUSINESSES,
ORGANISATIONS
AND COMMUNITIES
TO PURSUE THEIR
ASPIRATIONS
FOR ECONOMIC
INDEPENDENCE

FROM TRAVEL TO TEA

ROBERT DANN

Founded by Nyul Nyul man Robert Dann, Bindam Mie is a company that transforms boab nuts into tea, oils, beer and a super powder.

As a child growing up in Broome, Robert collected boab nuts for his mum to cook.

"As kids we weren't well off. There were days when we didn't have any food. We would collect the boabs in the dry season and eat the flesh. We would also take it back home and mum would put it in hot water, add a bit of sugar and make a porridge," he said.

Robert worked with IBA to expand his business and is a graduate of the IBA Accelerator program. He expanded his Kimberly Cultural Adventures Broome business to new ventures with Bindam Mie.

He's also creating job opportunities for his community, employing local Aboriginal youth casually to pick and process the nuts. Robert plans to create more jobs as the business grows.

Growing up in the Kimberley region, the father-of-one never imagined that one day he'd be turning his knowledge of wild boab nuts into a business. Today, as he shows his Indigenous employees how to prepare the nuts at a commercial kitchen in Broome, he smiles at the unexpected course his life has taken.

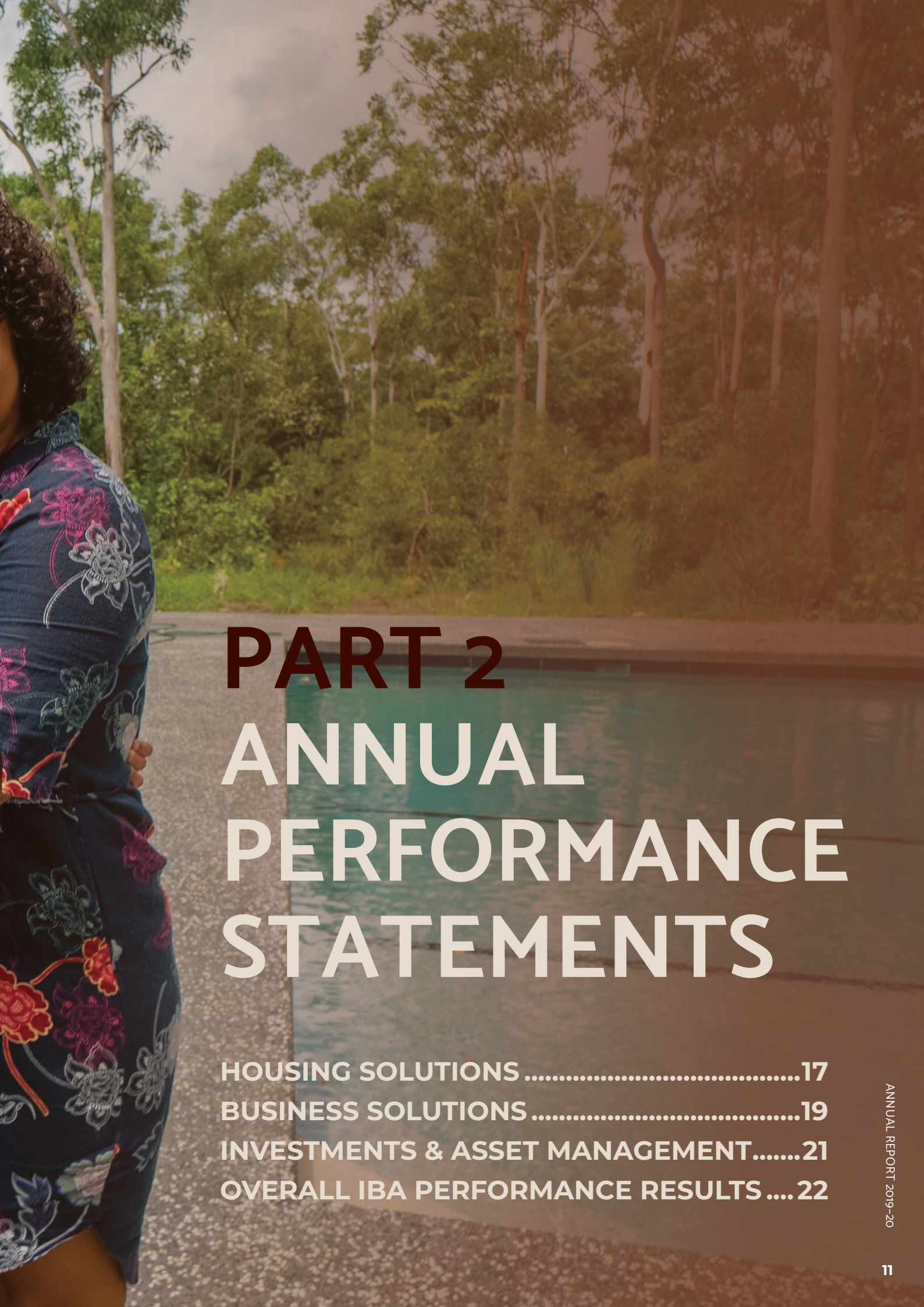
"My mum would be very proud of me, I'm sure," says Robert.

Watch the SBS Small Business Secrets video on our Indigenous Business Australia YouTube channel.

1990–2020 Celebrating 30 years of Indigenous success

This customer case study forms part of our collection of 30 year celebration stories at www.iba.gov.au



A woman with curly hair, wearing a dark blue dress with colorful floral embroidery, stands on the left side of the frame. She is looking towards a swimming pool in the background. The pool is surrounded by a concrete deck and a dense line of green trees. The sky is overcast. The entire image has a warm, brownish-orange tint.

PART 2

ANNUAL PERFORMANCE STATEMENTS

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ANNUAL PERFORMANCE STATEMENTS

STATEMENT OF PREPARATION

I, on behalf of the Board of Indigenous Business Australia (the accountable authority), present the 2019–20 annual performance statement for Indigenous Business Australia (IBA), which has been prepared for paragraph 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

In the Board's opinion, at the date of this statement and based on the material provided, this Annual Performance Statement accurately presents the performance of the entity for the 2019–20 reporting period and complies with subsection 39(2) of the PGPA Act.



Eddie Fry
Chair of IBA Board

PERFORMANCE FRAMEWORK AND PURPOSE

IBA's budget and performance is managed through the annual Portfolio Budget Statements (PBS) of the Department of the Prime Minister and Cabinet. Its purpose, planned outcomes, performance measures and targets are set out in the PBS and further described in the annual Corporate Plan. For its Business Solutions division, a funding agreement with the NIAA for the delivery of the Business Development and Assistance Program further supplements IBA's performance framework.

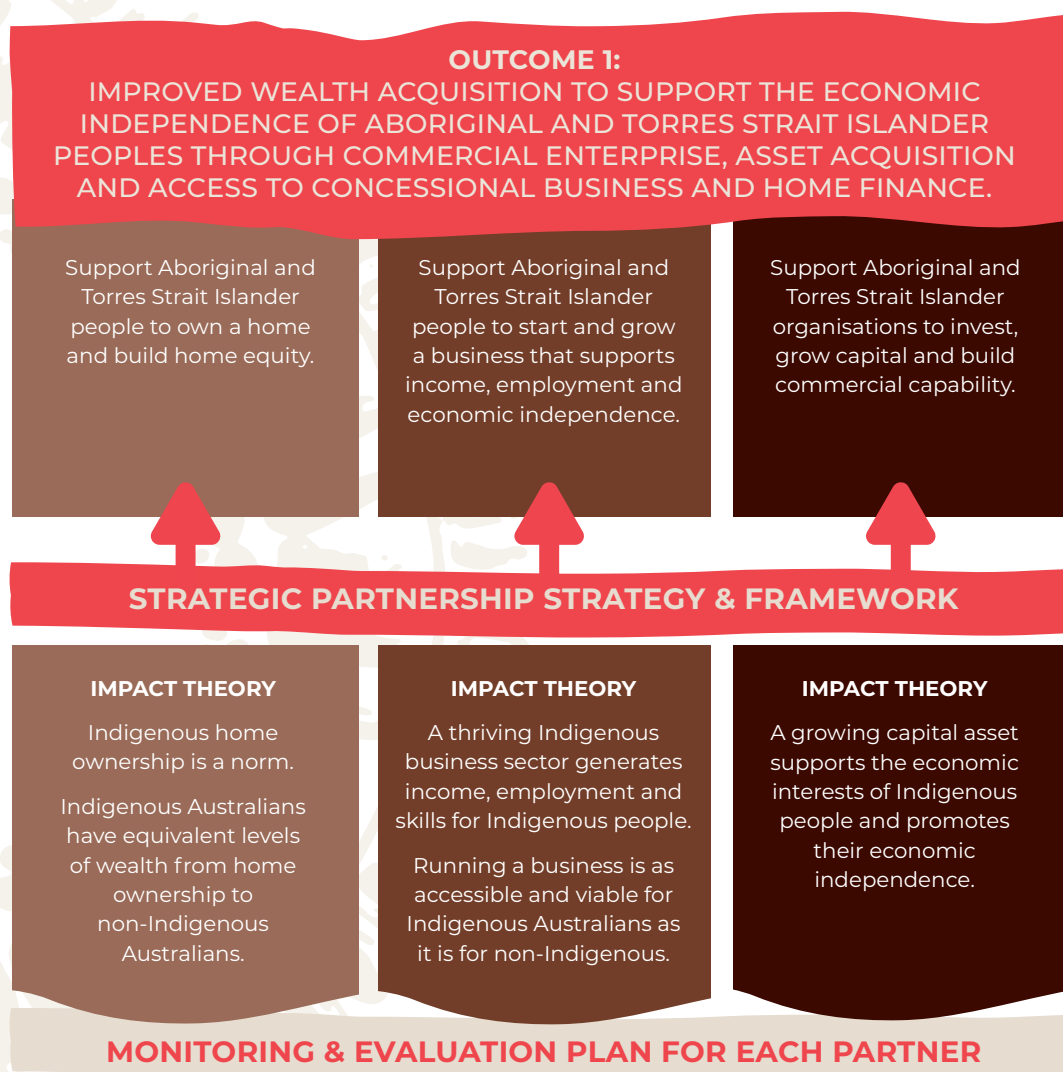
Figure 2 sets out the relationship between our outcome, delivery model and the impact we strive to achieve.

This aligns with IBA's purposes:

- to assist and enhance Aboriginal and Torres Strait Islander self-management and economic self-sufficiency; and,
- to advance the commercial and economic interests of Aboriginal persons and Torres Strait Islanders by accumulating and using a substantial capital asset for the benefit of Aboriginal and Torres Strait Islander people.

Each division is supported by performance measures showing how IBA is delivering against its purpose. In 2019–20, these focused on the amount of services and products IBA delivered and the benefits. IBA's performance framework will continue to evolve to improve its measurement of relevant outputs and outcomes, and to look closer at the quality and efficiency of its product and service delivery. This evolution will be complemented by IBA's newly developed Impact Framework.

FIGURE 02: THE RELATIONSHIP BETWEEN
OUTCOME, DELIVERY AND IMPACT



PERFORMANCE OF IBA AGAINST PURPOSE FOR 2019–20

The following pages detail IBA's performance results by division presenting performance against agency-wide targets. Table 1 shows how IBA met its purpose in 2019–20. The Environment section on page 28 has more information on IBA's operating environment and its influence on performance.

IBA's 2019–20 Corporate Plan details the methods and data sources used to calculate performance measures. Any changes made to the calculation of results are noted in the analysis.

The COVID-19 pandemic created a significant amount of economic turmoil internationally in 2019–20. IBA's customers and partners were not impervious to these impacts. As a result, IBA achieved seven of its twelve performance measure targets. The five targets not met were:

- Measure 1 – number of home ownership outcomes approved
- Measure 2 – value of home ownership outcomes approved
- Measure 8 – total amount of Indigenous co-investments
- Measure 9 – portfolio return to Indigenous co-investors
- Measure 11 – proportion of suppliers that are Indigenous.

IBA delivered 454 home loan approvals to its Indigenous customers for the financial year, and prior to COVID-19, was on track to achieve its target for the full year. Whilst IBA's level of home lending was comparable to its long-term average, it was below the targets for dollar value and number of loans originally set for the year prior to COVID-19.

The loan relief and assistance offered temporarily affected the level of income to IBA on the loan book. This, taken together with COVID-19 restrictions which prohibited open houses and auctions, affected the level of home loans IBA was able to settle between March and June 2020.

A strong performance was still possible against targets for the delivery of loans to first home buyers and customers transitioning from social housing. IBA exceeded the target for transitioning customers to mainstream lenders.

The Business Solutions division exceeded the business lending target, approving \$59.9 million in finance facilities. This includes \$7.0 million in finance packages approved under IBA's COVID-19 Business Relief Package. Many of IBA's existing customers impacted by COVID-19 also received additional assistance in the form of loan repayment deferrals and interest waivers. Business customers had four-year survivability rates that exceeded the Australian average survivability rate in all relevant business categories. This is a positive result, demonstrating that businesses supported by IBA have remained resilient compared to Australian averages.

COVID-19 induced market volatility saw investment values falling in March 2020, before recovering some ground over the remainder of the financial year. Indigenous co-investment fas at 30 June 2020 was \$169 million against a target of \$200 million, reflecting reduced investor appetite due to COVID-19. The portfolio return to Indigenous co-investors was 0.64%, not meeting the targeted 3.2% noting that many equity markets funds produced negative returns for the 2019–20 financial year.

IBA met its target for the value of Indigenous procurement expenditure and employment but fell short of its target for the proportion of suppliers that were Indigenous by 6.5%.

TABLE 01: IBA'S PERFORMANCE AGAINST ITS 2019-20 PERFORMANCE MEASURE TARGETS

Performance criteria ¹	Measure and target	Result	Met
Aboriginal and Torres Strait Islander Australians experience improved equitable access to secure and stable housing.	1. Number of home ownership outcomes approved (annual), 650.	454	✗
	2. Value of home ownership outcomes approved (annual), \$200m.	\$166.1m	✗
	3. % of Indigenous home owners who transition or are supported into mainstream lending (annual), 4.5%.	4.8%	✓
	4. % of housing loans to applicants who are first home buyers (annual), 90%.	95.2%	✓
	5. % of homeowners who transition from social housing and affordable rental to home ownership (annual), 5%.	6.4%	✓
Aboriginal and Torres Strait Islander communities and people experience improved access to economic and business opportunities.	6. Value of business finance approved (annual), \$40m.	\$59.9m	✓
	7. Survivability of IBA business finance customers, meets or exceeds the Australian average 0-4 Employees = 63% 5-19 Employees = 78% 20-199 Employees = 82% 200+ Employees = 87%.	65% 94% 100% NA ²	✓
	8. Total amount of Indigenous co-investments with IBA, \$200m.	\$169.0m	✗
	9. Portfolio return to Indigenous co-investors (annual), 3.2% (CPI +3.5%).	0.64%	✗
Aboriginal and Torres Strait Islander Australians experience improved access to employment and procurement opportunities.	10. % of total value of goods or services purchased from Indigenous suppliers (annual), 5%.	6.5%	✓
	11. % of IBA's suppliers that are Indigenous (annual), 15%.	8.5%	✗
	12. % of jobs supported by IBA's associates, subsidiaries and program customers held by Indigenous Australians, 40%.	46.5%	✓

1. Performance criteria listed are as presented in IBA's 2019-20 Portfolio Budget Statements.

2. IBA had no business customers with 200 or more employees over the survivability period.



PERFORMANCE OF HOUSING SOLUTIONS DIVISION

Housing Solutions division contributes to IBA's purposes by supporting Aboriginal and Torres Strait Islander people to grow their wealth and economic self-sufficiency through home ownership. To do this, IBA offers home loans combined with other tailored customer support and education services to help customers prepare for this journey. See pages 30 to 33 for more on the division's activities and achievements.

These measures were used to assess IBA's housing performance against its purpose in 2019–20:

1. number of home ownership outcomes approved
2. value of home ownership outcomes approved
3. percentage of Indigenous homeowners who transition, or are supported into mainstream lending
4. percentage of housing loans to first home buyers
5. percentage of homeowners who transition from social housing and affordable rental to owning a home.

All of the division's performance measures are sourced from IBA's Corporate Plan 2019–20 (p23) and the Portfolio Budget Statements of the Prime Minister and Cabinet Portfolio (p182).

MEASURES

Measure 1 Number of home ownership outcomes approved	
Performance	454 home ownerships against a target of 650 (target not achieved).
Analysis	The number of home loans delivered by IBA indicates how many Indigenous Australians are being helped to grow wealth and economic independence through home ownership, consistent with IBA's purpose. Performance against this target has been negatively impacted by an increase in average loan size (average house prices rose across Australia) and capital constraints. IBA enacted a change in lending strategy mid-financial year to improve this trend. However, whilst prior to COVID-19, was on track to achieve its target for the full year, performance was adversely affected during Q4 due to the uncertain economic conditions caused by the COVID-19 pandemic, restrictions on open houses and auctions (affecting settlements between March and June 2020) and a focus on supporting existing customers, which temporarily affected portfolio income.

Measure 2 Value of home ownership outcomes approved	
Performance	\$166.1 million against a target of \$200 million (target not achieved).
Analysis	The value of IBA's home lending reflects Indigenous customers growing their capital and wealth through home ownership. Due to the COVID-19 pandemic, IBA acted to limit negative risk for customers in a highly uncertain market and economic situation.

Measure 3 Percentage of Indigenous homeowners who transition or are supported into mainstream lending	
Performance	4.8% against a target of 4.5% (target achieved).
Analysis	Transitioning customers to mainstream lending promotes economic self-management as outlined in IBA's purpose. It also frees up capital, allowing IBA to lend to new customers who are unable to access finance with a mainstream lender. Despite an uncertain economic environment, IBA achieved this target by identifying home lending customers in a strong financial position who would be regarded favourably by mainstream lenders, and then supported their transition. The measure also includes a small number of customers who were provided a split funded loan arrangement between IBA and a mainstream lender.

Measure 4 Percentage of housing loans to applicants who are first home buyers	
Performance	95.2% against a target of 90% (target achieved).
Analysis	To fulfil IBA's purpose, home lending is focused on first home buyers as this is the most direct way to increase the number of Indigenous Australians that own a home and build wealth.

Measure 5 Percentage of homeowners who transition from social housing and affordable rental to home ownership	
Performance	6.4% against a target of 5% (target achieved).
Analysis	Lending to customers transitioning from social housing to home ownership, supports self-management and economic self-sufficiency, consistent with IBA's purpose. IBA requested information from home loan applicants about their housing background and prioritised customers transitioning from social housing and affordable rental (including public or community housing), to reach the target.

PERFORMANCE OF BUSINESS SOLUTIONS DIVISION

Business Solutions division contributes to IBA's purpose by delivering a range of finance products (loans, leasing and cash flow finance products) as well as business support services to assist Indigenous Australians to start, develop or grow their own businesses. See pages 36 to 40 for more analysis on IBA's work and achievements.

The division monitored the following performance measures to assess IBA's delivery of outcomes against its purpose:

6. value of business finance approved
7. survivability of IBA business finance customers.

These performance measures are sourced from IBA's Corporate Plan 2019–20 (p23) and the Portfolio Budget Statements of the Prime Minister and Cabinet Portfolio (p182). Business Solutions' performance framework is complemented by contractual key performance indicators set under a contractual agreement with the NIAA for the Business Development and Assistance Program. Performance against these KPIs are presented on page 37. To minimise the impact of COVID-19, IBA also worked closely with the NIAA to develop a \$50 million COVID-19 Business Relief Package specifically for the Indigenous Business Sector. Performance against these KPIs are presented on page 38.

Photo: Banubanu Beach Retreat on Bremer Island, NT, is surrounded by pristine beaches and lush tropical gardens.



Measure 6 Value of business finance approved

Performance	\$59.9 million approved against a target of \$40 million (target achieved).
Analysis	<p>Finance provided to Indigenous business customers indicates the level of support delivered to Indigenous Australians starting and growing a business to support their economic independence. While COVID-19 slowed general lending, strong performance at the end of 2018-19 was maintained in the first three quarters of 2019-20, which helped IBA perform strongly against this target. The result included:</p> <ul style="list-style-type: none">• \$14 million standard business loans• \$14.6 million invoice finance• \$13.1 million performance bonds• \$4.4 million producer offset loans• \$6.9 million leasing finance <p>This result also includes \$7.0 million approved under IBA's COVID-19 Business Relief Packages as at 30 June 2020, which also bolstered IBA's strong performance against this target.</p>

Measure 7 Survivability of IBA business finance customers

Performance	<p>65% against a target of 63% for businesses with 0–4 employees (target achieved).</p> <p>94% against a target of 78% for businesses with 5–19 employees (target achieved).</p> <p>100% against a target of 82% for businesses with 20–199 employees (target achieved).</p>
Analysis	<p>This is a positive result, demonstrating that businesses within the cohort measured have remained resilient compared to Australian averages. The measurement counts businesses supported with an IBA business loan that survived the four-years to the end of 2019–20. The target is based on ABS's average survivability of Australian firms over four-years to the end of 2018–19 (the most recent estimate). Survival status is identified through the Australian Business Register and IBA's own information.</p> <p>IBA's data reflects employment levels at the time of loan approval and assumes all businesses have at least one employee. The '0–4 Employees' target was created by consolidating the ABS's 'Non-employing' and '1–4 employees' categories to ensure consistency between IBA's data and the target. The survivability calculation method was revised to be more consistent with ABS's by removing businesses not registered for GST.</p> <p>Positive results for all business categories reflects IBA's prudent approach to lending, and the additional tailored customer support compared to alternative lenders. IBA had no business customers with 200 or more employees over the survivability period.</p>

PERFORMANCE OF THE INVESTMENTS AND ASSET MANAGEMENT DIVISION

The Investments and Asset Management division contributes to IBA's purpose by providing Indigenous investors with access to direct investments and managed investment options that deliver commercial returns. Direct investments also seek to deliver social and economic gains for Aboriginal and Torres Strait Islander people through employment, training and procurement benefits.

Measurement of the division's performance against IBA's purpose focuses on the financial growth and returns of assets and investments, through the following performance measures:

8. total amount of Indigenous co-investments with IBA
9. portfolio return to Indigenous co-investors.

Both performance measures are sourced from IBA's Corporate Plan 2019–20 (p23) and the Portfolio Budget Statements of the Prime Minister and Cabinet Portfolio (p182).

Measure 8 Total amount of Indigenous co-investments with IBA	
Performance	\$169 million against a target of \$200 million (target not achieved).
Analysis	<p>The result measures the value of funds invested by Indigenous entities in:</p> <ul style="list-style-type: none"> the Indigenous Prosperity Fund (IPF) the Indigenous Real Estate Investment Trust (I-REIT) IBA's direct investments <p>A COVID-19-induced economic slowdown impacted performance against the target. As with the broader market, many potential investors put investment decisions on hold, until the pandemic's impacts were better understood. The Investments team focused on serving existing investors and managing current assets during the market volatility and uncertainty caused by the COVID-19 pandemic in the fourth quarter.</p>
Measure 9 Portfolio return to Indigenous co-investors	
Performance	0.64% against a target of 3.2% (CPI + 3.5%) (target not achieved).
Analysis	<p>Return on equity to Indigenous co-investors measures financial returns across the IPF, I-REIT and IBA's Direct Investments.</p> <p>COVID-19 significantly impacted returns in 2019–20 through declines in both the Australian and international share market as well as short-term reduced trading performance of IBA's Direct Investment assets, including adverse valuation impacts particularly in the tourism assets. Despite these negative impacts, the portfolio generated a positive return to IBA's Indigenous co-investors.</p>

OVERALL IBA PERFORMANCE RESULTS

Several activities outside the work of IBA's divisions, also contribute to its purpose. Outcomes related to the employment of Indigenous Australians and the procurement of goods and services from Indigenous suppliers contribute to economic self-sufficiency and are assessed using the following performance measures:

10. percentage of total value of goods or services purchased from Indigenous suppliers
11. percentage of IBA's suppliers that are Indigenous
12. percentage of jobs supported by IBA's associates, subsidiaries and program customers held by Indigenous Australians.

These performance measures are sourced from IBA's Corporate Plan 2019–20 (p23) and the Portfolio Budget Statements of the Prime Minister and Cabinet Portfolio (p182).



Photo: Australia's first Indigenous owned commercial satellite ground station in Alice Springs at Centre for Appropriate Technology.

Measure 10 Percentage of total value of goods or services purchased from Indigenous suppliers	
Performance	6.5% against a target of 5% (target achieved).
Analysis	<p>Directing more spending to Indigenous suppliers means directly increasing their income and supporting them to succeed and grow. This year:</p> <ul style="list-style-type: none"> from \$25 million IBA spent on goods and services, \$4.7 million (18.9%) went to Indigenous suppliers from \$107.4 million IBA's subsidiaries and associates spent, \$3.9 million (3.6%) was sourced from Indigenous suppliers.

Measure 11 Percentage of IBA's suppliers that are Indigenous	
Performance	8.5% against a target of 15% (target not achieved).
Analysis	<p>Procuring from a greater proportion of Indigenous suppliers increases the number of Indigenous businesses supported to succeed and grow. This year:</p> <ul style="list-style-type: none"> 19.5% of IBA suppliers were Indigenous (141 of 724) 3.5% of subsidiaries and associate suppliers were Indigenous (52 of 1,470) <p>This was not enough to meet the combined target. It should be noted that some suppliers were used by both IBA and IBA's subsidiaries, and the final combined result has been adjusted for duplicates..</p>

Measure 12 Percentage of jobs supported by IBA's associates, subsidiaries and program customers held by Indigenous Australians	
Performance	46.5% against a target of 40% (target achieved).
Analysis	<p>The more jobs IBA can support through its associates, subsidiaries and Business Solutions division customers, the greater the income flowing to Indigenous Australians in the form of wages and salaries.</p> <ul style="list-style-type: none"> For IBA Business Solutions loan customers, 54.3% of employees were Indigenous (917 of 1,689) For IBA subsidiaries and associates, 27.1% of employees were Indigenous (185 of 683) <p>Employment data for IBA Business Solutions loan customers relates to all customers in the business loan portfolio and uses employment data at the time the loan was approved. Employment results for subsidiaries and associates are as reported to IBA.</p>

TRACKING EARTH FROM SPACE

CENTRE FOR APPROPRIATE TECHNOLOGY

While many businesses were gravely impacted by COVID-19, the Centre for Appropriate Technology (CfAT) were building Australia's first Aboriginal-owned commercial satellite ground station – tracking earth from space via a unique partnership with global satellite communications company Viasat Inc.

Built, project-managed and owned by Indigenous companies – CfAT and its subsidiaries Ekistica Ltd and CfAT Satellite Enterprises, as well as Ingerreke Commercial who laid the concrete foundations in December 2019. Officially launched on 1 July 2020, the facility forms part of a global network of ground stations operated by Viasat Inc called Real Time Earth.

IBA provided the funding to construct two state-of-the-art commercial satellite ground stations in Alice Springs. This new

infrastructure has the potential to reduce the latency for high resolution earth observation imagery down from hours or days, to just minutes.

The result will be to enhance Australia's capability in disaster management (such as cyclones and bushfires), environmental monitoring, border protection and search and rescue, as well as strategic uses such as monitoring the economic impacts of pandemics like COVID-19 from space.

CfAT CEO Peter Renehan said, 'This facility brings together our mission of engagement and people, innovation and excellence – and puts Aboriginal people at the forefront of Australia's growing space sector.'

'We are very excited about the future of this technology which we know has the potential to benefit many of our communities, like our Indigenous rangers who look after land and sea country and can use high resolution imagery from space to do their jobs.'

1990–2020 Celebrating 30 years of Indigenous success



Photo: Bianca from Warida
Wholistic Wellness.

PART 3 YEAR IN REVIEW

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HIGHLIGHTS

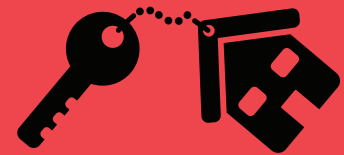
HOME OWNERSHIP OUTCOMES OVER FIVE YEARS*

**\$1.05
BILLION**



* Total new home loans over five years.

3088 TOTAL NEW HOME LOANS*



VALUE OF HOME LOAN PORTFOLIO



TOTAL LOANS IN PORTFOLIO

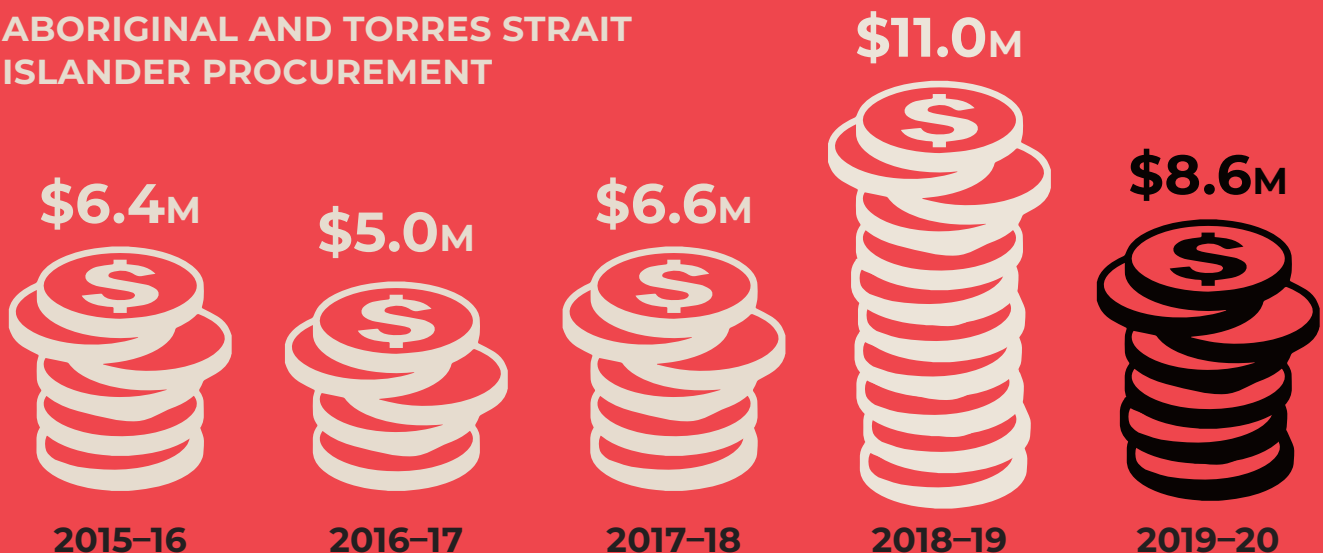
4,591
4,570
5,037
5,349
5,364

* As at 30 June of each financial year.

HOME LOANS TO FIRST HOME BUYERS

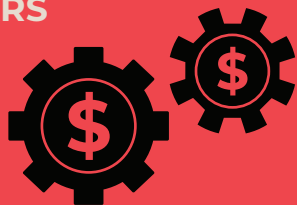


ABORIGINAL AND TORRES STRAIT ISLANDER PROCUREMENT



APPROVED BUSINESS FINANCE OVER FIVE YEARS

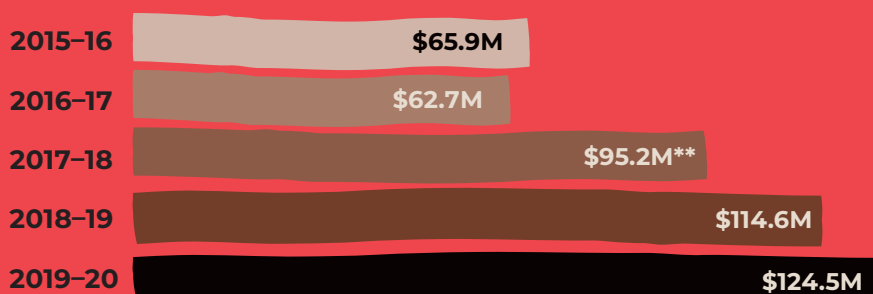
**\$199.3
MILLION**



666 TOTAL BUSINESS FINANCE CUSTOMERS OVER FIVE YEARS



VALUE OF BUSINESS FINANCE PORTFOLIO*



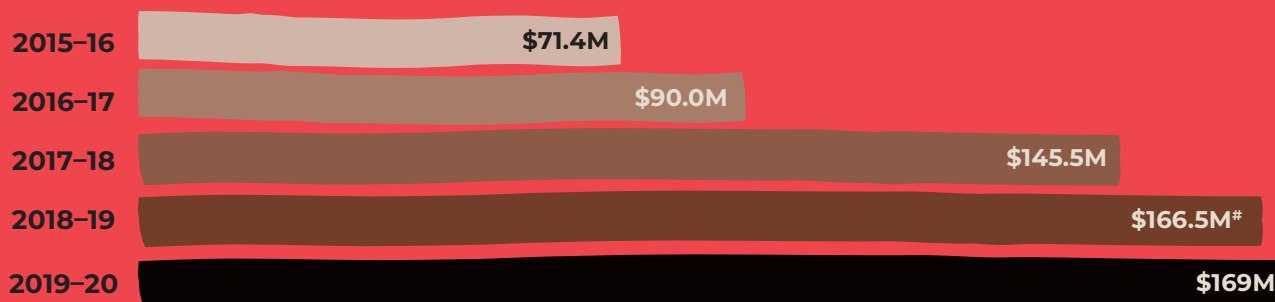
* As at 30 June of each financial year.

**Cash flow finance products were introduced in the 2017-18 financial year

ABORIGINAL AND TORRES STRAIT ISLANDER EMPLOYMENT ACROSS THE IBA GROUP



ABORIGINAL AND TORRES STRAIT ISLANDER EQUITY



Adjusted figure following review of calculation method

ENVIRONMENT

Like many organisations and government agencies, IBA has been impacted by events like the recent bushfire disaster and the global pandemic.

Uncertain, changing circumstances presented IBA customers with personal and financial hardship. To ensure IBA put effort and resources where they were most needed, business priorities quickly pivoted to create a Bushfire Crisis Support package and to work closely with NIAA to establish a \$50 million COVID response package.

264 housing customers and 729 business customers were assisted with bushfire and COVID-19 support to 30 June 2020, while IBA simultaneously focused on assisting as many customers as possible with standard home and business loans, and support and investment outcomes.

While Q1 and Q2 were relatively normal, IBA continued to balance ongoing issues with capital constraints and growing customer waiting lists, while demand for products and services has remained very strong.

IBA's leadership team and Board continues to build on strong relationships with government and stakeholders to ensure its ability to assist and support Aboriginal and Torres Strait Islander peoples in home ownership, thriving businesses and investing opportunities remains stable.

While the demographics of IBA customers are broad, the average Indigenous Australian is much younger (median age 23) than the rest of Australia's population. IBA is strongly focused on building its relationship with these young people. Efforts continued to engage with Indigenous youth through our Futures Forum program, and to leverage the momentum built in 2018-19, despite the difficulties of running face-to-face activities. IBA is continuing to invest in systems and online resources to bring more programs, products and services online.

There are ongoing opportunities to ensure wealth is invested wisely to benefit both current and future generations. IBA must keep innovating and delivering the right products to customers, using their feedback to guide the path ahead.

STRATEGY

IBA is reaching the mid-point of its five-year strategy (2018–2023), during one of the most chaotic years in recent history. This has real impacts on IBA's priorities and outlook.

In May 2020, IBA's Board and leadership team met to review the strategy and ensure its goals, pillars and targets were still relevant. Using customer feedback, pulse surveys and economic and policy outlooks research, this review confirmed the strategy aligns strongly with its purpose. But, it must remain focused on customers, while also taking a flexible approach. IBA will continue investing more deeply in customer experiences and partnerships, while staying committed to its pillars:

- Customer Success
- Smart Money
- Strong Systems
- Deadly People.

IBA intends to invest more in understanding the long, medium and short-term impact of its work on social, economic and cultural customer outcomes. In 2019, IBA began developing an Impact Framework to measure this.

Developed in partnership with Indigenous evaluation expert Dr Kevin Dolman, it is rooted in Indigenous design principles and based around how customers define positive impact.

In March 2020, the Board approved the Impact Framework and IBA began work on the first report. Research includes both online surveys sent to over 10,000 past and present customers and follow-up in-depth telephone interviews with 50 customers. The impact research received ethics approval from the Australian Institute of Aboriginal and Torres Strait Islander Studies reflecting its independence, co-design principles and Indigenous lead.

IBA's first Impact Report will be released in November 2020. It will be an annual document, like the Annual Report and Corporate Plan. As quantitative and qualitative data is collected and understanding deepens about the impact of IBA products and services, these learnings will inform IBA's strategy and help ensure its resources and focus are on the right things.

Photo: IBA staff workshop in Brisbane, QLD.



HOUSING SOLUTIONS

In Q1 and Q2, prior to COVID-19, Housing Solutions was on track to meet all its annual targets.

Q3 and Q4 focused on supporting existing home loan customers through bushfires and the impacts of COVID-19 restrictions.

Over the year, IBA delivered 454 new home loans totalling \$166.1 million, providing social and economic benefit of home ownership for 1,453 Aboriginal and Torres Strait Islander peoples.

During pandemic restrictions, IBA had over 1,116 requests for financial assistance. The interest rate for all home loans was reduced to 2.99% from 9 April to 30 November 2020. Many customers were also supported with payment suspensions and reductions.

In the past few months of the 2019-20 financial year, even during the pandemic and notwithstanding generally low economic activity, IBA has experienced an increase in expressions of interest from customers seeking IBA home loans. The waiting lists of customers approved continues to grow—highlighting consistently strong demand from Aboriginal and Torres Strait Islander peoples

motivated toward home ownership.

The Housing Solutions division is not just about home loans—it educates and supports customers before and throughout their journey to home ownership. The division delivered two types of face-to-face group workshops for customers:

- 26 Home Ownership Information Sessions explaining IBA home loan features and the application process
- 11 Budgeting For Home Ownership workshops explaining savings plans and healthy money habits.

During restrictions, IBA moved to online webinars so it could continue supporting customers despite travel restrictions and social distancing requirements. As restrictions continued into Q3 and Q4, IBA held ten online budgeting webinars for seventy seven participants.

IBA stays connected with existing customers by phone and video. Its social media presence offers a series of supports, tips and links during this challenging time.

The annual Customer Satisfaction Survey, completed in January, achieved outstanding results, demonstrating that IBA connects strongly with customers and is invested in their success.

FIGURE 03: CUMULATIVE NUMBER OF HOME LOANS OVER LIFE OF PROGRAM



FIGURE 04: ACTIVE HOUSING LOAN, VALUE AND NUMBER

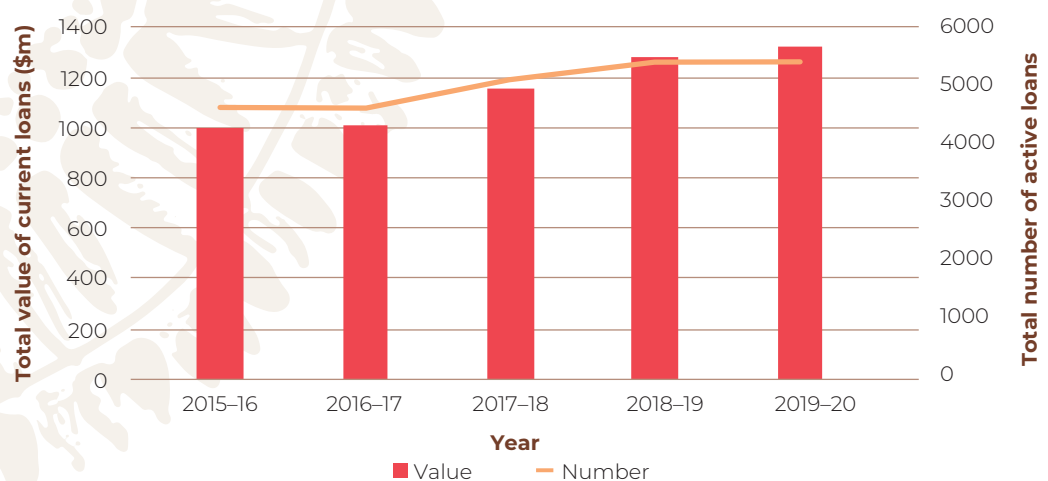


FIGURE 05: EXPERIENCE IN RESPONSE TO EXPECTATIONS OF IBA HOME LOAN PROCESS

Customer experience rating	2017	2018	2019	2020
Better than expected	77%	86%	87%	80%
Worse than expected	10%	6%	5%	5%

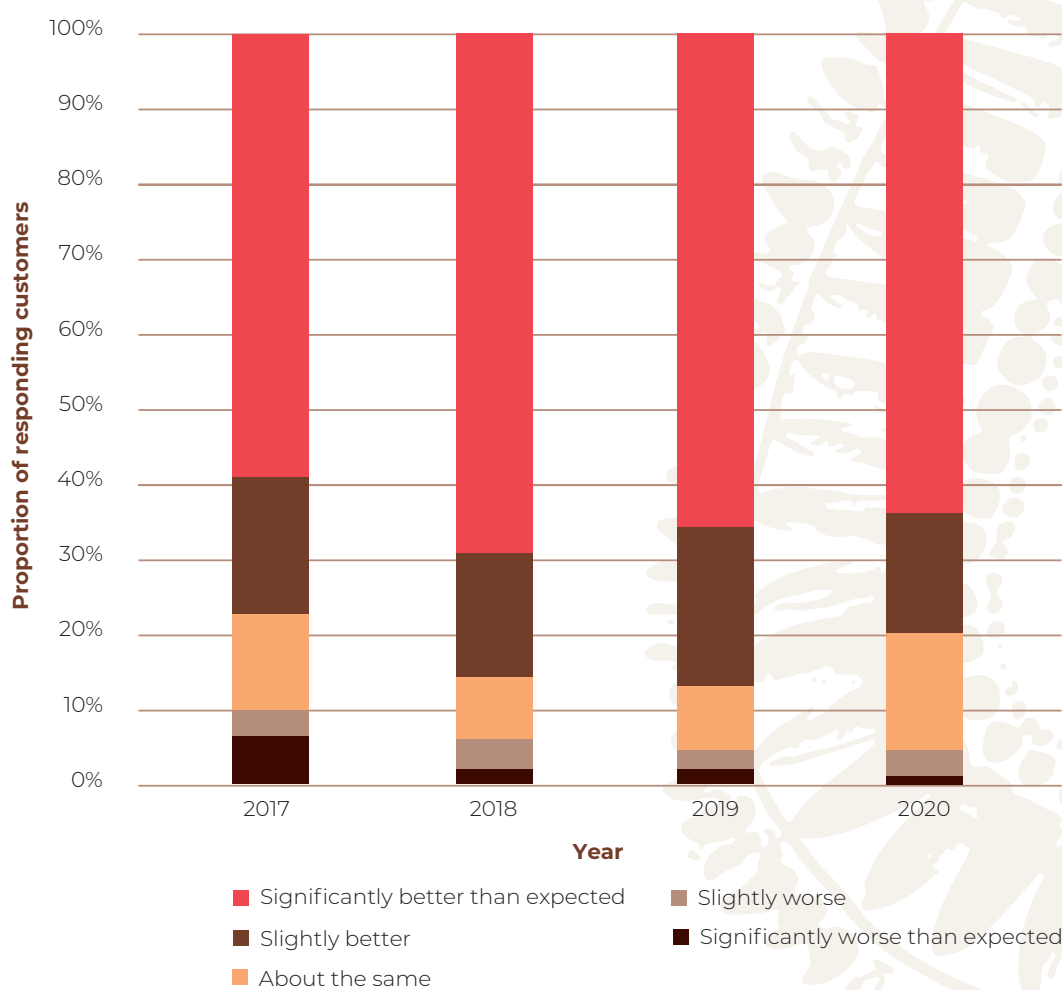
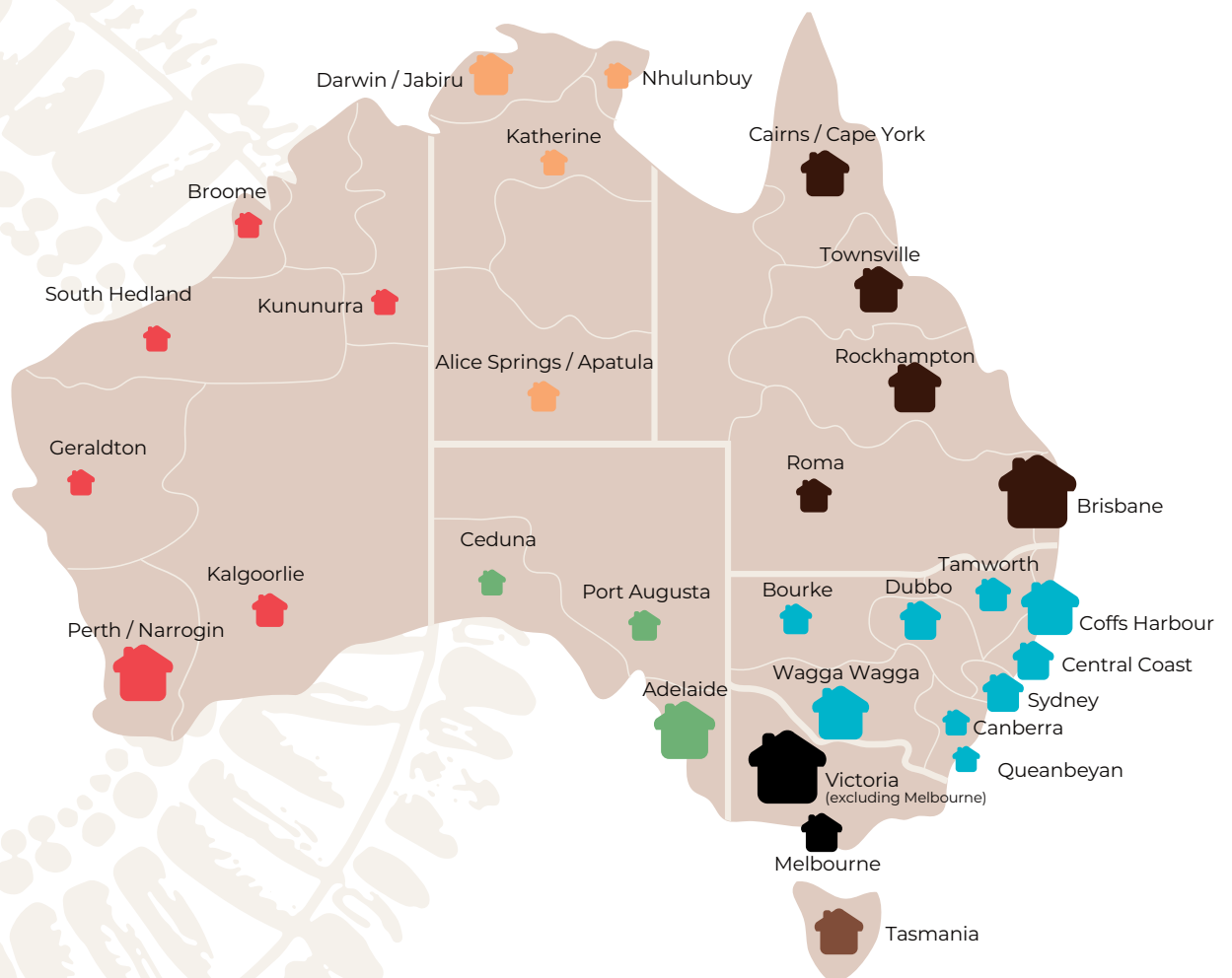


FIGURE 06: GEOGRAPHICAL DISTRIBUTION OF APPROVED HOUSING LOAN CUSTOMERS



* Map indicates number of IBA home loans by region.

A FIRM GRIP ON A SPLIT LOAN

Daniel and Alex admit they weren't always 'financially savvy' but pursuing and achieving home ownership changed all that.

Prior to their home ownership plans, Daniel and Alex were working hard to get ahead in their careers, however doing the same for their finances was proving difficult. At the time they were renting and had become frustrated with paying off 'someone else's mortgage'. With the encouragement of family, they made a commitment to repair their financial situation in preparation for home ownership.

In 2013, with four years of savings, and their personal spending under control, Daniel and Alex began making enquiries into securing a housing loan.

When mainstream banks declined their application, the couple applied for an IBA split loan for customers who can obtain some of the loan funds for a home purchase from another lender.

Daniel and Alex moved into their new home in February 2015 and have now refinanced to a mainstream bank, and by doing so have helped make way for someone else applying for a home loan with IBA.

The couple said they would encourage other Aboriginal and Torres Strait Islander people considering home ownership to explore their options, do the necessary research and, if in doubt, ask for advice and assistance.

Daniel said, "There's a lot of pride and self-respect issues among our mob, worrying about, 'Am I asking for a handout?' But I know many Indigenous people do need that help and advice because there are cultural barriers in dealing with banks and asking for money. I hope Alex and I can inspire other people to give it a crack, not to give up, and to push to create the future they want."



BUSINESS SOLUTIONS

This financial year saw customers need IBA more than ever before. Demand for Business Solutions grew over the financial year, with the value of finance approved increasing by 24.9% as targets were met and reach extended through new strategic partnerships and relationships. IBA also managed an unprecedented volume of COVID-19 related enquiries and activities.

Business Solutions program had another outstanding year assisting 249 business entrepreneurs that included 381 business finance applications approved to the value of \$59.9m. This includes \$14m standard business loans, \$14.6m invoice finance, \$13.1m performance bonds, \$4.4m producer offset loans, \$6.9m asset finance leases, and \$7.0m Covid-19 Business relief packages.

Other highlights this year included:

- 139 finance approvals to remote and very remote businesses
- helping build the capacity, skills and knowledge of 599 entrepreneurs through business capability workshops
- providing significant support to 35 new Northern Territory (NT) enterprises using the NT Start-up Package
- extending IBA's reach by partnering and building strategic relationships with key organisations like Kinaway Indigenous Chamber of Commerce in Victoria and the WA Indigenous Business Hub (Wirra Hub) in Perth
- supporting 19 entrepreneurs through the Accelerate with IBA Program, delivered with a national footprint in Darwin, Brisbane, Sydney, Adelaide and Melbourne and culminating in two 'pitch nights' to large audiences
- investing in 40 urban, regional and remote future Indigenous Australian business leaders through IBA's Futures Forum
- supporting five Indigenous Australian entrepreneurs to go to the World Indigenous Business Forum in Canada
- hosting the Strong Women Strong Business Breakfast focused on market access, as part of the ninth Aboriginal Economic Development Forum in Darwin.

TABLE 02: BUSINESS DEVELOPMENT AND ASSISTANCE PROGRAM

Source	Key Performance Indicator		Target	Result	Achieved
Funding Agreement (M1)	Number and proportion of Indigenous people employed in delivery of the project (KPI is mandatory under the IAS)		30%	34.33% (23)	✓
	The number of Indigenous people employed in the delivery of this project should reflect the overall proportion of Indigenous staff employed by the provider				
Funding Agreement (D106.01)	Number of Individual businesses and organisations (customers) who receive IBA capability development or other support (Internal Support)		450	250 ¹	✓
Funding Agreement (D106.02)	Number of Individual businesses and organisations (customers) who receive IBA capability development or other support (External Support)			244 ¹	✓
Funding Agreement (P106.07)	Regional /remote participation in service at least 30 per cent of supported businesses are classified as regional/remote		30%	62%	✓
Funding Agreement (D105.01)	Number of Individual financed businesses and organisations (customers in the reporting period)		80	118	✓
	Regional /remote participation in service at least 30 per cent of supported businesses are classified as regional/remote		30%	63%	✓
Funding Agreement (D105.2)	Total capital provided to financed businesses and organisations (customers) in the reporting period		\$9.18m	\$12.89m	✓
Funding Agreement (D106.04)	Number of third parties with whom a collaborative partnership has been formed		6	10 ²	✓
Funding Agreement (A6)	Business Survival rates of IBA loan recipients: Meets or exceeds Australian survival rates for businesses of a comparable size (by employees) as measured by ABS ²	0-4 employees	63%	65%	✓
		5-19 employees	77.6%	94%	✓
		20-199 employees	82.20%	100%	✓
		200+ employees	86.60%	N/A	✓
Funding Agreement (D107.03)	Number of gender products developed. Increase participation of Aboriginal and Torres Strait Islander women in business	Quarterly reporting will include female registered users of SWSB facebook page	1400	1854	✓
		Quarterly reporting will include female registered users of SWSB platform	150	494	
Funding Agreement (P106.08)	Quality of support	80 per cent of supported customers are satisfied with the level of support received	80%	91% ³	✓
Funding Agreement (P106.06)	Participation in services	Customers are defined as early stage customers or pre-bank customers	80%	92%	✓

¹ Count of customers does not remove duplicate customers that occur across quarters or across internal and external customer segments, consistent with NIAA reporting requirements.

² Five partnerships formed in 2019-20, and five maintained from last financial year, meaning target was met.

³ Targets have been updated with 2018-19 survivability rates released by the ABS on 20 February 2020. Business customer employment data reflects employment levels at the time of loan approval. IBA's collection of data assumes that all businesses have at least one employee. The "0-4 Employees" target has been created by consolidating the ABS's "Non-employing" and "1-4 employees" categories to ensure consistency between IBA's data and the target. The survivability calculation method has been revised to be more consistent with the ABS targets by removing businesses not registered for GST and reporting a result for businesses with "0-4 Employees". IBA had no business customers with 200 or more employees over the survivability period.

⁴ The result for Customer Satisfaction is using the Overall Satisfaction result from the External Support module. We are continually improving data collection process for customer satisfaction and plan to survey all program customers in 2020-21.

COVID-19 AND BUSHFIRE IMPACTS

Many IBA customers had already felt serious impacts from bushfires before COVID 19 hit. Given so much of the work in Business Solutions is face-to-face, a quick pivot was made to keeping in touch with telephone and video conferencing tools.

BUSHFIRE RELIEF

In order to support customers impacted by the bushfires, IBA:

- assisted seven businesses with temporary repayment suspensions
- provided 11 businesses with a \$2,000 bushfire crisis grant to cover immediate needs
- helped one business with insurance claims.

DEALING WITH COVID-19

Supported by NIAA, IBA rolled out a \$50 million Indigenous Business Relief package to:

- help customers identify pandemic impacts on their business
- provide loans and grants to assist business stay afloat during the crisis
- assist businesses diversify revenue streams and pivot to new business models.

IBA also deferred repayments and waived interest for existing business loan customers for four months.

Staff across IBA quickly organised and managed unusually large numbers of support measures including the following (to 30 June 2020):

- receiving 725 expressions of interest for support
- providing 255 business impact assessments through partner organisations
- approving 83 loan/grant packages worth \$7.0 million.

FIGURE 07: VALUE OF BUSINESS FINANCE APPROVED

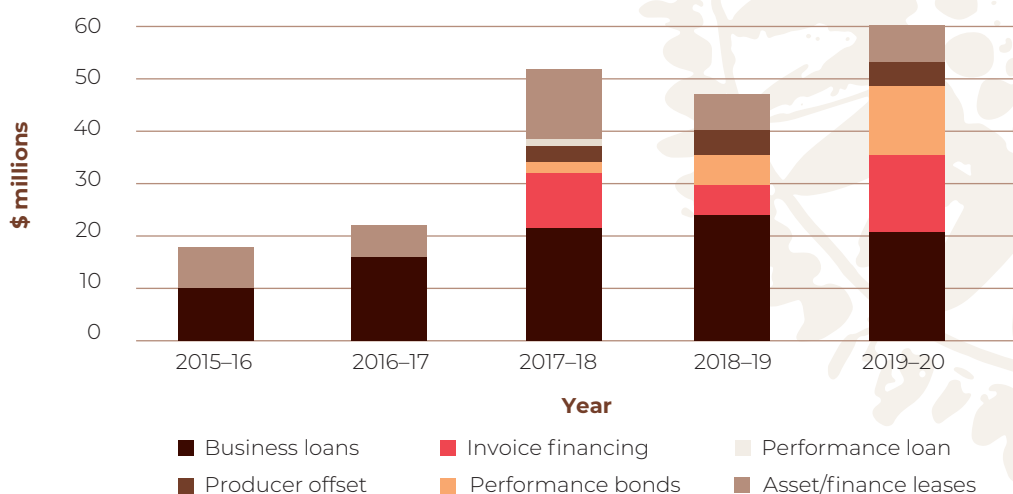


TABLE 03: NUMBER OF CUSTOMERS FINANCED BY PRODUCT

Product	2015-16	2016-17	2017-18	2018-19	2019-20
Business loans ¹	49	83	155	164	132
Invoice financing	N/A	N/A	11	8	12
Performance bonds	N/A	N/A	9	6	12
Producer offset	N/A	N/A	4	4	7
Asset/finance leases ²	26	36	49	44	35
BRP Loans/Grant ³	N/A	N/A	N/A	N/A	83
Total customers financed ⁴	69	108	197	206	249

¹ Includes NT loan/grant package.

² Leasing customers in 2017-18 and 2018-19 identified on the basis of the date that IBA approved the lease. Customers in years 2014-15 to 2016-17 identified on the basis of the first lease repayment date. Customer numbers for 2017-18 have previously been incorrectly reported and have been updated here.

³ BRP refers to COVID-19 Business Relief Package.

⁴ Some customers utilise multiple IBA products, so total will not equal sum of customers financed across products.

FIGURE 08: BUSINESS LENDING PORTFOLIO

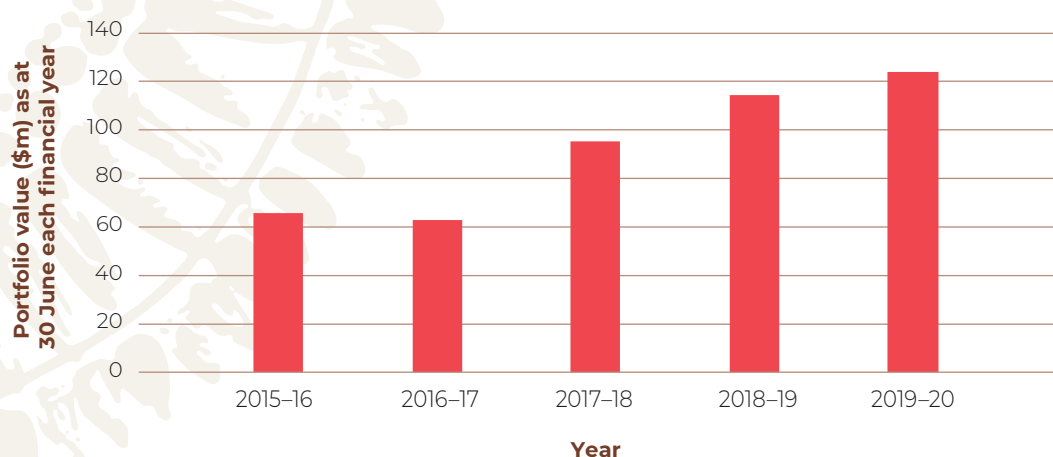
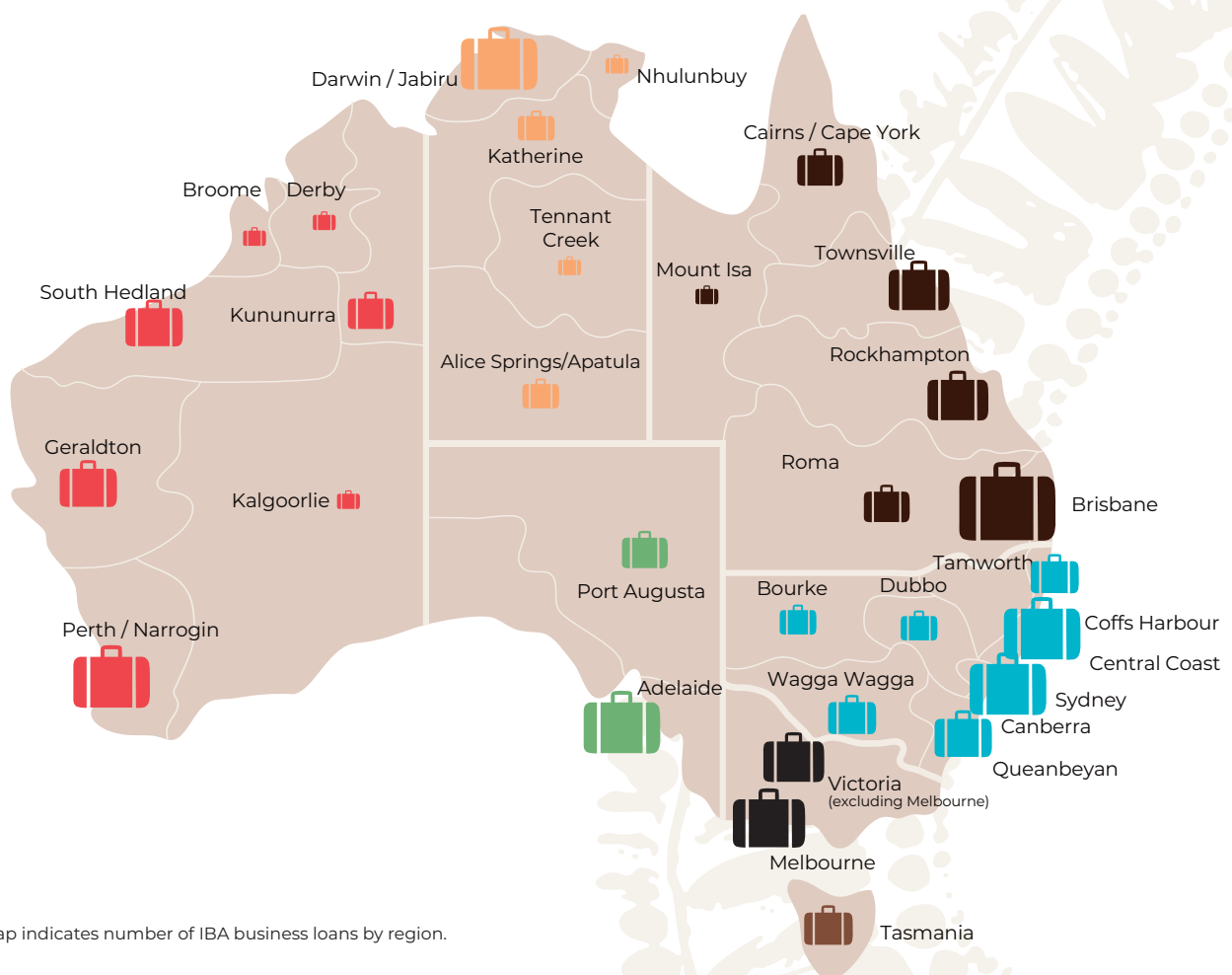


FIGURE 09: GEOGRAPHICAL DISTRIBUTION OF APPROVED BUSINESS LOAN CUSTOMERS



INVESTMENT AND ASSET MANAGEMENT

IBA's Investment and Asset Management division promotes self-management and economic independence. It partners with Aboriginal and Torres Strait Islander organisations and businesses getting them involved in commercial enterprises and investment opportunities. The division aims to produce financial returns; create employment, training and supply chain opportunities; increase commercial capability; and build an intergenerational asset base.

Products and services provided through this division are:

- direct investment in businesses and assets, in partnership with IBA
- ability to co-invest in managed investment funds – the Indigenous Real Estate Investment Trust (I-REIT) and Indigenous Prosperity Funds (IPF).

They offer meaningful opportunities for:

- asset ownership
- stable and enduring income streams
- capacity development and other investment support
- employment and training
- supply chain contracts.

The tumultuous impact of COVID-19 on broader economic conditions and market volatility introduced unforeseen challenges.

For the Indigenous Prosperity Funds (IPF) (which provides eligible investors with the opportunity to invest in diversified portfolios including exposure to Australian and international shares, bonds, property and cash), exposure to global equity markets saw IPF performance drop, before recovering at the back of Q4. The IPF now holds \$80 million in Indigenous co-investment across 36 investors.

IBA has seen success in its Indigenous Real Estate Investment Trust (I-REIT) this year. The I-REIT is an Australian unlisted unregistered wholesale unit trust which aims to generate risk-adjusted returns for co-investors from a combination of income and capital investments in a diversified portfolio of properties around Australia.

The I-REIT generated \$11.4 million in new investments from 15 new and existing co-investors in late 2019.

COVID-19 introduced challenges to some direct investment assets. With restrictions forcing shutdowns, several tourism operations have faced significant challenges and uncertainty. IBA's portfolio managers worked intensely and creatively to ensure that Indigenous communities and employees were safe and supported, and plans are underway for recovery when restrictions ease.

Other direct investments have delivered great successes for IBA and partners. We provided funding for a partnership between Aboriginal company Centre for Appropriate Technology (CfAT) and global communications company Viasat, to build two state-of-the-art satellite ground stations in Alice Springs. This commercial project is the first of its kind on Aboriginal land and provides economic returns, along with employment and skills training opportunities, with CfAT contracted for the facilities management of the site.

IBA partners with Julalikari Council Aboriginal Corporation (JCAC) in joint venture ownership of the Tennant Creek IGA, providing economic returns and employment and training opportunities for the Aboriginal community. In 2019, IBA acquired a 50% share in the Tennant Creek BP alongside JCAC, creating efficiencies across both businesses. The partnership now provides further strong economic returns and employment and training opportunities for Aboriginal people.

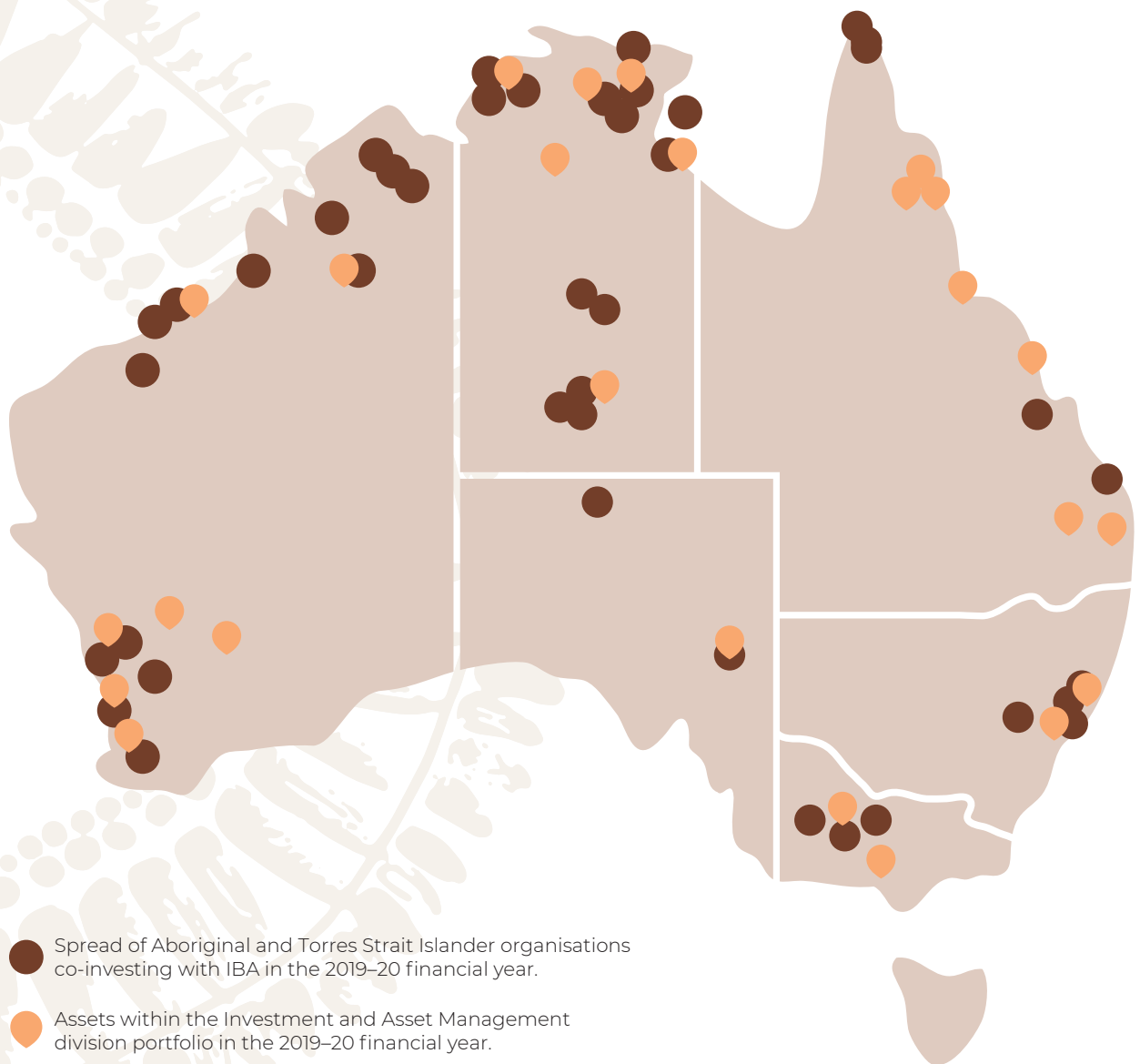
In 2019-20, IBA also moved to divest its interest in Carpentaria Shipping Services (CSS) to the existing partners Mawa Riinbi Pty Ltd and P&O Maritime Pty Ltd (P&O). The divestment will increase Indigenous ownership in the business to 40% with P&O holding the balance. The increased equity and distributions received by Mawa Riinbi will provide an increased income stream for Aboriginal people in the Borroloola region. This divestment supports IBA's aim of partnering in joint ventures with Indigenous communities and investors and divesting when the time is right to enable the Indigenous partner to obtain maximum community benefit.

In Q4, the Investments and Asset Management division began to review its acquisition strategy with a focus on strong management and governance and the aim of repositioning the portfolio for future growth.

Photo: Crafts made by locals on Bremer Island are sold at Banubanu Beach Retreat. Necklaces are by Celina Marika and painted shells are made by Yurranga Yunupingu.



FIGURE 10: INVESTMENT AND ASSET MANAGEMENT ACTIVITY



BACK ON THEIR FEET

BAMAGA ENTERPRISES LTD

COVID-19 has dealt a great blow to the hospitality industry including to the remote community of Bamaga at the tip of Cape York Peninsula.

Community owned Bamaga Enterprises Ltd (BEL) operates the Bamaga Tavern and Cape York Peninsula Lodge. Business was greatly impacted by the lockdown and closure of their facilities including being forced to stand down several staff.

During this period, BEL has benefited from a \$100,000 grant/loan as part of IBA's COVID Business Relief Package. The funding has assisted in covering fixed costs such as electricity to enable the re-opening of the Tavern and the restaurant at the Lodge, as well as re-engaging some staff previously stood down.

Since the end of lockdown, visitors and tourists have begun to visit Bamaga again, assisted by the reintroduction of regular flights. Customers can be assured that the entire enterprise has a COVID Safe Industry Plan in place.

BEL's Chairperson, Robert Poi Poi is relieved to have had most of their operations back on board by late July. 'We would like to thank our staff and community for their patience during this challenging time. We'd also like to thank industry and government bodies such as the IBA for their support.'

BEL are investors in IBA's Indigenous Prosperity Fund and Indigenous Real Estate Investment Trust as part of their long-term investment strategy and were referred to the Business Relief Package by the IBA Investments division.





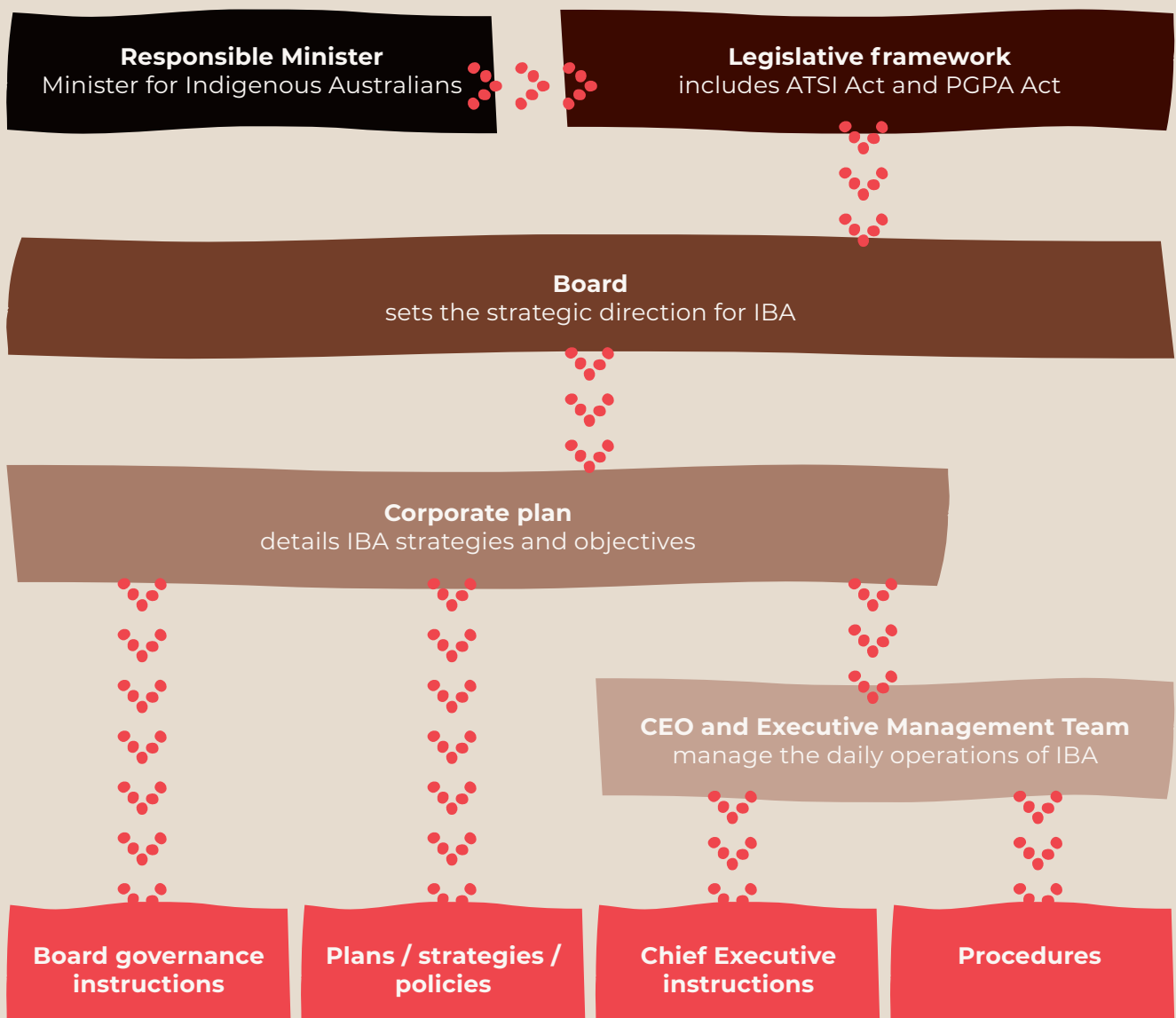
PART 4 GOVERNANCE

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GOVERNANCE FRAMEWORK

IBA's corporate governance framework (figure 11) is designed to ensure that objectives are achieved in a transparent, accountable and efficient way.

FIGURE 11: IBA GOVERNANCE FRAMEWORK



ACCOUNTABILITY

IBA is established under the *Aboriginal and Torres Strait Islander Act 2005* (ATSI Act), which sets out its purposes, functions and powers. IBA is a corporate Commonwealth entity and IBA's Board is the accountable authority under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

RESPONSIBLE MINISTER

IBA is accountable to the Australian Parliament through the NIAA and the Minister for Indigenous Australians.

MINISTERIAL DIRECTIONS AND GOVERNMENT POLICY ORDERS

Under section 151 of the ATSI Act, the responsible Minister is empowered to make general written directions that IBA must comply with. No such directions were made during the reporting period.

IBA must also comply with applicable government policies. No government policy orders were issued to IBA under the PGPA Act.

PORTFOLIO BUDGET STATEMENTS AND CORPORATE PLAN

IBA's budget is managed through the annual portfolio budget statements of the Department of the Prime Minister and Cabinet.

The PGPA Act requires Commonwealth entities to prepare a corporate plan. This plan sits alongside the portfolio budget statements as IBA's principal planning document and is a key mechanism for accountability to the Parliament and the public.

IBA BOARD

IBA BOARD

IBA's Board is responsible for ensuring that the functions of IBA are properly and efficiently performed and for determining policy with respect to any matter. This includes keeping the Minister informed of IBA's activities and significant decisions in accordance with the PGPA Act.

The Board also appoints and reviews the performance of the CEO.

APPOINTMENTS

In accordance with section 157 of the ATSI Act, the Minister appoints the members of the Board who comprise a Chair, Deputy Chair and seven other members. As required by section 158 of the ATSI Act, the Minister also consults IBA about potential Board appointees when there is, or is expected to be, a vacancy.

MEMBERS

Members of IBA's Board have extensive and varied expertise, particularly in industry, commerce and finance, and Aboriginal or Torres Strait Islander communities and enterprises. There were nine serving Board members at the end of the 2019–20 financial year. Kerryne Little finished her term in August 2019 and Vanessa Elliott joined in May 2020. Seven of the nine Board members identified as Aboriginal or Torres Strait Islander and four were female. All are non-executive directors.



EDWARD (EDDIE) FRY

(IBA Chair, Remuneration and Nomination Committee Chair)

- Dagoman man from the Katherine region, Northern Territory.
- Diploma in Business Management, University of South Australia, graduate of the International Lead and Zinc Study Group.
- Chair of the Indigenous Land and Sea Corporation.
- Specialist in Indigenous and native title issues as Executive Director of Gimbulki Ltd, a native title land access company, Chair of the Indigenous Advisory Board for Ventia Services Pty Ltd (formerly Broadspectrum/Transfield), Deputy Chair of the Aboriginal Foundation of South Australia Inc.
- Extensive experience in the Australian resource sector including senior executive roles with Normandy Mining Ltd., establishing the company's Traditional Owner policy, managed international logistics and marketing of Normandy's base and strategic metal portfolio, and was an investor-relations analyst.
- Former director and consultant of TNG Ltd – an Australian resource company.
- Chair and Consultant Advisor of Todd River Resources Limited.



ANTHONY ASHBY

(IBA Deputy Chair, Finance, Investment and Products Committee Chair, Remuneration and Nomination Committee Member)

- Gamilaraay-Yuwaalaraay man from north western New South Wales.
- Chartered Accountant and Registered Company Auditor.
- Director of the Hunter New England Central Coast Primary Health Network Ltd.
- Independent Chair of Finance, Remuneration and Sustainability Committee, National Centre of Indigenous Excellence (NCIE).
- Ex-officio member of the Supply Nation Audit and Risk Committee.
- Has owned a public accounting practice with wife Vanessa since 2004, providing a mix of taxation, assurance, accounting and consultancy services.



RICHARD (RICK) ALLERT AO

(IBA Director, Audit, Risk and Performance Committee Chair and Finance, Investment & Products Committee)

- Chartered Accountant with many years' experience in the corporate sector.
- Director of Scissor Holdings Pty Ltd trading as One Rail Australia Pty Ltd (formerly Genesee and Wyoming Australia Pty Ltd), Chair of Voyages Indigenous Tourism Australia Pty Ltd, Chairman of Kakadu Tourism (GLC) Pty Ltd and Kakadu Tourism (GCH) Pty Ltd, Chairman of Cavpower Pty Ltd (Group).
- 2011 recipient of the Ernst & Young Champion of Entrepreneurship Award, Central Region, for outstanding entrepreneurial achievement and contribution to the community.
- Awarded a member of the Order of Australia (1997) particularly for work with the National Heart Foundation, a Centenary Medal (2003) for service to rail, business and taxation, and an officer of the Order of Australia (2008) for leadership in corporate social responsibility.



ROY AH SEE

(IBA Director)

- Wiradjuri man, born and raised on Nanima Reserve, near Wellington, New South Wales.
- Qualifications in social welfare with experience working at various government agencies and Aboriginal community-controlled organisations.
- Co-chair of the Prime Minister's Indigenous Advisory Council and a Director of the Indigenous Land and Sea Corporation.
- Presented at the United Nations Permanent Forum on Indigenous Issues in New York and the United Nations Expert Mechanism on the Rights of Indigenous Peoples in Geneva on issues including economic empowerment for Aboriginal people.
- Works in a voluntary capacity to help Aboriginal men experiencing challenges with drugs and alcohol.



KERRYANNE LIDDLE

(IBA Director, Finance, Investment and Products Committee Member, Audit Risk and Performance Committee Member)

- Arrernte woman from Central Australia.
- MBA, BA, GAICD, Vincent Fairfax Fellow.
- Executive Leader tourism and hospitality.
- Corporate Team Leader, oil and gas industry.
- Successful small business owner (20+ years).
- Management, business, governance, media, engagement and communications specialist.
- Experienced government and not-for-profit board director.
- Ms Liddle's term expired August 2019.



SHIRLEY MCPHERSON

(IBA Director, Audit, Risk and Performance Committee Member)

- Yamatji and Nyoongar woman from the Perth and Murchison regions of Western Australia.
- Chartered Accountant with experience in program delivery and business development at all levels of government.
- National Business Development and Engagement Manager for AFL SportsReady.
- Former Group Manager of Indigenous Strategy and Business with Leighton Contractors Pty Ltd.
- Former consultant to the mining industry in negotiating land use agreements in Western Australia.
- Former member of the Australian Government delegation to the United Nations Permanent Forum on Indigenous Issues.



CLAIRE WOODLEY

(IBA Director, Finance, Investment and Products Committee Member, Remuneration and Nomination Committee Member)

- Tertiary qualifications in occupational therapy, psychology and project management, and Graduate of the Australian Institute of Company Directors.
- General Manager, Business Banking Victoria, Commonwealth Bank of Australia.
- Experience in business banking, governance, risk management, strategic planning, policy development, business re-engineering, and project and program management.



DR VALERIE COOMS

(IBA Director)

- Belongs to the Nunukul people of Minjerribah/North Stradbroke Island in Queensland.
- Chair of the Quandamooka Yoolooburrabee Prescribed Body Corporate.
- Bachelor of Arts with Honours and a PhD from Australian National University.
- Adjunct Professor at Griffith University and Indigenous Research Fellow at the School of Historical and Philosophical Inquiry, University of Queensland.
- Former member of the National Native Title Tribunal.
- Previously the Manager of the Native Title Unit in the (former) Aboriginal and Torres Strait Islander Commission–Western Australian State Office and CEO of Queensland South Representative Body Aboriginal Corporation and Queensland South Native Title Services.
- Worked with Social Ventures Australia.
- Aboriginal Hostels Ltd Board member.
- 2018 Aboriginal and Torres Strait Islander Mediator of the Year with the Australian Dispute Resolution Awards.



SCOTT YOUNG

(IBA Director, Finance, Investment and Products Committee Member)

- Koa man from the Winton area, Central West Queensland.
- Bachelor of Civil Engineering, University of Southern Queensland, MURRA Indigenous Business Master Class Program, University of Melbourne.
- Co-founding and Managing Director of a national specialised labour company, Young Guns Container Crew.
- Director of First Grade Group and All Things Containers.
- Member of the Supply Chain and Logistics Association of Australia and The Executive Connection.
- 2015 Young Business Person of the Year in the Brisbane Lord Mayor's Business Awards.



VANESSA ELLIOTT

(IBA Director, Audit, Risk and Performance Committee member and Remuneration and Nomination Committee member)

- Jaru woman from the Kimberley region of Western Australia with cultural connections into the central and western desert.
- Graduate Certificate of Business, University of Western Australia and Bachelor of Arts Communications and Cultural Studies Curtin University.
- Principal of Vanessa Elliott and Associates.
- Has extensive experience in mining, energy and primary industries as Corporate Affairs, Government and Community Relations Lead with Newmont Asia Pacific and Woodside and as an independent consultant.
- Forest Products Commissioner WA, Adjunct Industry Fellow with the Sustainable Minerals Institute University of Queensland, Board Member of Centre for Social Responsibility in Mining Advisory, Board Member of Desert Knowledge Australia and Chair of Kent Street Public Independent School Board Perth.

In 2019–20, the Board held six scheduled meetings and four out-of-session meetings. Details of attendance by directors at meetings of the Board are in table 4.

TABLE 04: BOARD MEETING ATTENDANCE

Name	Position	Attendance
Mr Eddie Fry	Chair	10/10
Mr Anthony Ashby	Deputy Chair	10/10
Mr Richard Allert	Director	10/10
Ms Claire Woodley	Director	9/10
Ms Shirley McPherson	Director	9/10
Mr Scott Young	Director	7/10
Dr Valerie Cooms	Director	8/10
Ms Vanessa Elliott*	Director	1/1
Mr Roy Ah See	Director	7/10
Ms Kerryne Liddle*	Director	2/2

Note:

Figures represent meetings attended out of the number of meetings the director was eligible to attend.

* Vanessa Elliott joined the Board May 2020, and Kerryne Liddle finished her term on the Board in August 2019.

BOARD CHARTER AND CORPORATE GOVERNANCE

The Board's Charter includes a code of conduct for directors, and rules and processes for dealing with conflicts of interest and related party transactions. It is reviewed annually to keep up-to-date with best practices in corporate governance.

In 2019 the charter was updated to ensure consistency with changes to internal policies and practices. It adopted four objectives:

1. to outline the respective roles and responsibilities of the Board and IBA management
2. to enable the efficient and effective exercise of key Board functions including ethical and responsible decision making
3. to set sound Board governance processes that facilitate achievement of IBA objectives
4. to provide a framework for continuous improvement in Board processes.

The Board Charter also provides for reviews to provide a forum for the ongoing development and improvement of the Board's performance. These reviews include assessment as to the performance of the Board and individual members, and evaluation of the performance of the Board using external frameworks provided by the Australian Institute of Company Directors.

These reviews are held on a triennial basis, the most recent review was held in 2018. The IBA Board Charter is required to be continuously updated in response to internal and external reviews and variations in IBA's operating environment.

This culture and standard of best practice corporate governance established in the Board Charter is included in the IBA Board Governance instructions which are issued to the IBA CEO and IBA employees. IBA employees are required to comply with the Board instructions, and also:

- Board policies
- Chief Executive's instructions
- Authorisations and delegations, and
- Other lawful and reasonable directions.

Further information about IBA's corporate governance approach is set out in the "Internal Governance" section above.

COMMITTEES

Three ongoing committees assist the Board to effectively exercise its functions:

- **Audit, Risk and Performance Committee:** Provides independent assurance and advice to the Board on IBA's risk, control and compliance framework, financial statements, and performance reporting responsibilities. It also monitors IBA's performance against budget and key performance indicators. Maria Storti has been an independent member of this committee since September 2014. She is an experienced senior executive who was a partner in a professional services firm and has held other senior management and consulting roles across the private and public sectors. The committee is chaired by Richard Allert and is composed of two members who are IBA Directors, as well as an independent member. The Audit, Risk and Performance Committee Charter is available at iba.gov.au/charter

- **Finance, Investment and Products**

Committee: Monitors and reviews IBA's Housing Solutions, Business Solutions and Investments portfolios, reviews IBA's important financial policies, and provides advice and recommendations to the Board in relation to major new business, products, investments or other financial transactions. The committee is chaired by Anthony Ashby.

- **Remuneration and Nomination**

Committee: Provides advice to the Board on CEO and Board appointments and CEO performance and remuneration as required. The committee is chaired by Edward Fry.

Directors' committee memberships in 2019–20 are set out in their biographies.

INDEMNITY AND INSURANCE

IBA's insurance cover, including directors and officers' liability insurance, is provided through Comcover, the Australian Government's self-managed fund.

TABLE 05: DETAILS OF AUDIT, RISK AND PERFORMANCE COMMITTEE MEMBERS

Member name	Qualifications, knowledge, skills or experience (include formal and informal as relevant)	Number of meetings attended / total number of meetings	Remuneration
Richard Allert	Chartered Accountant with many years' experience in the corporate sector.	5/5	\$16,265.48
Shirley McPherson	Chartered Accountant with experience in program delivery and business development at all levels of government.	3/5	\$8,132.61
Maria Storti	Independent member of the Audit and Risk Committee since September 2014. Maria is an experienced senior executive who was a partner in a professional services firm and has held other senior management and consulting roles across the private and public sectors.	5/5	\$18,000.00
Kerrynne Liddle (until 16 August 2019)	Management, business, governance, media, engagement and communications specialist. Experienced government and not-for-profit board director.	1/1	\$1,156.29

SOME LIKE IT COOL

"There's not many people who do what we do, in fact, we're the only Indigenous cryogenics company in Australia," said Marcia Edwards, Director of The Cryogenics Group.

"Growing up with a Mum and Dad that work in cryogenics is super different. Everyone thinks we're all scientists!"

Joining the family business can be a rite of passage for many people, but for Marcia Edwards, this journey involved something that many people could only dream of.


The Cryogenics Group was founded by Marcia's parents in 1993 with the help of a loan from IBA. Over the past 25 years, the business

has grown from strength to strength by providing liquid nitrogen and gas to IVF clinics, blood banks, medical research facilities, medical centres and even restaurants.

This family-run business spans across two generations and Marcia is hoping it may even have a third in the future.

"I hope my daughters will one day be part of the company too. That would be three generations of The Cryogenics Group which is pretty amazing for any small business but especially for an Indigenous business."

Watch the video on our Indigenous Business Australia YouTube channel.



1990–2020 Celebrating 30 years of Indigenous success

This story was originally published in 2018 and forms part of our collection of 30 year celebration stories at www.iba.gov.au

INTERNAL GOVERNANCE

The CEO oversees the day-to-day administration of IBA and is supported by the Executive, internal management committees, IBA employees, and consultants and contractors.

The organisational structure of IBA at 30 June 2020 is set out in figure 12 on page 59.

SIGNIFICANT ACTIVITIES AND CHANGES

This year IBA's Board, supported by the Audit Risk and Performance Committee, approved a revised Fraud Control Plan and Fraud Control Register. Mandatory awareness training continued throughout 2019–20 to further support a zero-tolerance approach to fraud.

IBA's 2016–2019 staff Enterprise Agreement (EA) expired during FY 2018–19. After taking account of staff sentiment, IBA utilised the determinations mechanism to allow the existing Enterprise Agreement to be extended. Staff remuneration was determined in accordance with APS Workplace Bargaining Policy 2018, while the balance of conditions in the previous staff EA were unchanged. Due to COVID-19 economic considerations, the IBA Board and Executive agreed to defer scheduled pay rises temporarily in step with the wider APS.

The Audit, Risk and Performance Committee provided valuable oversight, guidance and advice to management in the spirit of continuous improvement, in the area of risk management in 2019–20. A revised Risk Management Framework, coupled with an increased focus on risk acceptance and mitigation has resulted in stronger systems, process and people and an always evolving positive risk management culture in the organisation.

To further support and build on IBA's due diligence, compliance and robust decision making, a Significant Project and Product Approval Framework, providing governance of significant transactions, was successfully launched in 2020.

IBA's Customer Service Charter, which complements the complaints management system, is in the process of being updated to ensure we continue to act with integrity and that we deal with customers promptly and respectfully.

ETHICAL BEHAVIOUR AND FRAUD CONTROL

Standards of behaviour for IBA employees are specified in IBA's Code of Conduct, Values and Behaviours Framework which includes guidance on managing conflicts of interest. The EA requires that staff comply with this to be eligible for salary advancement.

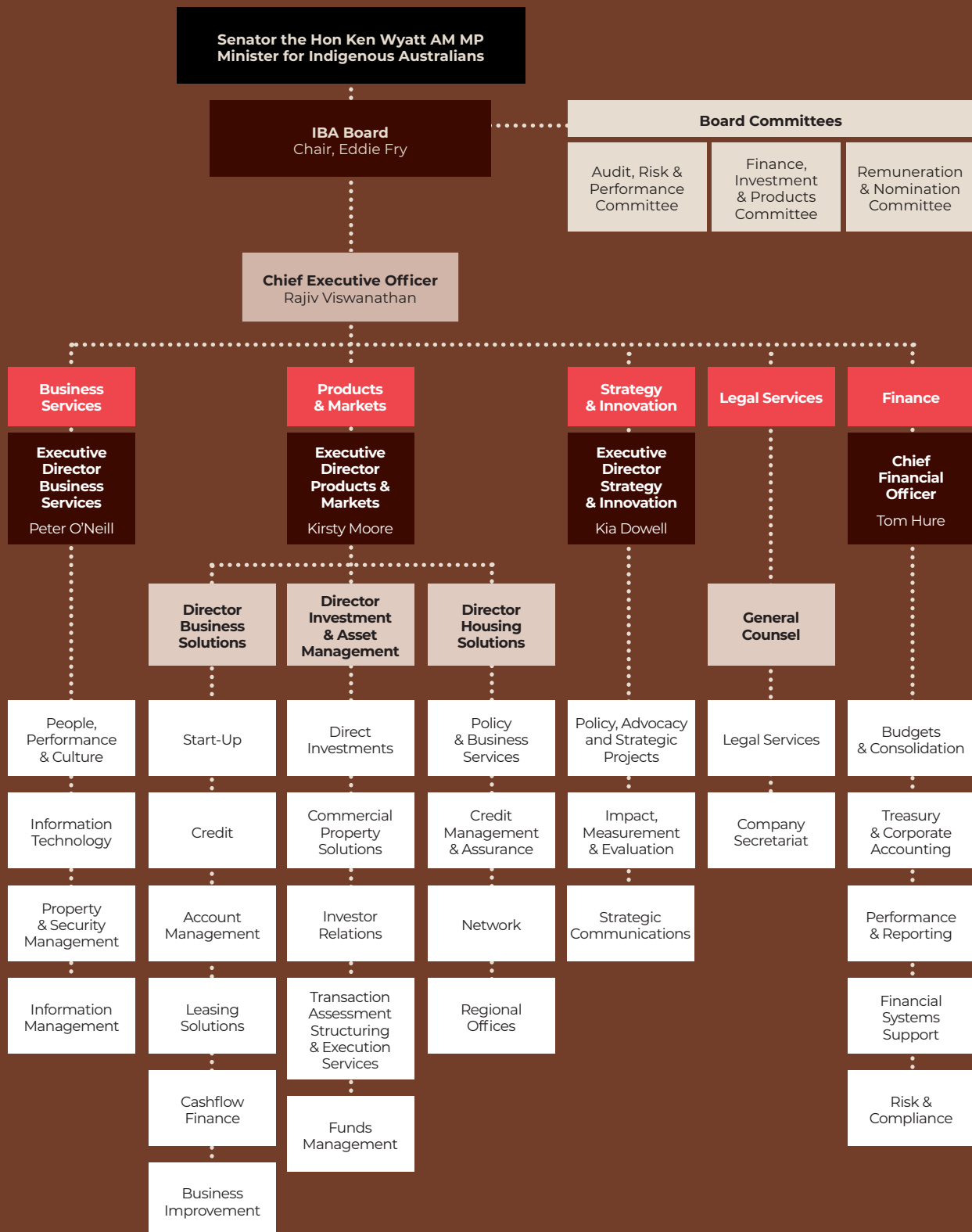
IBA's fraud control plan is established in accordance with section 10 of the Public Governance, Performance and Accountability Rule 2014.

The *Public Interest Disclosure Act 2013* provides public officials with certain protections when they make disclosures about alleged wrongdoing in the Commonwealth public sector. The term 'public official' includes a wide range of people such as former staff and contractors. IBA has systems and processes in place to ensure that public officials can make public interest disclosures about IBA.

INTERNAL AUDIT

The Audit, Risk and Performance Committee oversaw the 2019–20 Internal Audit Program. The program was conducted by an outsourced provider.

FIGURE 12:
THE ORGANISATIONAL STRUCTURE OF IBA AT 30 JUNE 2020



RELATED PARTY TRANSACTIONS

IBA has a system of delegated powers that enables decisions to be made on a range of transactions at the appropriate organisational level.

The Board governance charter sets out the decision-making processes for managing related party transactions and broader conflicts of interest for IBA directors. The charter restricts an IBA director from entering into prohibited related party transactions.

Prohibited related party transactions include the provision of loans or business support to IBA directors, their spouses and dependent family members as well as entities where IBA directors hold a significant interest.

The Board governance instruction sets out the decision-making processes for key management personnel including the Executive Management Team on management of conflicts of interests and procurements. Board members and the Executive Management Team provide annual declarations of interest.

In 2019–20, there was one transaction in which IBA provided a grant to a company which was a related entity, as defined in the *Public Governance, Performance and Accountability Rule 2014*. The value of the grant provided was \$80,000. That transaction was approved in accordance with IBA's decision making framework described above.

There were 3 transactions where IBA paid other related entities for goods or services, with a combined value of \$233,000. Those transactions were approved in accordance with IBA's decision making framework above.

Note 12 to the financial statements sets out IBA's related party disclosures for 2019–20.

COMPLIANCE

IBA has a control framework to ensure compliance with relevant legislation.

In 2019–20, there were no significant issues reported to the responsible Minister under section 19 of the PGPA Act related to non-compliance by IBA with the Act or its Rules or an Appropriation Act.

COMPLAINTS HANDLING

IBA's commitment to quality service is outlined in its customer charter which has detailed processes for receiving and handling complaints.

The complaint management process ensures that any concerns customers have in relation to IBA's services or decisions, or IBA funded service providers, are taken seriously and dealt with promptly. IBA maintains a complaints register which is regularly reviewed by management.

By adhering to these processes, IBA can learn from mistakes and continuously improve its practices, ultimately improving customers' experiences.

CONSULTANCIES

Consultants are distinguished from other contractors by the work they perform. A consultant is an individual, a partnership or a corporation engaged to provide professional, independent and expert advice or services.

Section 178 of the ATSI Act enables IBA to engage consultants who have suitable qualifications and experience.

IBA follows guidance issued by the Department of Finance when determining whether an arrangement should be classified as a consultancy.

EXTERNAL SCRUTINY

IBA is subject to scrutiny by the Australian National Audit Office, the Commonwealth Ombudsman, courts and administrative tribunals, and parliamentary and ministerial oversight. It is also required to report on obligations such as compliance with legislation like the PGPA Act, *Freedom of Information Act 1982* (FOI Act), *Public Interest Disclosure Act 2013* and the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006*.

EXTERNAL AUDIT, JUDICIAL DECISIONS AND REVIEWS BY EXTERNAL BODIES

IBA's external auditor is the Auditor-General through the Australian National Audit Office. Audits of IBA's financial statements are conducted in accordance with a strategy mutually agreed to by the Auditor-General and IBA.

There were no judicial decisions or decisions of administrative tribunals made during the reporting period that have, or may have, had a significant effect on IBA's operations this year.

The Commonwealth Ombudsman notified IBA of two complaints made against it during 2019–20. Both of those complaints were closed out without findings against IBA.

PARLIAMENTARY AND MINISTERIAL OVERSIGHT

Under section 19 of the PGPA Act, IBA is required to inform the Minister of any significant decisions or issues. This year, IBA informed the Minister of a number of significant decisions and issues in its quarterly Ministerial updates, and also in other correspondence and meetings..

FREEDOM OF INFORMATION

Under Part II of the FOI Act, IBA must publish information for the public as part of the Information Publication Scheme. IBA's Information Publication Scheme Plan is available on IBA's website, as is the information IBA has published in accordance with the scheme's requirements.

ENVIRONMENTAL PERFORMANCE

Under section 516A of the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act), IBA is required to describe its environmental performance and contribution to economically sustainable development.

ECOLOGICALLY SUSTAINABLE APPROACH

IBA is committed to the principles of ecologically sustainable development as outlined in section 3A of the EPBC Act.

IBA recognises Aboriginal and Torres Strait Islander people's unique relationship to the land, sea and waterways and seeks and adopts innovative approaches so that ecological processes are maintained in a rapidly changing business environment, safeguarding the environmental welfare of future generations.

IMPACT ON THE ENVIRONMENT

The main contribution to IBA's impact on the natural environment is corporate operations, including administration and property management.

In 2019–20, IBA aimed to conduct operations in a manner which minimised its environmental impact, as shown at table 6. Upgrades in hardware contributed to an estimated 30% reduction in power use in targeted offices, and further reductions are expected due to the cloud environment. IBA's Sydney, Perth, Brisbane and Canberra office buildings have a National Australian Built Environment Rating System (NABERS) rating of 3.5 or more.

IBA set up a Sustainability Committee in 2020 to decrease the impact that IBA's operations have on the environment. The committee put together their capability statement and started to create plans of action including a "Green Recovery Plan". The objective of the committee is to identify the social, environmental and financial opportunities that will assist the agency in decreasing its environmental footprint and align the initiatives developed with cost effective opportunities. The first initiative of the committee was to reduce the printing impacts of our significant corporate documents including corporate plan and annual report with availability of both documents online.

As part of IBA's commitment to professional development in this area, a staff member received funding to complete Cambridge University's Sustainability Management Short Course, focused on global business development and sustainability.

In response to COVID-19, during the period February to June 2020 we reduced our greenhouse emissions via a significant reduction in travel. We also found online solutions for tasks such as signing forms which has reduced printing and paper waste.

HOME OWNERSHIP AS A GAME-CHANGER

Naomi is a proud Aboriginal (Kamilaroi/ Gamilaraay) and Torres Strait Islander (Erub/ Darnley Island) woman. She started her home ownership journey with IBA in 2006 when she purchased her first home on the outskirts of Darwin. She now resides in her second home and uses her experience to encourage her staff to engage in the IBA home ownership program.

"We know it is a game-changer," she says. "We know it makes generational change."

Naomi found out about the home ownership program through her parents. She said that IBA treated her "like family" throughout the application process.

"I remember getting the advice that we'd been pre-approved and could look for a house. It almost makes you feel like you've won the lottery. There was support for what to look for in a home and the kinds of things that would need to happen when we found it. It was a really helpful, holistic process."

Having her own home came with a sense of equity and self-determination for Naomi. She feels it has had a huge impact on her as an Aboriginal person, and on her wider community.

"It gave me a sense of security – my children are going to be OK."

Talking about home ownership has become normalised for Naomi's kids. They feel it is their right to dream about their own future homes.

"I love that Aboriginal children can engage in dreams for houses, dreams for jobs and dreams for hard work," she says. "It is the legacy that we pass on to our children."



TABLE 06: IMPACT ON THE ENVIRONMENT

Area of impact	Measures and results
Energy	<p>Estimated 30% reduction in power use since IBA swapped two desktop monitors for a larger one. Brisbane and Sydney offices moving to new energy efficient screens. Old items will be recycled or resold to benefit Indigenous social enterprises.</p> <p>IBA's four major tenancies in Canberra, Sydney, Perth and Brisbane are in buildings with Energy (NABERS) ratings of 3.5 to 5 stars.</p> <p>IBA's largest tenancy building in Canberra is currently certified as a 5-star, Green Star Building and registered with the Green Building Council of Australia. This building has been engineered to enhance its environmental performance, with measures including:</p> <ul style="list-style-type: none"> • tri-generation technology • black water recycling • rainwater collection • solar powered hot water • energy-efficient movement sensors and T5 lighting
Water	<p>IBA tenancies are fitted with water-saving fixtures where possible, including sensor taps, half size dishwashers, dual flush toilets and motion sensor urinals. IBA staff are encouraged to implement strategies to save water, such as ensuring dishwashers are full before use.</p>
Waste	<p>IBA is committed to reducing landfill by cutting back paper use and encouraging recycling.</p> <p>Measures to reduce paper use across IBA include:</p> <ul style="list-style-type: none"> • adopting of Major Office Machines Arrangement II practices, such as applying active sleep, default duplex and grey scale mono settings • multifunction printers which require employees to scan an IDed access pass to collect printing—encouraging reduced levels of printing • old paper files scanned and stored and staff trained to use digital records management over paper files • online signing of documents to reduce printing <p>To manage waste more effectively, IBA has segregated streams for general waste, commingled recycling and paper and cardboard recycling.</p> <p>IBA uses battery, mobile phone and toner cartridge recycling programs to ensure these items do not go to landfill.</p>
Greenhouse gas emissions	<p>IBA provides video conferencing facilities to all 14 office locations for connectivity and to limit staff travel. The introduction of Microsoft Teams makes it easier for staff to connect and conduct meetings online.</p>



Photo: Staff explore the AIATSIS Map of Indigenous Australia installed in the Brisbane office.

PART 5 PEOPLE MANAGEMENT

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EMPLOYEE WELLBEING	75
OUTLOOK	76

WORKFORCE PROFILE

FIGURE 13: IBA OFFICES LOCATED ACROSS AUSTRALIA

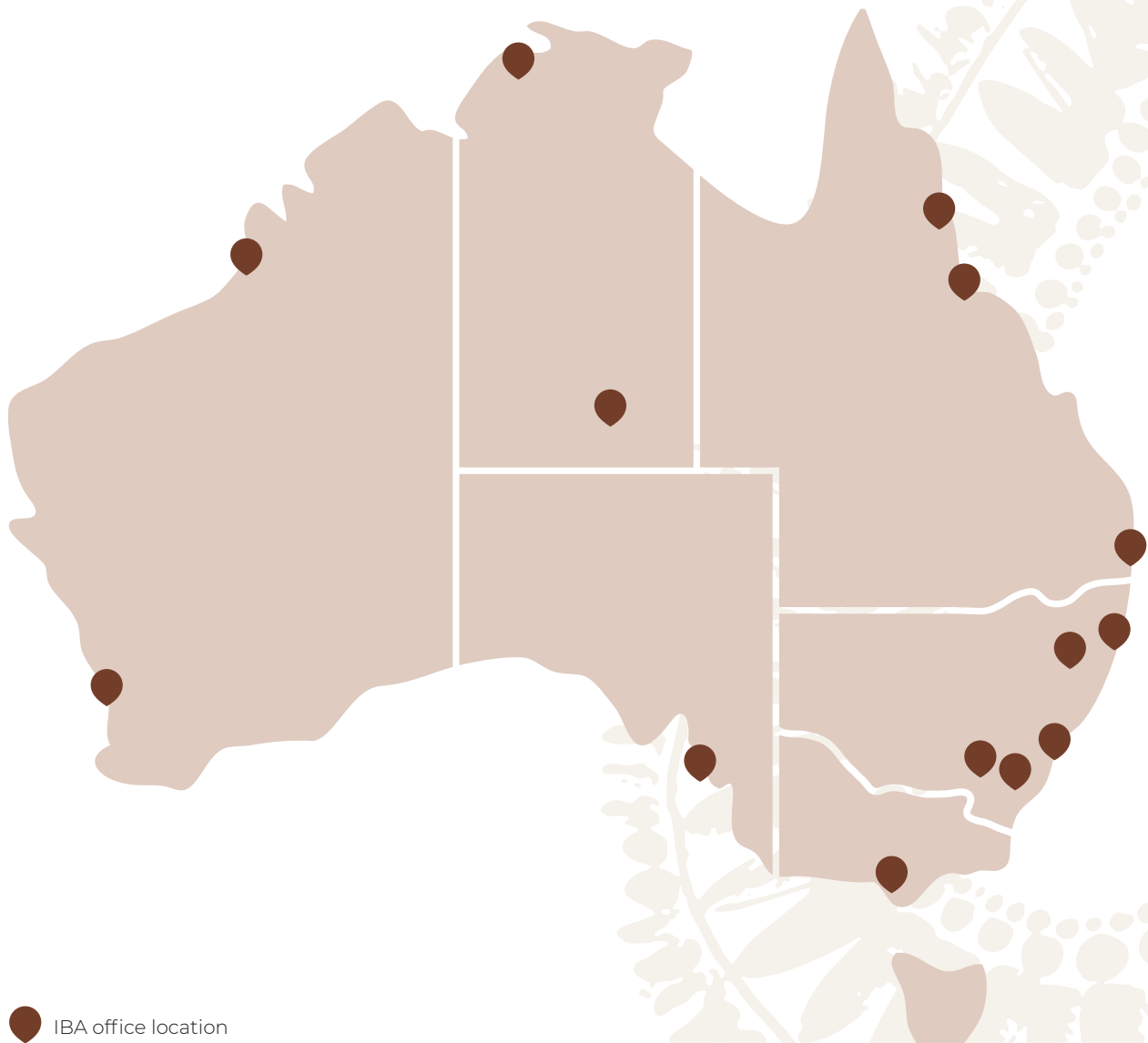


TABLE 07: ALL ONGOING EMPLOYEES
CURRENT REPORT PERIOD (2019-20)

	Male			Female			Indeterminate			Total
	Full time	Part time	Total Male	Full time	Part time	Total Female	Full time	Part time	Total Indeterminate	
NSW	12	-	12	18	6	24	-	-	-	36
Qld	22	2	24	25	2	27	-	-	-	51
SA	2	-	2	2	-	2	-	-	-	4
Tas	-	-	-	-	-	-	-	-	-	-
Vic	11	-	11	4	-	4	-	-	-	15
WA	4	-	4	7	-	7	-	-	-	11
ACT	19	-	19	18	6	24	-	-	-	43
NT	1	-	1	6	1	7	-	-	-	8
External Territories	-	-	-	-	-	-	-	-	-	-
Overseas	-	-	-	-	-	-	-	-	-	-
Total	71	2	73	80	15	95	-	-	-	168

TABLE 08: ALL NON-ONGOING EMPLOYEES
CURRENT REPORT PERIOD (2019-20)

	Male			Female			Indeterminate			Total
	Full time	Part time	Total Male	Full time	Part time	Total Female	Full time	Part time	Total Indeterminate	
NSW	6	1	7	6	-	6	-	-	-	13
Qld	7	-	7	6	-	6	-	-	-	13
SA	-	-	-	-	-	-	-	-	-	-
Tas	-	-	-	-	-	-	-	-	-	-
Vic	1	-	1	-	-	-	-	-	-	1
WA	2	1	3	2	-	2	-	-	-	5
ACT	1	1	2	3	1	4	-	-	-	6
NT	-	-	-	1	-	1	-	-	-	1
External Territories	-	-	-	-	-	-	-	-	-	-
Overseas	-	-	-	-	-	-	-	-	-	-
Total	17	3	20	18	1	19	-	-	-	39

TABLE 09: ALL ONGOING EMPLOYEES PREVIOUS REPORT PERIOD (2018-19)

	Male			Female			Indeterminate			Total
	Full time	Part time	Total Male	Full time	Part time	Total Female	Full time	Part time	Total Indeterminate	
NSW	12	-	12	15	5	20	-	-	-	32
Qld	23	2	25	25	3	28	-	-	-	53
SA	2	-	2	2	-	2	-	-	-	4
Tas	-	-	-	-	-	-	-	-	-	-
Vic	7	-	7	4	-	4	-	-	-	11
WA	3	-	3	5	-	5	-	-	-	8
ACT	17	-	17	20	5	25	-	-	-	42
NT	1	-	1	6	1	7	-	-	-	8
External Territories	-	-	-	-	-	-	-	-	-	-
Overseas	-	-	-	-	-	-	-	-	-	-
Total	65	2	67	77	14	91	-	-	-	158

TABLE 10: ALL NON-ONGOING EMPLOYEES PREVIOUS REPORT PERIOD (2018-19)

	Male			Female			Indeterminate			Total
	Full time	Part time	Total Male	Full time	Part time	Total Female	Full time	Part time	Total Indeterminate	
NSW	6	1	7	5	1	6	-	-	-	13
Qld	6	-	6	3	2	5	-	-	-	11
SA	-	-	-	-	-	-	-	-	-	-
Tas	-	-	-	-	-	-	-	-	-	-
Vic	2	-	2	-	-	-	-	-	-	2
WA	2	-	2	2	-	2	-	-	-	4
ACT	1	1	2	2	-	2	-	-	-	4
NT	-	-	-	1	-	1	-	-	-	1
External Territories	-	-	-	-	-	-	-	-	-	-
Overseas	-	-	-	-	-	-	-	-	-	-
Total	17	2	19	13	3	16	-	-	-	35

TABLE 11: STAFF NUMBERS BY CLASSIFICATION

Classification	
CEO	1
ED/CFO/GC	6
DIR	2
IBA7	27
IBA6	28
IBA5	73
IBA4	34
IBA3	27
IBA2	6
IBA1	3
Total	207

CEO = Chief Executive Officer

ED = Executive Director, CFO = Chief Financial Officer, GC = General Counsel

DIR = Director

Australian Public Service Executive Levels 1 and 2 are equivalent IBA Levels 6 and 7

TABLE 12: REMUNERATION OF SENIOR EXECUTIVES FOR THE REPORTING PERIOD

Total remuneration bands	Number of senior executives	Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
		Average base salary	Average bonuses	Average other benefits and allowances		Average long service leave	Average other long-term benefits		
3	5	\$119,855	0	\$4,802	\$19,404	\$4,769	\$14,626	\$37,049	\$200,504

TABLE 13: REMUNERATION OF HIGHLY PAID STAFF FOR THE REPORTING PERIOD

Total remuneration bands	Number of senior executives	Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
		Average base salary	Average bonuses	Average other benefits and allowances		Average long service leave	Average other long-term benefits		
1	2	\$182,314	0	\$11,328	\$29,198	\$4,796	\$14,711	0	\$242,347

TABLE 14: REMUNERATION OF KEY MANAGEMENT PERSONNEL FOR THE REPORTING PERIOD

Name and position title	Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
	Base salary	Bonuses	Other benefits and allowances	Superannuation contributions	Long service leave	Other long-term benefits		
Edward Fry Board - Chair	\$77,360	0	0	\$11,913	0	0	-	\$89,274
Anthony Ashby Board - Deputy Chair	\$58,025	0	0	\$8,936	0	0	-	\$66,961
Rick Allert ¹ Board	\$38,680	0	\$22,355	\$9,399	0	0	-	\$70,435
Roy Ah-see ² Board	\$38,680	0	\$8,133	\$7,209	0	0	-	\$54,022
Shirley McPherson ² Board	\$38,680	0	\$8,133	\$7,152	0	0	-	\$53,964
Scott Young ³ Board	\$38,680	0	\$6,090	\$6,894	0	0	-	\$51,664
Kerrynne Liddle ³ Board	\$5,499	0	\$866	\$980	0	0	-	\$7,346
Claire Woodley ³ Board	\$38,680	0	\$6,090	\$7,236	0	0	-	\$52,006
Val Cooms Board	\$39,264	0	0	\$6,047	0	0	-	\$45,310
Vanessa Elliott Board	\$4,464	0	0	\$687	0	0	-	\$5,151
Rajiv Viswanathan Chief Executive Officer	\$359,884	\$52,994	0	\$25,000	\$9,027	\$27,688	-	\$474,593
Tom Hure Chief Finance Officer	\$234,310	0	\$9,968	\$25,000	\$6,128	\$18,794	-	\$294,199
Kirsty Moore Executive Director, Products & Markets	\$239,510	0	0	\$25,000	\$6,125	\$18,786	-	\$289,421

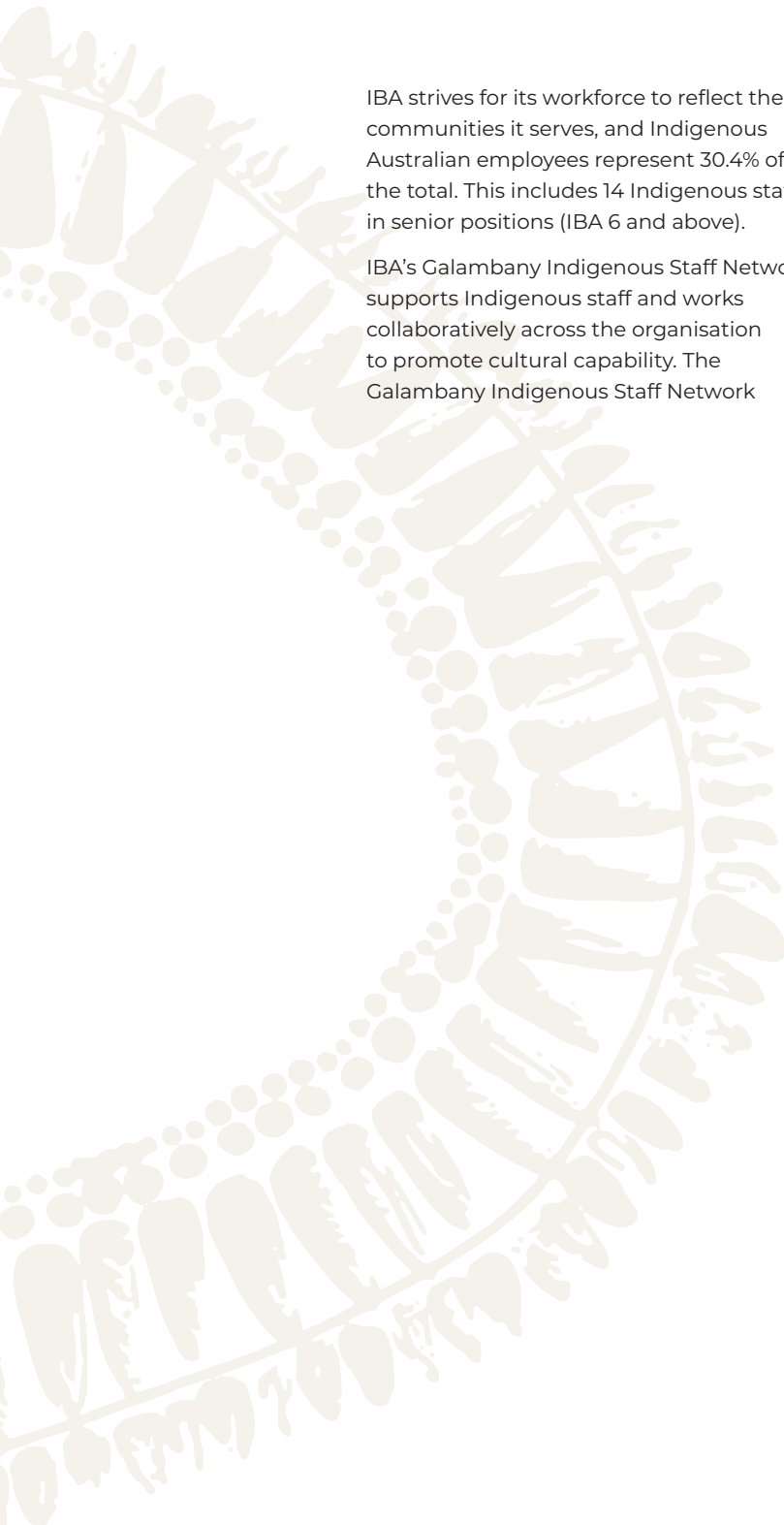
¹ RAC Chair + FIP member

² RAC member

³ FIP member



DIVERSITY



IBA strives for its workforce to reflect the communities it serves, and Indigenous Australian employees represent 30.4% of the total. This includes 14 Indigenous staff in senior positions (IBA 6 and above).

IBA's Galambany Indigenous Staff Network supports Indigenous staff and works collaboratively across the organisation to promote cultural capability. The Galambany Indigenous Staff Network

continued to act as a support system for Indigenous staff with the launch of its internal newsletter, 'Connections'. Galambany Advisory Committee membership was refreshed in April 2020 and is in the process of updating its terms of reference.

This year's appointment of a new Diversity Champion to lead diversity initiatives and help foster inclusive workplace culture represents a renewed focus on diversity, further strengthening organisational values.

CAPABILITY DEVELOPMENT

Staff development is an ongoing process at IBA that includes traditional professional development and cultural capability—focused on the deeper contextual understanding required to respectfully engage with, and support, customers.

IBA continued to support the leadership development and career growth of IBA 4–5 staff through implementation the Emerging Leaders Program (ELP) launched in 2018. The program combined workshops, mentoring and Individual development plans to support participants' personal and professional development. Delivered by One INMA Global, it provided a strong cultural element with participants learning about contemporary leadership theory and practices such as eldership, Aboriginal law, Bayami (the creator) and the Tjukupa (dreaming). COVID-19 delayed the program's completion, but it will be evaluated over 2020–21 and its outcomes will assist the design of future leadership development initiatives.

IBA also reviewed its approach to recruitment and selection, adding flexibility so it can attract good candidates. As part of this initiative, more support was provided for recruiting managers

and for new recruitment and selection training, including a focus on countering unconscious bias.

Technological developments have included transitioning Annual Performance Agreements and Development Plans from paper to online, and new essentials online training (compliance and cultural capability development). A new Learning Management System was also implemented to reduce administrative burdens on managers and staff.

IBA's Board Chair and CEO travelled to multiple IBA locations across Australia for Staff Regional Forums aimed at embedding IBA values and discussing local level issues face-to-face.

IBA's work with not-for-profit CareerTrackers continues. Five interns were placed this summer and two over winter, aimed at creating academic and employment pathways and support systems for young Indigenous adults. The Indigenous trainee program employed seven people at IBA this year. IBA encouraged professional development with nine staff taking part in the study assistance program.

EMPLOYEE WELLBEING

IBA's consistent efforts to maintain healthy workplaces and staff were uniquely challenged in 2019–20. COVID-19 impacted both work with customers and the entire workforce, which was quickly transitioned to working from home. IBA is proud to have been able to support its staff's wellbeing in this dramatic shift including:

- new temporary operating procedures to ensure staff safety and wellbeing
- care packages sent to staff homes
- a \$200 one-off payment for staff at home to buy office furniture and supplies.

Other wellbeing activities included:

- IBA supported 96 staff to participate across 26 teams in the 2019 STEPtember Initiative (a National fundraiser for cerebral palsy). IBA staff raised \$4,252.25 in total and took more than 21 million steps collectively during the initiative.
- engagement with the Lifeworks employee wellbeing portal to assist staff in improving their health, happiness and productivity
- increased measures to encourage staff recognition such as the introduction of 'Share the Love' staff-nominated shout outs
- continuation of NAIDOC and Elm Tree awards, and the Health and Safety Committee
- introduction of Local Coordinator roles for each office to ensure each IBA region and office applies IBA's values and WHS standards consistently.

Photo: IBA partnered with Melbourne Business School to host the Futures Forum business boot camp.



OUTLOOK

Working through the challenges presented by COVID-19 has revealed unexpected opportunities. Beyond the pandemic, IBA now has first-hand experience of home-based work and the increased flexibility. As staff are supported in this, and hopefully brought back to 'normal' arrangements, a bi-annual staff survey will gauge the impacts of home-based work and its potential.

This year also saw the return of the Indigenous Graduate Program, which provides Indigenous university graduates an opportunity to apply their academic knowledge and skills within IBA's professional setting.

Photo: Banubanu Beach Retreat offers accommodation in a stunning setting on Bremer Island, NT.





Photo: Australia's first Indigenous owned commercial satellite ground station in Alice Springs at Centre for Appropriate Technology.

PART 6

FINANCIAL PERFORMANCE

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FINANCIAL PERFORMANCE

ECONOMIC BACKGROUND

The significant economic impact and uncertainties created by the COVID-19 pandemic have impacted asset values, business and housing loan availability, affordability and demand.

IBA has proactively implemented strong relief measures to support existing customers and respond to hardship requests, including the reduction of housing loan interest rates for its customers until November 2020, and the announcement of a new Indigenous Business Relief Package for all Indigenous businesses who have been impacted by the crisis, to be implemented during the year to 30 June 2021.

Despite continued strong interest in our products, especially housing loans, COVID-19 impacts resulted in a decrease in the total value of home loans provided in comparison to the previous period.

Whilst interest rates have remained low, the impact of COVID-19 has meant credit conditions remain difficult. As borrowing from mainstream lenders becomes challenging, this creates increasing demand on IBA's housing and business solutions. Consistent with last year, IBA's access to capital is finite, meaning it will need to access new funding solutions to keep pace with growing demand for new lending and support for existing customers.

The performance of IBA's investment portfolio has been impacted by COVID-19, in particular affecting the valuations of invested financial assets and investment properties.

FINANCIAL RESULTS

IBA's financial statements are presented on a consolidated basis together with its subsidiaries which operate businesses spread across tourism, mining services, renewables, retail, and investment property.

The consolidated statutory surplus for IBA is \$30.3 million against a previous year's statutory surplus of \$43.0 million. The difference is primarily due to the change in valuation of financial assets, with a valuation decrement of \$10.8 million this year, compared to a valuation increment of \$3.5 million last year, reflecting the impact of COVID-19 on asset valuations.

Total income has decreased slightly from \$286.4 million last financial year to \$284.4 million (including revenue from the Unwinding of concessional discount) predominantly due to the valuation increments on financial assets last year, as opposed to this year, partly off-set by revenue from acquisitions made during the year.

Total expenses increased from \$243.4 million last year to \$254.1 million due mostly to increased supplier costs, higher depreciation (due to changes in accounting standards) and asset impairment charges, partly off-set by lower Finance costs caused by less than expected housing advances.

IBA's total consolidated assets as at 30 June 2020 are \$1.7 billion, an increase of \$114 million over the previous year, primarily due to an increase in the home loan portfolio, land & buildings and value of investment properties held. IBA's net assets of \$1.6 billion are \$59 million higher than last year, driven by retained earnings, equity appropriation from government and equity contribution from Indigenous groups.

FIGURE 14: CONSOLIDATED TOTAL ASSETS

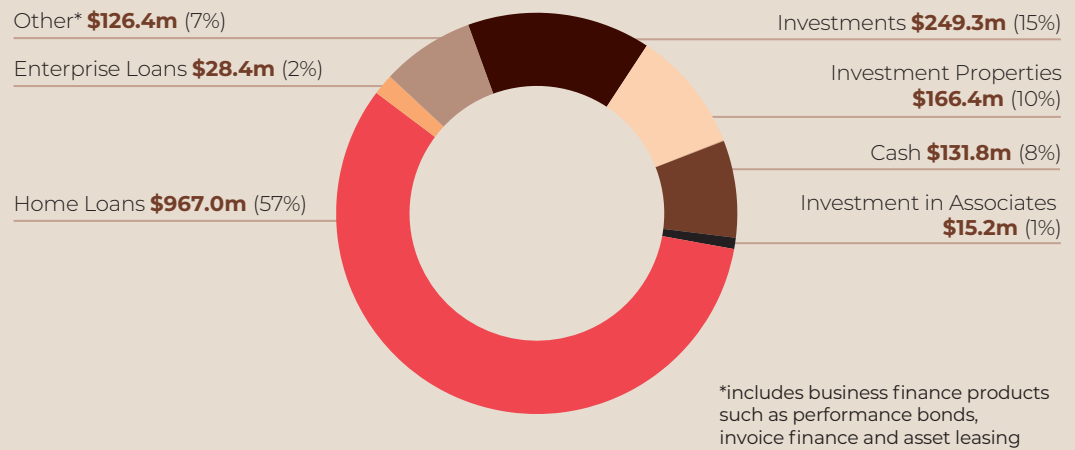


FIGURE 15: STATUTORY AND OPERATING PERFORMANCE

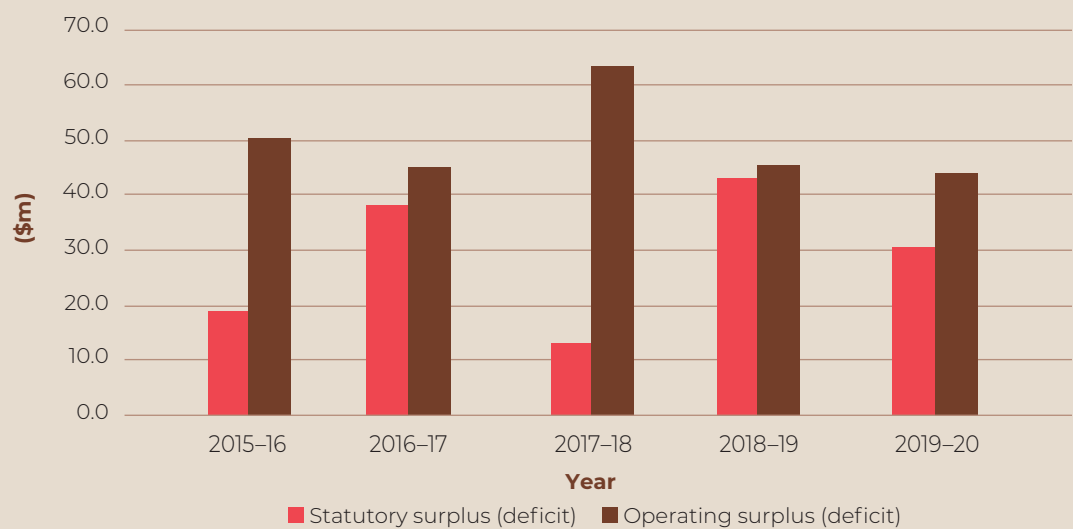


FIGURE 16: NET ASSET GROWTH

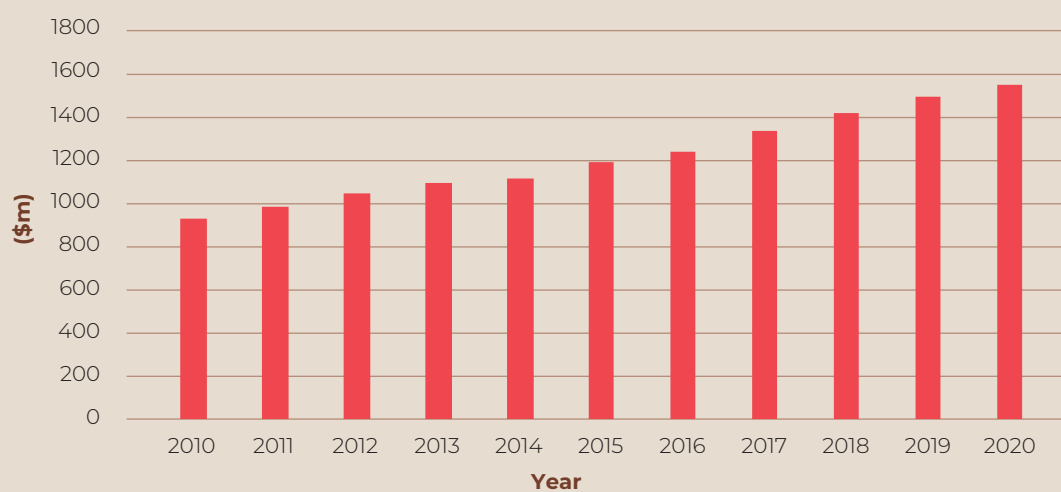
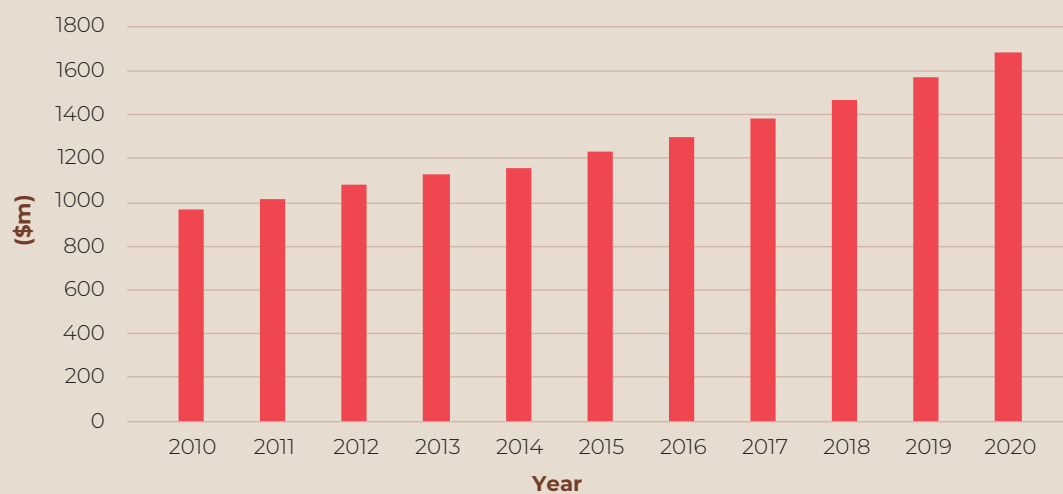


FIGURE 17: GROSS ASSET GROWTH



FUNDING

The income base of the consolidated IBA group comprises both grant and appropriation revenue from the Commonwealth as well as self-generated revenue. In 2019–20, IBA received \$45.5 million in grant receipts, \$9.5 million by way of appropriation, and \$159.8 million in self-generated revenue. Of the \$45.5 million in grant receipts, \$18.0 million is related to the Business Relief Package, which will be expended during the 2020–21 financial year.

The self-generated revenue consists mostly of interest earnings, rental receipts from investment properties, and goods and services income from subsidiaries.

IBA also received \$22.9 million by way of equity injection from the Commonwealth for use in providing home loans.

LEGAL AND FINANCIAL FRAMEWORK

IBA's financial statements must be read in the context of its enabling legislation, the Aboriginal and Torres Strait Islander Act, and the impact of Australian Accounting Standards, particularly in respect to the valuation of its financial assets.

The Aboriginal and Torres Strait Islander Act requires that funds available under the New Housing Fund including interest earnings, are to be used exclusively for housing loans. Consequently, income earned from the New Housing Fund is not available for operational expenses but rather utilised for new home loans under that Fund.

The financial statements for the New Housing Fund are provided separately under Note 16.

Australian Accounting Standards require that the financial assets of IBA be recorded at their fair value. Loans in relation to the housing and business loans portfolio are issued at concessional interest rates. A market valuation requires discounting the portfolio value to equate interest earned to market yield for

comparable risk including the impact of expected credit loss. The annual incremental discount is a non-cash item, recorded in the Statement of Comprehensive Income under both Finance costs for the discount expenditure at inception, and Unwinding of concessional discount as the loan is repaid during its expected term to discharge.

For the investment portfolio, valuation at fair market value results in cyclical movements in property and business valuations being recorded in the Statement of Comprehensive Income.

OUTLOOK

Demand for IBA's solutions continues to grow, despite the impact of COVID-19 causing the total value of home loans provided in 2019–20 to decrease compared to the prior period, when IBA was able to utilise its reserves to meet increased demand beyond its government funding. However, as a predominantly self-funded agency, IBA's resources and capital are finite. New sources of funding and innovative funding solutions are required to sustain increased performance and keep pace with demand. Any volatility in economic conditions including interest rates, would impact IBA's asset valuations and operating results.

We will continue to invest in cost-effective information management systems to improve our customer support activities and document management systems. There will be a strong focus on reducing the cost of services that support the Housing Solutions, Business Solutions and Investment and Asset Management Programs.

IBA's net asset base is expected to continue its steady growth during 2020–21, with total assets budgeted at \$1.8 billion as at 30 June 2021. Total consolidated revenue is budgeted to be \$277.5 million including the Unwinding of concessional discount and grant revenue of \$70.0 million (including \$42.0 million relating to the Business Relief Package) and appropriations of \$9.5 million.

FIGURE 18: CAPITAL DEPLOYED VS CAPITAL INJECTIONS

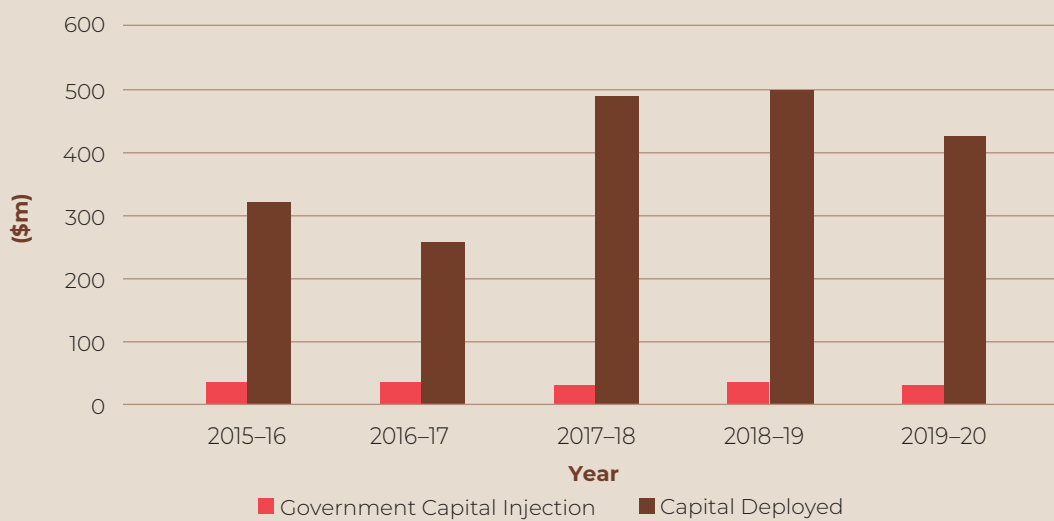
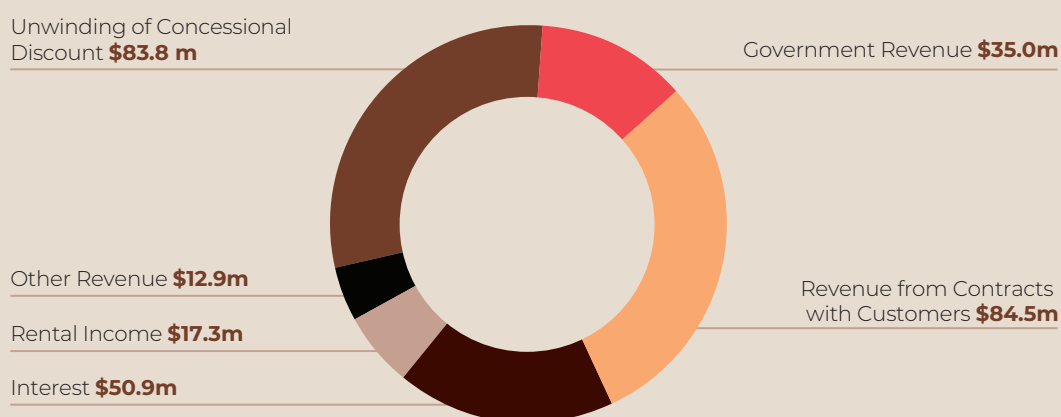


FIGURE 19: CONSOLIDATED INCOME





INDEPENDENT AUDITOR'S REPORT

To the Minister for Indigenous Australians

Opinion

In my opinion, the financial statements of the Indigenous Business Australia and its subsidiaries (together the 'Consolidated Entity') for the year ended 30 June 2020:

- (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Consolidated Entity as at 30 June 2020 and its financial performance and cash flows for the year then ended.

The financial statements of the Consolidated Entity, which I have audited, comprise the following as at 30 June 2020 and for the year then ended:

- Statement by Directors, Chief Executive Officer and Chief Financial Officer;
- Consolidated Statement of Comprehensive Income;
- Consolidated Statement of Financial Position;
- Consolidated Statement of Changes in Equity;
- Consolidated Statement of Cash Flow Statement; and
- Notes to the financial statements comprising a summary of significant accounting policies and accompanying notes.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Consolidated Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

The Accountable Authority is responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2020 but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Consolidated Entity, the directors are responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Reduced Disclosure

Requirements and the rules made under the Act. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the ability of the Consolidated Entity to continue as a going concern, taking into account whether the entity's operations will cease as a result of an administrative restructure or for any other reason. The directors are also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

Auditor's responsibilities for the audit of the financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Consolidated Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Consolidated Entity to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated Entity to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Consolidated Entity audit. I remain solely responsible for my audit opinion.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office



Ron Wah
Audit Principal

Delegate of the Auditor-General

Canberra
2 November 2020



Indigenous Business Australia and Controlled Entities

STATEMENT BY DIRECTORS, CHIEF EXECUTIVE AND CHIEF FINANCIAL OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2020 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (Cth) (**PGPA Act**), and are based on properly maintained financial records as per subsection 41(2) of PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that Indigenous Business Australia will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Board of Directors.

Eddie Fry
Chair
2 November 2020

Anthony Ashby
Deputy Chair
2 November 2020

Rajiv Viswanathan
Chief Executive Officer
2 November 2020

Tom Hure
Chief Financial Officer
2 November 2020

STATEMENT OF COMPREHENSIVE INCOME

for the period ended 30 June 2020

		Consolidated		
		2020	2019	Original
NET COST OF SERVICES	Notes	\$'000	\$'000	budget
Expenses				
Employee benefits	2A	47,249	48,973	52,301
Supplier expenses	2B	87,295	78,580	80,920
Grants		9,486	7,933	13,428
Depreciation and amortisation	2C	11,518	8,388	8,032
Finance costs	2D	78,466	87,485	72,831
Write-down and impairment of assets	2E	17,786	10,493	7,646
Losses from asset sales		80	8	70
Other expenses	2F	2,219	1,491	751
Total expenses		254,099	243,351	235,979
Own-source income				
Own-source revenue				
Revenue from contracts with customers	3A	84,464	76,355	78,799
Interest	3B	50,947	53,639	53,175
Unwinding of concessional discount	3C	83,803	81,563	57,615
Dividends		9,275	8,648	8,401
Rental income	3D	17,341	16,956	20,482
Other revenue	3E	27,958	29,573	35,282
Total own-source revenue		273,788	266,734	253,754
Gains				
Sale of assets		1,114	2,016	-
Other gains/(losses)	3F	-	7,855	2,589
Total gains		1,114	9,871	2,589
Total own-source revenue		274,902	276,605	256,343
Net cost of services		20,803	33,254	20,364
Revenue from Government	3G	9,538	9,762	9,587
Surplus (deficit) before income tax on continuing operations		30,341	43,016	29,951
Income tax expense		-	-	37
Surplus (deficit) after income tax on continuing operations		30,341	43,016	29,914
Surplus (deficit) attributable to non-controlling interests		345	13,637	2,822
Surplus (deficit) attributable to the Australian Government		29,996	29,379	27,092
Other comprehensive income				
Items not subject to subsequent reclassification to net cost of services				
Changes in asset revaluation reserves		(988)	(870)	-
Items subject to subsequent reclassification to net cost of services				
Gains/(Losses) on financial assets previously classified as available-for-sale		-	-	-
Total other comprehensive income / (loss) after income tax		(988)	(870)	-
Total comprehensive income / (loss)		29,353	42,146	29,914
Total comprehensive income / (loss) attributable to non-controlling interests		345	13,637	2,822
Total comprehensive income / (loss) attributable to Australian Government		29,008	28,509	27,092

The above statement should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

as at 30 June 2020

as at 30 June 2020

		Consolidated		Original
	Notes	2020	2019	budget
		\$'000	\$'000	\$'000
Assets				
Financial assets				
Cash and cash equivalents	5A	131,775	108,741	149,816
Trade and other receivables	5B	36,976	35,024	-
Loan receivables	5C	995,454	942,470	1,002,554
Investments	5D, 5E	264,479	270,776	240,871
Deferred tax assets		880	389	-
Total financial assets		1,429,564	1,357,400	1,393,241
Non-financial assets				
Land & Buildings	6A	47,853	30,969	26,382
Property, plant and equipment	6A	20,304	23,326	19,167
Investment property	6C	166,448	134,734	168,586
Operating lease assets	6A	10,130	13,123	-
Intangible assets and goodwill	6B	6,164	5,557	14,942
Inventories		3,193	2,283	2,371
Prepayments		857	2,893	2,256
Total non-financial assets		254,949	212,885	233,704
Total assets		1,684,513	1,570,285	1,626,945
Liabilities				
Payables				
Suppliers	7A	12,435	12,527	12,125
Tax liabilities		65	58	-
Other payables	7B	46,332	25,489	10,723
Total payables		58,832	38,074	22,848
Interest bearing liabilities				
Loans	8	53,007	19,003	36,487
Total interest bearing liabilities		53,007	19,003	36,487
Provisions				
Employee provisions	9A	8,426	8,155	7,293
Other provisions	9B	11,781	11,326	10,355
Total provisions		20,207	19,481	17,648
Total liabilities		132,046	76,558	76,983
Net assets		1,552,467	1,493,727	1,549,962
Equity				
Parent entity interest				
Contributed equity		1,081,275	1,056,237	1,079,236
Reserves		4,846	5,834	5,121
Retained earnings		314,615	288,310	308,788
Total parent entity interest		1,400,736	1,350,381	1,393,145
Attributed to non-controlling interests				
Contributed equity		138,055	132,181	150,269
Reserves		1,446	1,446	1,446
Retained earnings		12,230	9,719	5,102
Total non-controlling interests		151,731	143,346	156,817
Total equity		1,552,467	1,493,727	1,549,962

The above statement should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

for the period ended 30 June 2020

	Notes	2020 \$'000	2019 \$'000	Budget \$'000
CONTRIBUTED EQUITY				
Opening balance				
Balance carried forward from previous period		1,188,418	1,143,655	1,186,655
Reclassification		-	-	-
Adjustment for changes in accounting policies		-	-	-
Adjusted opening balance		1,188,418	1,143,655	1,186,655
Comprehensive income				
Other comprehensive income		-	-	-
Total comprehensive income		-	-	-
Transactions with owners				
Distributions to owners				
Transfers		181	100	-
Contributions by owners				
Equity injection - Appropriations		22,850	22,850	22,850
Equity injection - Non Controlling Interests		5,693	21,813	20,000
Restructuring		2,188	-	-
Total transactions with owners		30,912	44,763	42,850
Closing balance as at 30 June		1,219,330	1,188,418	1,229,505
Less Non Controlling Interests		(138,055)	(132,181)	-
Closing Balance Attributable to the Australian Government		1,081,275	1,056,237	1,229,505
RETAINED EARNINGS				
Opening balance				
Balance carried forward from previous period		298,029	265,515	283,976
Reclassification		1,948	(4,864)	-
Adjustment for changes in accounting policies		-	-	-
Adjusted opening balance		299,977	260,651	283,976
Comprehensive income				
Surplus/(Deficit) for the period		30,341	43,016	29,914
Other comprehensive income		-	-	-
Total comprehensive income		30,341	43,016	29,914
Dividends		(3,473)	(5,638)	-
Closing balance as at 30 June		326,845	298,029	313,890
Less Non Controlling Interests		(12,230)	(9,719)	-
Closing Balance Attributable to the Australian Government		314,615	288,310	313,890
RESERVE				
Opening balance				
Balance carried forward from previous period		7,280	6,567	6,567
Reclassifications		-	1,583	-
Adjustment for changes in accounting policies		-	-	-
Adjusted opening balance		7,280	8,150	6,567
Comprehensive income				
Other comprehensive income		(988)	(870)	-
Total comprehensive income		(988)	(870)	-
Asset Revaluations		-	-	-
Transfers		-	-	-
Closing balance as at 30 June		6,292	7,280	6,567
Less Non Controlling Interests		(1,446)	(1,446)	-
Closing Balance Attributable to the Australian Government		4,846	5,834	6,567

STATEMENT OF CHANGES IN EQUITY (continued)

for the period ended 30 June 2020

	Notes	2020 \$'000	2019 \$'000	Budget \$'000
TOTAL EQUITY				
Opening balance				
Balance carried forward from previous period		1,493,727	1,415,737	1,477,198
Reclassification		1,948	(3,281)	-
Adjustment for changes in accounting policies		-	-	-
Adjusted opening balance		1,495,675	1,412,456	1,477,198
Comprehensive income				
Surplus/(Deficit) for the period		30,341	43,016	29,914
Other comprehensive income		(988)	(870)	-
Total comprehensive income		29,353	42,146	29,914
Transactions with owners				
Distributions to owners				
Returns on capital				
Dividends		(3,473)	(5,638)	-
Transfers		181	100	-
Asset Revaluations		-	-	-
Contributions by owners				
Equity injection - Appropriations		22,850	22,850	22,850
Equity injection - Non Controlling Interests		5,693	21,813	20,000
Restructuring		2,188	-	-
Total transactions with owners		27,439	39,125	42,850
Transfers between equity components		-	-	-
Closing balance as at 30 June		1,552,467	1,493,727	1,549,962
Less Non Controlling Interests		(151,731)	(143,346)	-
Closing Balance Attributable to the Australian Government		1,400,736	1,350,381	1,549,962

The above statement should be read in conjunction with the accompanying notes.

CASH FLOW STATEMENT

for the period ended 30 June 2020

		Consolidated		Original Budget
	Notes	2020 \$'000	2019 \$'000	2020 \$'000
Operating Activities				
Cash received				
Receipts from Government		9,538	9,762	9,587
Grants receipts		45,500	48,018	33,926
Goods and services		83,079	72,471	82,087
Interest		50,378	53,639	53,175
Dividends		5,168	8,648	8,401
Other revenue		21,163	19,388	18,144
Total cash received		214,826	211,926	205,320
Cash used				
Employees		46,931	47,568	52,114
Suppliers		84,290	78,955	78,557
Borrowing costs		1,781	1,571	1,366
Other expenses		8,665	4,661	13,335
Total cash used		141,667	132,755	145,372
Net cash from operating activities		73,159	79,171	59,948
Investing Activities				
Cash received				
Proceeds from sales of property, plant and equipment, and investment properties		4,456	16,016	-
Investments redeemed		42,328	51,884	33,479
Other - repayment of loans receivable		278,630	250,379	300,921
Total cash received		325,414	318,279	334,400
Cash used				
Purchase of property, plant and equipment		55,952	20,976	16,632
Purchase of other non-financial assets		1,708	3,005	-
Investments purchased		48,847	75,120	44,478
Other - loans and advances made		313,565	399,903	403,006
Total cash used		420,073	499,004	464,116
Net cash used by investing activities		(94,658)	(180,725)	(129,716)
Financing Activities				
Cash received				
Contributed equity		32,399	41,701	22,850
New borrowing		25,055	7,499	20,000
Total cash received		57,454	49,200	42,850
Cash used				
Repayment of borrowings		7,500	6,000	-
Dividends paid		3,473	5,638	-
Principal repayments lease liability		1,947	-	-
Total cash used		12,920	11,638	-
Net cash from financing activities		44,534	37,562	42,850
Net (decrease)/ increase in cash held				
		23,034	(63,992)	(26,918)
Cash and cash equivalents at the beginning of the reporting period		108,741	172,733	176,734
Cash and cash equivalents at the end of the reporting period	6A	131,775	108,741	149,816

The above statement should be read in conjunction with the accompanying notes.

NOTE 1: OVERVIEW

1.1. Objectives of Indigenous Business Australia

Indigenous Business Australia ('IBA') is an Australian Government controlled entity which was established on 5 March 1990, when the *Aboriginal and Torres Strait Islander Commission Act 1989* came into operation. On 23 March 2005, this Act was repealed and replaced by the *Aboriginal and Torres Strait Islander Act 2005* ('the Act'). IBA's purpose, set out at section 147 of the Act, is as follows:

1.
 - a. to engage in commercial activities;
 - b. to promote and encourage Aboriginal and Torres Strait Islander self-management and economic self-sufficiency;
 - c. such other functions as are conferred on it by this Act.
2. Without limiting by implication the meaning of commercial activities in paragraph 1(a), those activities include the performance of functions that:
 - a. the Minister has authorised IBA to perform as an agent of the Commonwealth; or
 - b. the Minister has delegated to IBA.

IBA is structured to meet one outcome: improved wealth acquisition to support the economic independence of Aboriginal and Torres Strait Islander peoples through commercial enterprise, asset acquisition, and access to concessional home and business loans.

The continued existence of IBA in its present form and with its present programs is dependent on Government policy and on continuing appropriations by Parliament for IBA's administration and programs. IBA is a not for profit entity and is a registered charity with the Australian Charities and Not For Profit Commission.

1.2. Basis of preparation of the financial report

The financial statements of the parent entity (IBA) and its subsidiaries, together with IBA's share of the results of associates (the Group) are general purpose consolidated financial statements and are required by section 42 of the *Public Governance, Performance and Accountability Act 2013*.

The financial statements have been prepared in accordance with:

- c. *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015 ('FRR')* for reporting periods ending on or after 1 July 2017; and
- d. *Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations* issued by the Australian Accounting Standards Board ('AASB') that apply for the reporting period.

The financial statements of the Group have been prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets and liabilities which have been recognised at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial statements of the Group are presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

1.3. Impact of Coronavirus ("COVID-19")

In March 2020, the World Health Organisation declared a global pandemic as a result of COVID-19. Its impact, and the strategies undertaken to mitigate its effect have materially impacted the outlook for the global economy including economic disruption and higher than usual volatility in financial markets. The level of disruption will likely have a negative impact on key metrics such as levels of unemployment, Gross Domestic Product and housing prices. IBA has carefully considered the impact of COVID-19 in preparing the financial statements for the year ended 30 June 2020.

As a result of COVID-19, the Group has implemented a number of key support measures as follows:

Home Ownership Support

On 9 April 2020 IBA reduced the interest rate applicable to all its home loan customers to a maximum of 2.99%, which will remain in place until 30 November 2020. From 15 June 2020 IBA automatically recalculated customers' loan instalments at the reduced interest rate resulting in repayments being adjusted accordingly, unless instructed by the customer otherwise.

Business Support

Subject to eligibility criteria, the Group has deferred business loan and lease repayments for a 4-month period, waived interest on business loans and leases for a 4-month period and where necessary, extended loan terms by 4 months (to accommodate the deferral period).

Further, in June 2020, IBA announced a new Indigenous Business Relief Package for all Indigenous businesses who have been impacted by the crisis, including non-IBA customers. This new relief package has been designed in collaboration with the National Indigenous Australians Agency (NIAA) to respond to the immediate challenges Indigenous businesses are facing. The package includes:

- **Business Impact Analysis:** Access to specialist advice to navigate the COVID-19 crisis, including assessment of business positioning, cashflow management and assistance to access available stimulus measures from Federal, State/Territories, and
- **Working capital assistance:** Applications can be made for assistance of up to \$100,000 via a loan/grant package.

1.4. Significant accounting judgements and estimates

In the process of applying the accounting policies listed in this note, the Group has made the following judgements that have the most significant impact on the amounts recorded in the financial statements:

- The fair value of investment properties and other investments, which is based on market inputs, backed by periodic external valuations and where applicable by detailed cash flow forecasts.

- The calculation of expected credit losses applicable to loan assets after initial recognition is impacted by the credit risk adjustment to the discount rate ('ECL credit risk premium'), which is based on market-derived inputs, projected rates of default and projected losses given default, and incorporating forward-looking information in determining the credit risk adjustment (risk premium) to the discount rate.

The table below shows the impact of changes in significant assumptions on the carrying value of loans receivable.

Assumptions	Carrying value 2020 \$000s	2020	2019	Change in assumptions	Change in carrying value \$000's
Credit Risk Premium					
Housing loans	967,048	4.50%	3.10%	+0.09% / -0.09%	-4,917/+4,948
Business loans	28,406	30.00%	9.95%	+0.09% / -0.09%	-39/+40

Whilst management believes the estimates used in preparing the financial report are reasonable, the impact of COVID-19 has required additional consideration and analysis of the critical accounting judgment and estimates applicable to IBA and where applicable adjustments to the estimates adopted. The following are of particular significance:

- The projected rates of default and projected losses given default applied to loan assets when assessing fair value at inception and expected credit losses on loan assets have been increased to reflect the assessed risk of credit loss associated with the IBA loan portfolio.

Given the uncertainty of the extent of the pandemic, actual results in the future may differ from those reported and it is therefore reasonably possible, on the basis of existing knowledge, that outcomes within the next financial period that are materially different from the Group's assumptions and estimates could require an adjustment to the carrying amounts of the reported assets and liabilities.

The basis of other key judgements and estimation uncertainty applied by management are consistent with those that were applied and disclosed in the annual financial report for the year ended 30 June 2019.

1.5. Changes in Australian Accounting Standards

Adoption of new Australian Accounting Standards requirements

No accounting standard has been adopted earlier than the application date stated in the standard. The following new standards and amendments to standards were issued prior to the sign-off date:

- AASB 15 Revenue from Contracts with Customers
- AASB 16 Leases
- AASB 1058 Income of Not-for-Profit

Adoption of AASB 15

Under AASB 15 revenue is recognised when a performance obligation is satisfied through the transfer of a promised good or service to a customer.

When a performance obligation is satisfied, revenue shall be recognised to the total of the transaction price that has been allocated to that performance obligation.

Where the performance obligation is satisfied over time, revenue shall be recognised by measuring the progress towards complete satisfaction of that performance obligation. An entity shall apply a single method of measuring progress for each performance obligation satisfied over time and the entity shall apply that method consistently to similar performance obligations and in similar circumstances. Appropriate methods of measuring progress include output methods and input methods.

Output methods recognise revenue on the basis of direct measurements of the value to the customer of the goods or services transferred to date relative to the remaining goods or services promised under the contract. Output methods include methods such as surveys of performance completed to date, appraisals of results achieved, milestones reached, time elapsed and units produced or units delivered. Input methods recognise revenue on the basis of the entity's efforts or inputs to the satisfaction of a performance obligation (for example, resources consumed, labour hours expended, costs incurred, time elapsed or machine hours used) relative to the total expected inputs to the satisfaction of that performance obligation.

Adoption of AASB 16

IBA adopted AASB 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 July 2019. Accordingly, the comparative information presented for 2019 is not restated, that is, it is presented as previously reported under AASB 117 and related interpretations.

IBA elected to apply the practical expedient to not reassess whether a contract is, or contains a lease at the date of initial application. Contracts entered into before the transition date that were not identified as leases under AASB 117 were not reassessed. The definition of a lease under AASB 16 was applied only to contracts entered into or changed on or after 1 July 2019.

AASB 16 provides for certain optional practical expedients, including those related to the initial adoption of the standard. IBA applied the following practical expedients when applying AASB 16 to leases previously classified as operating leases under AASB 117:

- Apply a single discount rate to a portfolio of leases with reasonably similar characteristics;
- Exclude initial direct costs from the measurement of right-of-use assets at the date of initial application for leases where the right-of-use asset was determined as if AASB 16 had been applied since the commencement date;
- Reliance on previous assessments on whether leases are onerous as opposed to preparing an impairment review under AASB 136 Impairment of assets as at the date of initial application; and
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term remaining as of the date of initial application.

As a lessee, Group entities previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under AASB 16, the Group recognises right-of-use assets and lease liabilities for most leases. However, the Group has elected not to recognise right-of-use assets and lease liabilities for some leases of low value assets based on the value of the underlying asset when new or for short-term leases with a lease term of 12 months or less.

On adoption of AASB 16, the Group recognised right-of-use assets and lease liabilities in relation to leases of office space and automobiles, which had previously been classified as operating leases.

The lease liabilities were measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate as at 1 July 2019. The incremental borrowing rate is the rate at which a similar borrowing could be obtained from an independent creditor under comparable terms and conditions.

Impact of adoption of AASB 16

On transition to AASB 16, the Group recognised additional right-of-use assets and additional lease liabilities, recognising the difference in retained earnings. The impact on transition is summarised below:

The following table reconciles the Group's minimum lease commitments disclosed in the entity's 30 June 2019 annual financial statements to the amount of lease liabilities recognised on 1 July 2019:

	\$'000
Minimum operating lease commitment at 30 June 2019	17,833
Less: short-term leases not recognised under AASB 16	-
Less: low value leases not recognised under AASB 16	(27)
Plus: effect of extension options reasonably certain to be exercised	-
Undiscounted lease payments	17,806
Less: effect of discounting using the incremental borrowing rate as at the date of initial application	(4,521)
Lease liabilities / Right of Use assets recognised at 1 July 2019	13,285

Adoption of AASB 1058

On initial recognition of an asset, an entity shall recognise any related contributions by owners, increases in liabilities, decreases in assets, and revenue ('related amounts') in accordance with other Australian Accounting Standards.

Future Australian Accounting Standards requirements

The following new standards, amendments to standards or interpretations were issued by the AASB prior to the signing of these statements by the Chief Executive Officer and Chief Financial Officer and are expected to have a financial impact on IBA for future periods:

- AASB1059: Service Concession Arrangements: Grantors
- 2018-6: Amendments to Australian Accounting Standards – Definition of a Business
- 2018-7: Amendments to Australian Accounting Standards – Definition of Material
- 2019-1: Amendments to Australian Accounting Standards – References to the Conceptual Framework
- 2019-2: Amendments to Australian Accounting Standards – Implementation of AASB 1059
- 2019-3: Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform

Other new standards that were issued prior to the signing of the statements by the Chief Executive Officer and Chief Financial Officer and are applicable to the future reporting period are not expected to have a future material financial impact on IBA.

1.6. Revenue and Income

Revenue from contracts with customers

A contract with a customer is only eligible for recognition under the following conditions:

- (a) the parties to the contract have approved the contract, and are committed to perform their respective obligations;
- (b) the rights of each party to the contract can be identified as well as the payment terms for the goods and services to be transferred;
- (c) the contract has commercial substance, and
- (d) it is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

If these conditions exist, revenue shall be recognised when a performance obligation is satisfied through the transfer of a promised good or service to a customer. When a performance obligation is satisfied, revenue shall be recognised to the total of the transaction price that has been allocated to that performance obligation. An entity shall recognise revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

Interest and Dividends

Interest revenue from loans and deposits is recognised using the effective interest method as set out in *AASB 9: Financial Instruments*.

Dividend and distribution income is recognised when it is declared.

Resources received free of charge

Resources received free of charge are recognised in accordance with AASB 1058 as revenue or gains when and only when a fair value can be reliably determined, and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another non-corporate or corporate Commonwealth entity as a consequence of a restructuring of administrative arrangements (refer to Note 1.7).

Revenues from Government

Funding received or receivable from non-corporate Commonwealth entities (appropriated to the non-corporate Commonwealth entity as a corporate Commonwealth entity payment item for payment of this entity) is recognised in accordance the revenue accounting policy as identified unless the funding is in the nature of an equity injection or a loan.

IBA currently receives two forms of appropriations from the Department of Prime Minister and Cabinet:

- Appropriation Bill No. 1, titled Ordinary Annual Services, Outcome 1, and
- Appropriation Bill No. 2, titled Other Services, Equity Injection.

Consistent with prior recognition criteria, amounts received under Appropriation Bill No. 1 are recognised as revenue on receipt, whilst amounts received under Appropriation Bill No. 2 are recognised as equity upon receipt as it is designated as such and to be used for the provision of housing loans only (refer 1.8 below).

Grant Income

Amounts received as government grants under contract that are subject to sufficiently specific performance obligations are recognised as revenue in accordance with AASB 15 over the period in which the underlying performance obligations are achieved, as a required condition of the grant.

IBA receives or has received grants under contract with the National Indigenous Australians Agency and Department of Prime Minister and Cabinet. As specified under the contract, the grants are required to be utilised in the achievement of performance obligations, or Key Performance Indicators (KPIs) over the contractual period, examples being specified dollar value of loans, number of business supports and number of Indigenous businesses and customers financed.

Where applicable, the KPIs are achieved over the contractual term, and as such, IBA has employed the input method as the means for measuring progress for each KPI satisfied, allowing revenue to be recognised over the same period. The input method has been deemed to the most appropriate method, given the resources used in achieving the KPIs is better able to be calculated, given the absence of items such as units produced or delivered, which are features of the output method.

Where grants are received that are not subject to performance obligations, where the Grant received is considered non-reciprocal, or when the Group has obtained control of the contribution, an amount equal to the grant received is recognised immediately on receipt in accordance with AASB 1058.

Rental Income

Rent revenue derived from investment properties is recognised on a straight-line basis over the lease term, net of any incentives.

1.7. Gains

Resources received free of charge

Resources received free of charge are recognised as gains when and only when a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense. Resources received free of charge are recorded as either revenue or gains depending on their nature.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another Government entity as a consequence of a restructuring of administrative arrangements.

Sales of assets

Gains from disposal of non-current assets are recognised when the control of the asset has passed to the buyer.

1.8. Transactions with the Government as owner

Equity injections

Amounts appropriated which are designated as 'equity injections' for a year are recognised directly in contributed equity in that year.

1.9. Employee benefits

Liabilities for short-term employee benefits (as defined in *AASB 119 Employee Benefits*) and termination benefits due within 12 months of balance date are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits are measured as the net total of the present value of the defined benefit obligation at the end of the reporting period, less the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

Leave

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the Group is estimated to be less than the annual entitlement for sick leave.

Leave liabilities are calculated on the basis of employee remuneration at the estimated salary rates that applied at the time the leave is taken, including employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

Amounts received under the Parental Leave Payments Scheme not yet paid to employees are presented on a gross basis as both cash received and corresponding liability.

The liability for long service leave has been determined by reference to the Australian Government shorthand method.

Separation and redundancy

Provision is made for separation and redundancy benefit payments. The Group recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

Superannuation

Staff of the Group are members of the Commonwealth Superannuation Scheme ('CSS'), Public Sector Superannuation Scheme ('PSS'), the PSS accumulation plan ('PSSap') or other scheme they nominate.

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance's schedules and notes.

The Group makes employer contributions to the employee superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Government. The Group accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised at year end represents outstanding contributions for the final fortnight of the year.

1.10. Leases

A distinction is made between finance leases and operating leases. Finance leases transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of leased assets. An operating lease is a lease that is not a finance lease.

Lessee accounting

All the leases to which the Group is party as a lessee are operating leases. Leased ROU assets are capitalised at the commencement date of the lease and comprise of the initial lease liability amount, initial direct costs incurred when entering into the lease less any lease incentives received. These assets are accounted for as separate asset classes to corresponding assets owned outright, but included in the same column as where the corresponding underlying assets would be presented if they were owned.

Lessor accounting: operating leases

Rental income from operating leases is recognised in the Statement of Comprehensive Income on a straight-line basis over the term of the lease. Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in the Statement of Comprehensive Income over the lease term on the same basis as the lease income. Lease incentives granted by the Group are recognised as a reduction of rental income over the lease term.

Lessor accounting: finance leases

Leases where the Group has transferred substantially all risks and rewards incidental to ownership of the leased assets to the lessees are classified as finance leases. The leased asset is recognised as a finance lease. The finance lease receivable is equal to the minimum lease payments receivable over the course of the lease, discounted at the interest rate implicit in the lease. The interest rate implicit in the lease is the discount rate that, at the inception of the lease, causes the present value of (A) the minimum lease payments and (B) the unguaranteed residual value to be equal to the sum of (C) the fair value of the leased asset and (D) any initial direct costs of the lessor. The difference between the undiscounted receivable and discounted receivable is recognised as unearned finance income.

Each lease payment received is allocated proportionally against the finance lease receivable and the unearned income. The finance income is recognised in the Statement of Comprehensive Income on a basis that reflects a constant periodic rate of return on the net investment in the finance lease receivable.

Initial direct costs incurred by the Group in negotiating and arranging finance leases are added to finance lease receivables and recognised as an expense in the Statement of Comprehensive Income over the lease term on the same basis as the lease income.

Contingent rents are recognised as income in the Statement of Comprehensive Income when earned.

1.11. Borrowing costs

Borrowing costs relating to external provider loans are expensed as incurred.

1.12. Fair Value Measurements

The Group did not have any transfers between the fair value hierarchy during 2019-20 or 2018-19.

1.13. Principles of consolidation

The consolidated financial statements comprise the financial statements of the parent entity (IBA) and its subsidiaries, together with IBA's share of the results of associates (the Group). Subsidiaries are entities that IBA controls. The financial statements of the controlled entities are prepared for the period 1 July 2019 to 30 June 2020 using accounting policies consistent with those of the Group. The effects of transactions and balances between the entities, including any unrealised profits or losses, have been eliminated in full.

A subsidiary is an entity under the Group's control including trusts where IBA is a beneficiary and where IBA controls the trustee. The results of subsidiaries are consolidated from the date on which control over the operating and financial policies is obtained and cease to be consolidated from the date on which control is transferred. IBA controls an entity when it is exposed to, or has the rights to, variable returns from its involvement with the entity or has the ability to affect those returns through its power over the entity.

An associate is an entity over which the Group is in a position to exercise significant influence through participation in the financial and operating policy decisions of the investee, but which is not a subsidiary or a jointly controlled entity. The Group's share of the results, assets and liabilities of an associate are included in the Group financial statements using the equity method of accounting. Under the equity method of accounting, the investment in the associate is carried in the Statement of Financial Position at cost plus post-acquisition changes in the Group's share of net assets of the associate, less distributions received, less any impairments in the value of the investment.

The Group's investments in associates are classified as financial instruments measured at fair value through profit or loss in line with *AASB 9: Financial Instruments*. These investments are fair-valued as at reporting date and distribution income received from them is recognised as a dividend. The carrying value of associates is detailed in Note 4.

1.14. Financial risk management

The operating, investing and financing activities of the Group expose it to credit, liquidity and interest rate risks. The risks are defined as:

- Credit risk: the possibility that a debtor or borrower will not repay or will delay repayment of all or part of a loan.
- Interest rate risk: a risk that the value of a financial asset such as home and business loans would fluctuate in terms of fair value or future cash flows as a result of changes in market interest rates.
- Liquidity risk: a risk that IBA may not have or may not be able to raise the funds to meet these obligations.

IBA is not exposed to currency risk or other price risk.

1.15. Financial instruments

Recognition of financial instruments

Financial instruments are recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial instrument is initially recognised at fair value and is adjusted for (in the case of instruments not carried at FVTPL) transaction costs that are incremental and directly attributable to the acquisition or issuance of the financial instrument. Transaction costs relating to financial instruments carried at FVTPL are expensed in the Statement of Comprehensive Income.

Derecognition of financial instruments

Financial assets are de-recognised from the Statement of Financial Position when the rights to cash flows have expired and the Group has transferred the financial asset such that it has transferred substantially all the risks and rewards of ownership of the financial asset. Financial liabilities are de-recognised from the Statement of Financial Position when the Group's obligation has been discharged, cancelled or has expired.

Classification

Financial assets are classified based on the business model within which the asset is held and on the basis of the financial asset's contractual cash flow characteristics.

Subsequent measurement

A financial asset is subsequently measured at amortised cost using the effective interest method if the following conditions are met:

- (i) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows;
- (ii) the contractual terms of the financial asset give rise on specified dates to cash flows consist solely of payments of principal and interest ('SPPI').

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset.

A financial asset is subsequently measured at fair value through other comprehensive income ('FVOCI') if the financial asset is held within a business model with multiple objectives: both to sell financial assets and to hold financial assets in order to collect contractual cashflows which pass the SPPI test. The Group does not have any FVOCI financial assets.

Fair value through profit or loss

Financial assets that do not meet the criteria to be measured at amortised cost or FVOCI are measured at FVTPL, with all changes in fair value recognised in investment income as part of other operating income and charges.

Assessment of business model and SPPI test

The Group determines the business model at the level that reflects how groups of financial assets are managed. In determining the business model, all relevant evidence that is available at the date of the assessment is used. The Group exercises judgement to determine the appropriate level at which to assess its business models and its intention with respect to its financial assets. Key considerations for the SPPI assessment include the timing of the contractual cash flows and the interest component, where interest primarily reflects the time value of money and the credit risk of the principal outstanding.

Categorisation and valuation of the Group's financial assets

FVTPL

- Investments in subsidiaries, associates, joint ventures and other related business undertakings, including loans to such entities, are classified as FVTPL. These investments are fair-valued as at reporting date and distribution income received from them is recognised as a dividend. Valuation is based on market inputs and supported by an independent valuation once every three years. The methodology adopted in relation to valuation by the directors of subsidiaries and associates uses techniques consistent with those of the most recent independent valuation. The fair value of subsidiary businesses is also used to test the value of the assets within for impairment.
- Convertible redeemable bonds are held at FVTPL since cashflows associated with the bonds do not meet the SPPI test and are fair-valued at reporting date based on market inputs.

Amortised cost

- Business and home loans are issued at lower than market rates. They are fair-valued at inception against market interest rates benchmarked on commercial bank rates. The quantum of interest rate differential determines the variance of the fair value from the face value of the loans. The loans are subsequently measured at amortised cost using the effective interest method and the discount recognised at inception is progressively unwound through the expected life of the loan.
- Trade and other receivables are recognised at transaction value and held at amortised cost.
- Deposits with banks with an original maturity greater than three months are held at amortised cost.

Cash is recognised at its nominal amount. Cash and cash equivalents include cash on hand and demand deposits in bank accounts with an original maturity of three months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

When measuring fair value, the Group is required to maximise the use of observable inputs. The Group uses inputs from Level 2 of the fair value hierarchy: inputs other than quoted price that are observable either directly or indirectly.

Financial liabilities

Financial liabilities, including borrowings, are initially measured at fair value net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. Financial liabilities are recognised and derecognised upon trade date.

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods and services have been received, regardless of whether they have been invoiced.

Interest bearing loans and borrowings

Loans are classified under other financial liabilities and the carrying value is calculated based on the balance yet to be repaid. Interest is expensed as it accrues using the effective interest method.

Impairment of financial instruments

Expected credit losses ('ECL')

The ECL requirements apply to financial assets measured at amortised cost and FVOCI, lease receivables, amounts receivable from contracts with customers, loan commitments, certain letters of credit and financial guarantee contracts. The calculation of ECL requires judgement and the choice of inputs, estimates and assumptions. IBA's calculation of the ECL includes forward-looking or macro-economic information ('FLI'). Where ECL is modelled collectively for portfolios of exposures, it is modelled as the product of the probability of default ('PD'), the loss given default ('LGD') and the exposure at default ('EAD').

Concessional loan assets

Concessional loan assets are recognised at the market-based value of the loan reduced by a concessional discount. The concessional loan discount is the difference between the face value of the loan after adjusting for accrued interest and capitalisation of transaction costs and the loan's fair value. In line with *RMG 115: Accounting for Concessional Loans*, the undiscounted value of the loan asset is recognised in full and the discount component of the concessional loan is immediately recognised as an expense in the Statement of Comprehensive Income (i.e. Concessional loan discount, Note 2D). Interest income is subsequently determined using a credit-adjusted effective interest rate ('EIR'). The credit-adjusted EIR is the EIR adjusted for expected credit losses on initial recognition. The ECL is measured as the product of the lifetime PD, LGD and EAD adjusted for FLI. For concessional loan assets, the Group exercises judgement based on the behavioural, rather than contractual characteristics of the facility type.

Subsequent unwinding of discount

Under AASB 9, IBA's concessional loans are subsequently measured at amortised cost. The concessional loan discount expensed at initial recognition of the loan asset is unwound over the expected life of the loan. The difference between the income from the effective interest rate and the interest charged to the borrower's loan account results in the progressive unwinding of the concessional loan discount (i.e. unwinding of concessional loan discount, Note 3C).

Indicators of impairment occurring subsequent to recognition

If there is objective evidence that events occurring subsequent to recognition of a loan asset held at amortised cost have affected expected cash flows, an impairment is recognised as the difference between the carrying value of the loan and the discounted value of management's best estimate of future cash repayments and proceeds from any security held (discounted at the loan's original effective interest rate). The impairment loss is recognised in the Statement of Comprehensive Income (i.e. impairment of loans / valuation decrements in financial assets held at FVTPL, Note 2E). Objective indicators of impairment include: significant financial difficulties of the debtor, probability that a debtor will enter bankruptcy, and default or significant delay in payments. Given the characteristics of the concessional loan assets, that are subject to continuous ECL's assessment.

1.16. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligation as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligation may be small. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is recognised in the Statement of Comprehensive Income net of any reimbursement.

A contingent liability is disclosed where the existence of an obligation will only be confirmed by future events, or where the amount of the obligation cannot be measured with reasonable reliability. Contingent liabilities are not recognised in the Statement of Financial Position.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future. Contingent assets are not recognised but are disclosed where an inflow of economic benefits is probable.

1.17. Financial guarantee contracts

Financial guarantee contracts are treated as a financial instrument within the scope of *AASB 9 Financial Instruments*. As such, they are not classified as a provision or contingent liability within the scope of *AASB 137 Provisions, Contingent Liabilities and Contingent Assets*.

1.18. Acquisition of assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange, and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost or for nominal consideration are initially recognised as assets and revenue at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to the restructuring.

1.19. Property, plant and equipment

Asset recognition threshold

Purchases of property, plant and equipment are recognised initially at cost in the Statement of Financial Position, except for purchases costing less than \$1,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

Leased Right of Use (ROU) Assets

Leased ROU assets are capitalised at the commencement date of the lease and comprise of the initial lease liability amount, initial direct costs incurred when entering into the lease less any lease incentives received. These assets are accounted for by Commonwealth lessees as separate asset classes to corresponding assets owned outright, but included in the same column as where the corresponding underlying assets would be presented if they were owned.

On initial adoption of AASB 16 the Group has adjusted the leased ROU assets at the date of initial application by the amount of any provision for onerous leases recognised immediately before the date of initial application. Following initial application, an impairment review is undertaken for any leased ROU asset that shows indicators of impairment and an impairment loss is recognised against any leased ROU asset that is impaired. Leased ROU assets continue to be measured at cost after initial recognition.

Depreciation

A depreciable asset is an asset deemed to have a limited useful life.

Depreciable property, plant and equipment assets are written off to their estimated residual values over their estimated useful lives using the straight-line method of depreciation in all cases. Depreciation rates (estimated useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

Depreciable asset class	Estimated useful life (FY20)	Estimated useful life (FY19)
Leasehold improvements including leased ROU assets	Lease term	Lease term
Buildings	50 years	50 years
Other property, plant and equipment	3 – 5 years	3 – 5 years

Land is not a depreciable asset.

Make good

The Group is a party to property leases where there exists an obligation for the Group to restore the property to original condition. These costs are included in the value of leasehold improvements with a corresponding provision for make good recognised.

Impairment

Property, plant and equipment assets with high value and long estimated useful lives are assessed for impairment on an annual basis. Where indications of impairment exist, the asset's recoverable amount is estimated, and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

Heritage and cultural assets

The Group has a collection of artwork which has been classified as heritage and cultural assets since the works are primarily used for purposes that relate to their cultural significance. Only heritage and cultural assets that can be reliably measured are recognised. Purchases of heritage and cultural assets are recognised initially at cost in the Statement of Financial Position, except for purchases less than \$1,000, for each item, which are expensed in the year of acquisition. Heritage and cultural assets acquired at no cost, or for a nominal cost, are initially recognised at fair value. Since the Group has curatorial and preservation policies regarding the heritage and cultural assets, the assets are deemed not to have limited useful lives in line with AASB 16: *Property, Plant and Equipment*, and thus are not subject to depreciation. However, they are subject to impairment testing when there is an indication of impairment. Where indications of impairment exist, the recoverable amount is estimated, and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

1.20. Goodwill

Goodwill arises on a business combination where the acquirer transfers a consideration in excess of the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. In line with AASB 3: *Business Combinations*, when the Group is the acquirer in a business combination, it recognises goodwill as an asset representing the excess of consideration paid over net assets acquired. Goodwill is not amortised. The Group assesses its goodwill for impairment on an annual basis or when there are indicators of impairment.

1.21. Intangible Assets

An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are amortised on a straight-line basis over their estimated useful lives. Internally-generated software assets, which have useful lives of three years, comprise the majority of the Group's intangible assets.

1.22. Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which is based on active market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset at the balance sheet date. Gains or losses arising from changes in the fair values of investment properties are recognised in profit or loss in the year in which they arise.

When measuring fair value, the Group is required to maximise the use of observable inputs. The Group uses inputs from Level 2 of the fair value hierarchy: inputs other than quoted price that are observable either directly or indirectly. The Group uses a market-based valuation technique incorporating recently observed market data for similar properties and future earnings discounted at market capitalisation rates. The Group uses independent qualified valuers to value major properties annually and all other properties at least once every three years.

Investment properties are tested for impairment based on market selling price.

Where an investment property is acquired at no cost or for nominal cost, its cost is deemed to be its fair value as at the date of acquisition.

Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on disposal of an investment property is recognised in profit or loss in the year of disposal.

1.23. Inventories

Inventories held for sale are valued at the lower of cost and net realisable value. Inventories held for distribution are valued at cost, adjusted for any loss of service potential.

Costs incurred in bringing each item of inventory to its present location and condition are assigned as follows:

- Raw materials and stores: purchase cost on a first-in, first-out basis
- Finished goods and work in progress: cost of direct materials and labour plus attributable costs that are capable of being allocated on a reasonable basis.

Inventories acquired at no cost or for a nominal consideration are initially measured at current replacement cost at the date of acquisition.

1.24. Taxation

As at reporting date, IBA is exempt from all forms of taxation except the goods and services tax ('GST'). IBA became exempt from fringe benefits tax ('FBT') on 1 January 2020.

Revenues, expenses, and assets and liabilities are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office ('ATO')
- for receivables and payables.

These exemptions apply to the parent entity but not to the entities under IBA's control. Incorporated entities under IBA's control are subject to taxation and adopt the liability method of tax-effect accounting, whereby the income tax expense is based on the profit from ordinary activities adjusted for any permanent differences.

Current income tax charged to the Statement of Comprehensive Income is the tax payable on taxable income. Amounts expected to be paid to the relevant tax authority are recognised as current tax liabilities. Amounts expected to be recovered from the relevant tax authority are recognised as current tax liabilities.

Current tax liabilities/(assets) are measured at the amounts expected to be paid to/(recovered from) the relevant authority.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities, and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited to the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available, against which deductible temporary differences can be utilised.

The amount of benefits brought to account or that may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation, and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and to comply with the conditions of deductibility imposed by the law.

1.25. Competitive neutrality

The Group does not have any competitive neutrality obligations.

1.26. Events After the Reporting Period

There are no potential significant events that will affect the ongoing structure and financial activities of the Group after 30 June 2020.

1.29. Explanation of major variances between the actual amounts presented in the financial statements and the corresponding original budget amounts (AASB 1055)

The table below provides commentary for significant variances between the Group's original budget estimates, as published in the 2020-21 Portfolio Budget Statements, and the actual expenses, own-source revenue and assets for the year.

Affected line item	Variance reporting
<u>Statement of Comprehensive Income</u>	
Sales of Goods and Services	Whilst the impact of COVID-19 did impact operations, the unbudgeted acquisition of a direct investment during the year enabled this category to be higher than budgeted.
Supplier Expense	Consistent with above, supplier expenditure has increased in excess of budget given the unbudgeted acquisition of a direct investment during the year.
Unwinding of Concessional Discount	The unwinding of concessional loan discount was favourable compared to budget due to loans being wound back at their original credit adjusted effective interest rate compared to the lower interest rate charged to borrowers' accounts.
Write down and impairment of assets	COVID-19 impacted on the valuation of the tourism assets due to the short-term reduction and uncertainty of future cash flows. In addition, IBAs investments in unit trusts were affected by the impact of COVID-19 on the financial markets.

Statement of Financial Position

Investments	Amounts received under New Business Relief Package was unbudgeted and placed on deposit.
Land & Buildings	Under AASB 16 Leases IBA is required to recognize right-of-use assets on its balance sheet, whereas previously only the associated operating expense was recognised through the Statement of Comprehensive Income.
Other provisions	Under AASB 16 Leases the Group is required to recognize its operating lease liabilities on its balance sheet, whereas previously only the associated operating expense was recognized through profit and loss.
Other payables	Amounts received through the former Indigenous Entrepreneurs Scheme and recent Indigenous Business Relief Package were unbudgeted

Cash Flow Statement

Loans and advances made	COVID-19 impacted on the demand for housing and start-up business loans, including invoice financing, in Q4.
Investments purchased	COVID-19 impacted the receipt of monies ordinarily received from Indigenous partners.
Repayment of loans receivable	The last quarter saw less loan repayments than expected, due to COVID-19 impacts, as well as affecting loan repayment volumes through invoice financing.

Note 2: Expenses

	Consolidated	
	2020	2019
	\$'000	\$'000

Note 2A: Employee benefits

Wages and salaries	39,206	38,856
Superannuation:		
Defined contribution plans	4,204	4,042
Defined benefit plans	559	617
Leave entitlements	2,293	3,528
Other entitlements	987	1,930
Total employee benefits	47,249	48,973

Note 2B: Supplier expenses

Cost of goods sold	49,126	38,902
Consultants	5,214	4,991
Investment property management expenses	8,213	7,898
IT expenses	4,562	4,123
Legal expenses	1,607	2,678
Office related expenses	4,517	3,333
Travel expenses	3,141	4,073
Other suppliers	9,387	8,906
Operating lease rentals - related entities	110	210
Operating lease rentals - external entities	953	3,205
Workers compensation expenses	465	261
Total supplier expenses	87,295	78,580

Note 2C: Depreciation and amortisation

Depreciation		
Property, plant and equipment	8,059	7,002
Leasehold improvements	576	511
Depreciation Right of Use Asset	2,276	-
Total depreciation	10,911	7,513

Amortisation

Intangible non financial assets	607	875
Total amortisation	607	875
Total depreciation and amortisation	11,518	8,388

Note 2D: Finance costs

Concessional loan discount recognised	76,669	85,913
Interest expense and finance lease charges	1,797	1,572
Total write-down and impairment of assets	78,466	87,485

Note 2E: Write-down and impairment of assets

Asset write-down and impairments from		
Write-down on non-financial assets	8,600	108
Impairments on loans	(1,579)	5,303
Valuation decrements on financial assets held at FVTPL	10,765	-
Valuation decrements on loans (previously classified as loans and receivables)	-	5,082
Total write-down and impairment of assets	17,786	10,493

Note 2F: Other expenses

Change in value of investment properties	1,470	600
Other expenses	749	891
Total other expenses	2,219	1,491

Note 3: Income

	Consolidated	
	2020	2019
	\$'000	\$'000

Own-source revenue

Note 3A: Revenue from contracts with customers

Sale of goods	83,061	74,810
Rendering of services	1,403	1,545
Total sale of goods and rendering of services	84,464	76,355

All revenue from the sale of goods or rendering of services is recognised at the point in time that the goods are delivered or upon completion of services.

Note 3B: Interest

Loans	49,528	50,699
Deposits	1,419	2,940
Total interest	50,947	53,639

Note 3C: Unwinding of concessional loan discount

Interest calculated using the effective interest method	131,604	130,967
Interest charged to borrowers	(47,801)	(49,404)
Total unwinding of concessional loan discount	83,803	81,563

Note 3D: Rental income

Operating lease

Investment properties	12,883	12,395
Other rental	4,458	4,561
Total rental income	17,341	16,956

Note 3E: Other revenue

Grant Income	25,464	27,954
Other	2,494	1,619
Total other income	27,958	29,573

All grant income is subject to performance obligations and is recognised over time. All grants are received in advance of the completion of performance obligations.

Note 3F: Other gains/(losses)

Change in fair value of non-financial assets		4,309
Change in fair value of financial assets	-	3,546
Total other gains/(losses)	-	7,855

Note 3G: Revenue from Government

Department of Prime Minister and Cabinet		
Corporate Commonwealth Entity payment item	9,538	9,762
Total revenue from Government	9,538	9,762

Note 4: Fair Value Measurements

Note 4A: Fair Value Measurements, Valuation Techniques and Inputs Used

Fair value measurements at the end of the reporting period by hierarchy for assets and liabilities for 2020

	Fair value measurements at the end of reporting period					Inputs Used
	2020 \$'000	2019 \$'000	Category Level	Valuation Technique(s)		
Financial assets						
Designated at fair value through profit and loss						
Loan receivables - Home	967,048	897,197	Level 2	Cashflows discounted at the risk adjusted market rate of interest	Market derived inputs, projected rates of default, projected losses given default	
Loan receivables - Business	28,406	45,274	Level 2	Cashflows discounted at the risk adjusted market rate of interest	Market derived inputs, projected rates of default, projected losses given default	
Bonds and fund investments	185,876	221,237	Level 1	Fund quoted market values	Fund quoted market values	
Available for sale						
Associates	15,242	17,315	Level 2	Future earnings discounted at risk adjusted market rates	Earnings forecast, rates of return on capital	
Total financial assets	1,196,572	1,181,023				
Non-financial assets						
Land & Buildings	47,853	30,969	Level 2	Market approach using recently observed market data for similar properties and discounted earnings method	Market approach using recently observed market data for similar properties and discounted earnings method	
Investment Property	166,448	134,734	Level 2	Market approach using recently observed market data for similar properties and discounted earnings method	Market sales data, future earnings and market capitalisation rate	
Operating lease assets	10,130	13,123	Level 2	Market approach using recently observed market data for similar plant and equipment and discounted earnings method	Market sales data, future earnings and market capitalisation rate	
Property, Plant & Equipment	20,304	23,326	Level 2	Market approach using recently observed market data for similar properties and discounted earnings method	Market sales data, future earnings and market capitalisation rate	
Total non-financial assets	244,735	202,152				

Note 4B: Level 1 and Level 2 Transfers for Recurring Fair Value Measurements

There are no transfers between Level 1 and Level 2 for assets measured at fair value on a recurring basis during the reporting period.

Note 4C: Reconciliation for Recurring Level 3 Fair Value Measurements

There are no Recurring Level 3 assets measured at fair value during the reporting period.

Note 5: Financial Assets

	Consolidated	
	2020	2019
	\$'000	\$'000
Note 5A: Cash and cash equivalents		
Parent		
Home Loan Capital	12,201	12,789
New Housing Fund	27,045	5,851
Other cash held	46,886	40,549
Subsidiaries	45,643	49,552
Total cash and cash equivalents	131,775	108,741

Note 5B: Trade and other receivables

Goods and services receivables		
Trade receivables from customer contracts	13,944	15,613
Accrued trade receivables from customer contracts	3,331	4,451
Finance lease receivable	11,771	10,387
Sundry debtors	83	107
Total receivables for goods and services	29,129	30,558

Payment is usually made within 30 days.

Other receivables

Accrued distribution receivable	7,551	4,276
Accrued interest receivable	296	190
Total other receivables	7,847	4,466

Total trade and other receivables	36,976	35,024
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Credit terms for goods and services were within 30 days.

Note 5: Financial Assets (continued)

Note 5C: Loan receivables

Reconciliations of movements of loans receivable	Consolidated	
	2020 \$'000	2019 \$'000
Loans - Home Ownership Program		
Opening carrying value	897,196	772,708
Add: net loans movement at cost	41,372	128,632
Add/(less): movement in carrying discount at amortised cost		
Discount on new loans measured at fair value at inception (or value of new loans measured at FVTPL)	(57,087)	(80,624)
Wind back of discount (or movement in discount of loans on remeasurement at FVTPL)	79,312	77,857
Net movement in carrying discount	22,224	(2,767)
Less: movement in provision for expected credit losses	6,255	(1,377)
Closing carrying value	967,048	897,196
Loans - Business Development and Assistance Program		
Opening carrying value	45,274	37,096
Add: net loans movement at cost	(2,688)	9,215
Add/(less): movement in carrying discount at amortised cost		
Discount on new loans measured at fair value at inception (value of new loans measured at FVTPL)	(19,582)	(5,289)
Wind back of discount (or movement in discount of loans on remeasurement at FVTPL)	4,491	3,706
Net movement in carrying discount	(15,091)	(1,583)
Less: movement in provision for expected credit losses	910	546
Closing carrying value	28,406	45,274
Total home and business loans	995,454	942,470
Reconciliation of carrying value of loans		
Loans - Home Ownership Program (as shown above)		
Nominal value	1,328,239	1,286,867
Less: carrying discount on concessional loans at amortised costs	(353,994)	(376,218)
Less: provision for expected credit losses	(7,198)	(13,453)
Carrying value	967,048	897,196
Loans - Business Development and Assistance Program (as shown above)		
Nominal value	63,778	66,465
Less: carrying discount on concessional loans at amortised costs	(27,153)	(12,062)
Less: provision for expected credit losses	(8,219)	(9,129)
Carrying value	28,406	45,274
Total home and business loans	995,454	942,470

Note 5: Financial Assets (continued)

	Consolidated	
	2020	2019
	\$'000	\$'000
Note 5C: Loans receivable		
Reconciliation of movement provision for expected credit losses		
Loans - Home Ownership Program		
Opening balance	13,453	12,076
Movement in provision	(6,255)	1,377
Closing balance	7,198	13,453
Loans - Business Development and Assistance Program		
Opening balance	9,129	9,675
Movement in provision	(910)	(546)
Closing balance	8,219	9,129
Total provision for expected credit losses	15,417	22,582

Loans are made under the Home Ownership Program in accordance with the Minister's direction each year. The loans are for periods up to 45 years. Security is generally required in the form of the mortgage over the residential property. Principal is repaid in full at maturity. Interest rates were variable. Effective interest rates are measured at amortised cost using the effective interest method less impairment. Loans are amortised over their estimated useful lives.

Loans made under the Business Development and Assistance Program were made under the Jobs, Land and Economy Programme, directed by the Department of Prime Minister and Cabinet for periods up to 7 years. Security is generally required in the form of a personal guarantee and / or security against assets. Principal is repaid in full at maturity. Interest rates were variable. Effective interest rates are measured at amortised cost using the effective interest method less impairment. Loans are amortised over their estimated useful lives.

Note 5D: Investments in associates

	Consolidated	
	2020	2019
	\$'000	\$'000
Investments in associates	15,242	17,315
Total investments in associates	15,242	17,315
Investments in associates that are expected to be recovered in:		
More than 12 months	15,242	17,315
Total investments in associates	15,242	17,315

Note 5E: Other investments

Term Deposits	63,361	32,224
Other - bonds and interest in business undertakings	185,876	221,237
Total other investments	249,237	253,461
Investments expected to be recovered in:		
No more than 12 months	-	-
More than 12 months	249,237	253,461
Total other investments	249,237	253,461
Total investments	264,479	270,776

Note 6: Non-Financial Assets

Note 6A: Reconciliation of the opening and closing balances of Land & Building, Plant and Equipment & Operating Lease Assets

	Consolidated 2020				
	Land & Building	Plant & Equipment	Leasehold Improvements	Operating Lease Assets	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance					
Gross book value	24,162	36,518	9,642	21,942	92,264
Accumulated depreciation and impairment	(666)	(13,191)	(2,169)	(8,819)	(24,845)
Total as at 1 July	23,496	23,327	7,473	13,123	67,419
Initial recognition of right of use assets under AASB 16	13,285	-	-	-	13,285
Adjusted Total as at 1 July 2019	36,781	23,327	7,473	13,123	80,704
Additions:					
By purchase	7,528	5,167	3,717	2,803	19,215
Impairment recognised in the operating result - cost	(3,721)	(3,695)	(1,184)	-	(8,600)
Depreciation expense	(439)	(4,495)	(27)	(3,674)	(8,635)
Depreciation expense - ROU Asset	(2,276)	-	-	-	(2,276)
Disposals:					
Other disposals - cost	-	-	-	(6,173)	(6,173)
Other disposals - accumulated depreciation	-	-	-	4,052	4,052
Total as at 30 June	37,874	20,304	9,979	10,130	78,287
Net book value as at 30 June represented by:					
Gross book Value	41,254	37,990	12,175	18,572	109,991
Accumulated depreciation and impairment	(3,380)	(17,686)	(2,196)	(8,442)	(31,704)
Total as at 30 June	37,874	20,304	9,979	10,130	78,287

Land & Buildings total value as at 30 June 2020 includes right of use asset totalling \$12,370,000.

Plant & Equipment total value as at 30 June 2020 includes cultural & heritage assets totalling \$97,431.

Land & Buildings per Statement of Financial Position comprises:

Land & Buildings per above	37,874
Leasehold Improvement per above	9,979
	47,853

Note 6: Non-Financial Assets (continued)

Note 6B: Reconciliation of the opening and closing balances of Intangible Non Financial Assets

	Computer Software	Goodwill	Other Intangible s	Total
	\$'000	\$'000	\$'000	\$'000
Opening balance				
Gross book value	6,285	2,323	2,195	10,803
Accumulated amortisation and impairment	(5,246)	-	-	(5,246)
Total as at 1 July	1,039	2,323	2,195	5,557
Additions:				
By purchase		1,708	897	2,605
Impairment recognised in the operating result - cost		(525)	-	(525)
Amortisation expense	(607)	-	-	(607)
Other movements:				
Opening balance adjustment - cost	77	(386)	392	83
Opening balance adjustment - accumulated	(152)	-	-	(152)
Disposals:				
Other disposals - cost	-	-	(797)	(797)
Total as at 30 June	357	3,121	2,686	6,164
Net book value as at 30 June represented by:				
Gross book Value	6,362	3,121	2,686	12,169
Accumulated amortisation and impairment	(6,005)	-	-	(6,005)
Total as at 30 June	357	3,121	2,686	6,164

Note 6: Non-Financial Assets (continued)

	Consolidated	
	2020	2019
	\$'000	\$'000
Note 6C: Investment property		
Opening balance as at 1 July		
Gross book value	134,734	149,086
Disposals	(360)	(14,000)
Additions:		
By acquisition	33,544	248
Net loss from fair value adjustments	(1,470)	(600)
Total as at 30 June	166,448	134,734

Investment properties were revalued during the year in accordance with the revaluation policy stated in Note 1.22. During the year, an acquisition at West Pinjarra of \$33,350,000 was made by a subsidiary, Indigenous Real Estate Investment Trust.

Note 7: Payables

	Consolidated	
	2020	2019
	\$'000	\$'000
Note 7A: Suppliers		
Trade creditors	1,292	1,409
Lease payment liability	-	661
Lease incentive liability	-	696
Accrued liabilities	9,803	9,013
Other creditors	1,340	748
Total suppliers	12,435	12,527

Settlement to trade creditors is usually made within 30 days.

Note 7B: Other payables

Salaries and wages	826	1,037
Superannuation	140	212
Separations and redundancies	-	100
Unearned income from contracts with customers	43,901	23,653
Payable to ATO	171	487
Security Deposits Held	1,294	-
Total other payables	46,332	25,489
Total other payables expected to be settled in:		
No more than 12 months	41,339	16,989
More than 12 months	4,993	8,500
Total other payables	46,332	25,489

Unearned revenue from contracts with customers are subject to refund if performance obligations are not met.

Note 8: Interest Bearing Liabilities

	2020 \$'000	2019 \$'000
Note 8: Loans		
Secured loan facility	40,308	19,003
Unsecured loan facility - Lease contract	12,699	-
Total loans	53,007	19,003
Maturity schedule for loans payable:		
Less than one year	4,000	7,500
In one to five years	49,007	11,503
Total loans	53,007	19,003

The secured loan facilities relates to to amounts borrowed against investment properties. During the year, a \$25,000,000 interest only facility, expiring in March 2022 was received by a subsidiary, Real Estate Investment Trust, and a \$7,500,000 loan facility was repaid.

Note 9: Provisions

	Consolidated	
	2020	2019
	\$'000	\$'000
Note 9A: Employee provisions		
Leave	8,426	8,155
Total employee provisions	8,426	8,155

The classification of current employee provisions includes amounts for which there is not an unconditional right to defer settlement by one year, so in the case of employee provisions the above classification does not represent the amount expected to be settled within one year of the reporting date.

	Consolidated					
	2020			2019		
	Restoration obligations	Distribution/ other provisions	Total	Restoration obligations	Distribution/ other provisions	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July	1,686	9,640	11,326	636	5,717	6,353
Additional provisions made	25	7,353	7,378	1,230	7,940	9,170
Amount used	(214)	(6,709)	(6,923)	(180)	(4,017)	(4,197)
Total as at 30 June	1,497	10,284	11,781	1,686	9,640	11,326

IBA currently has nine lease agreements for leasing premises with provisions requiring restoration of the premises to their original condition at the conclusion of the lease.

Note 10: Contingent Liabilities and Assets

	Indemnities		Consolidated Claims for damages or costs		Total	
	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Contingent assets						
Opening balance as at 1 July	-	-	749	1,679	749	1,679
New	-	-	1,425	805	1,425	805
Assets recognised	-	-	(1,492)	(1,577)	(1,492)	(1,577)
Expired	-	-	(34)	(158)	(34)	(158)
Total as at 30 June	-	-	648	749	648	749
Contingent liabilities						
Opening balance as at 1 July	3,762	1,635	-	-	3,762	1,635
New	6,912	3,235	-	-	6,912	3,235
Obligations expired	(1,712)	(1,108)	-	-	(1,712)	(1,108)
Total as at 30 June	8,962	3,762	-	-	8,962	3,762
Net contingent assets (liabilities) as at 30 June	(8,962)	(3,762)	648	749	(8,314)	(3,013)

Quantifiable contingencies

Claims for damages/costs (contingent asset)

The claims for damages or costs at 30 June 2020 relate to loans within the Indigenous Home Ownership program. There are no other contingent assets as at 30 June 2020.

Guarantees and indemnities

Guarantee and indemnity undertakings were made only to satisfy normal commercial funding conditions imposed by financiers and, at balance date, there are no grounds to believe that a liability will arise. IBA has a contingent liability valued at \$9.0m underwriting performance bonds issued by Performance Bond Trust to Indigenous suppliers as at 30 June 2020.

Unquantifiable contingencies

IBA has no significant unquantifiable contingencies as at 30 June 2020 or 2019.

Note 11: Key Management Personnel Remuneration

	2020	2019
	\$'000	\$'000
Key management personnel expenses for the reporting period		
Short-term employee benefits		
Salary and other allowances	1,326	1,627
Total short-term employee benefits	1,326	1,627
Post-employment benefits		
Superannuation	141	186
Total post-employment benefits	141	186
Other long-term employee benefits		
Annual leave	21	65
Long-service leave	65	46
Total other long-term employee benefits	87	111
Termination benefits		
Voluntary redundancy payments	-	-
Total termination benefits	-	-
Total senior executive remuneration expenses	1,554	1,924

The total number of key management personnel included in the above table is 13 (2018-19: 13)

Note 12: Related Party Disclosure

Related Party Relationships

IBA is an Australian Government controlled entity. Related parties to this entity are Directors, Key Management Personnel, including the Executive, and other Australian Government entities. IBA transacts with other Australian Government controlled entities consistent with normal day to day business operations provided under normal terms and conditions, including the payment of workers compensation, insurance premiums and legal services.

A number of Directors of IBA hold or have held positions in other companies or government related entities (personally or through related entities) where it is considered they control or significantly influence the financial or operational policies of those entities.

Related Party Transactions with Key Management Personnel

Other than those disclosed below, there were no other related party transactions with Key Management Personnel. The Board has determined all transactions with directors and director related entities will be disclosed.

Loans to directors and director-related entities

The following loan related transaction was made in the ordinary course of business at an arm's length basis to Quandamooka Yoolooburabee Aboriginal Corporation ("QYAC"). QYAC is a community owned entity, being the prescribed body corporate for the Quandamooka people established to hold their native title interests. IBA Director Dr Valerie Cooms is Chairperson and director of QYAC.

- Loans - \$8,868 in loan repayments were made by QYAC during the financial year. The outstanding balance was \$17,953 at 30 June 2020. The original loan term was for 4 years, has an interest rate of 6% per annum, and Security for the loan comprises Registered 1st ranking General Security Agreement over assets of the company & Registered 1st ranking Specific Security Agreement over food van vehicle financed. The loan were entered into prior to Dr Cooms' appointment to the IBA Board.

The following loans and loan related transactions were made in the ordinary course of business at an arm's length basis to Minjerribah Camping Pty Ltd ("MCPL"), a wholly owned subsidiary of QYAC. IBA Director Dr Valerie Cooms is a director of MCPL.

- Loans - a loan of \$300,000 was provided during the year. The outstanding balance was \$300,000 at 30 June 2020. The loan is for a term of 120 months, at an interest rate of 5% per annum (interest only for the first 12 months), and is secured by a negative pledge. A separate loan of \$800,000 was approved in-principle, but the conditions precedent therein have not yet been satisfied and no binding loan agreements have been entered into.
- Loan/Grant package - \$100,000 comprising a loan of \$20,000 and grant of \$80,000 was approved under IBA's Business Relief Package before year end, and paid on 23 July 2020. The loan of \$20,000 is for a term of 36 months, at an interest rate of 3.5% per annum (with no repayments of principal and interest for the first 12 months), and is unsecured.

In respect of each of the above transactions, Dr Cooms did not participate in IBA's assessment or approval process.

Leasing and other transactions to directors and director-related entities

The following leasing related transaction was made in the ordinary course of business at an arm's length basis to Quandamooka Yoolooburabee Aboriginal Corporation ("QYAC"). QYAC is a community owned entity, being the prescribed body corporate for the Quandamooka people established to hold their native title interests. IBA Director Dr Valerie Cooms is Chairperson and director of QYAC.

- Finance leases - \$76,901 in finance lease payments were made by QYAC during the financial year. The outstanding balance was \$325,769 at 30 June 2020. The lease terms range from 3 to 7 years with the interest rate applicable ranging from 4% to 5.5% per annum. The relevant leases were entered into prior to Dr Cooms appointment to the IBA Board.

The following leasing related transaction was made in the ordinary course of business at an arm's length basis to Minjerribah Camping Pty Ltd ("MCPL"), a wholly owned subsidiary of QYAC. IBA Director Dr Valerie Cooms is a director of MCPL.

- Finance leases - \$877,558 in new finance leases were provided during the financial year. \$160,855 in financial lease payments were made. The outstanding balance was \$984,351 at 30 June 2020. The lease terms range from 3 to 5 years with the interest rate applicable ranging from 4% to 5.5%.

In respect of each of the above transactions, Dr Cooms did not participate in IBA's assessment or approval process.

In relation to other transactions with director-related entities;

IBA Director Mr Scott Young is a minority shareholder (through intermediate companies) in a company, InteriorCo FG Pty Ltd (InteriorCo), that during the year sold office furniture to IBA, on an arms-length basis, for total consideration of \$166,466. Mr Young did not control or have joint control, was not on the board of, and was not involved in the day-to-day management of, InteriorCo. The goods were procured by IBA through a tender process.

IBA Director Mr Edward Fry is also a Director of Indigenous Land and Sea Corporation (ILSC). Mr Roy Ah See replaced Mr Anthony Ashby as a director with ILSC on 16 March 2019 and the National Centre of Indigenous Excellence (NCIE) on 28 March 2019. IBA Director Richard Allert is the Chair and Director of Voyages Indigenous Tourism Australia Pty Ltd and Chair and Director of Kakadu Tourism (GCH) Pty Ltd and Kakadu Tourism (GLC) Pty Ltd.

Entity	Nature of the transaction	2020 \$'000	2019 \$'000
Indigenous Land and Sea Corporation	Coordinate strategic projects which were concluded during the reporting period. The ILSC reimbursed IBA for identified costs incurred in relation to the projects.		
	Payments received from ILSC	-	-
	Payments made to ILSC	9	-
Indigenous Land and Sea Corporation	In order to harness efficiencies in accommodation, the ILSC sub-leased space from IBA in Canberra, and IBA sub-leased space from ILSC in Adelaide and Perth. In each case the sub-lessee bears the cost of the space it occupies in accordance with the		
	Payments received from ILSC for the year	103	52
	Payments made to ILSC	130	127
	Outstanding payments due to ILSC	99	43
	Outstanding payments due from ILSC	67	-
Indigenous Land and Sea Corporation	ILSC lease a motor vehicle through IBA Leasing		
	Payments received from ILSC	26	26
	Payments made to ILSC	-	-
National Centre of Indigenous Excellence	IBA utilised conference facilities offered by NCIE as part of its ordinary course of business:		
	Payments received from NCIE	-	-
	Payments made to NCIE	4	11
Voyages Indigenous Tourism Australia	Voyages lease plant and equipment through IBA Leasing		
	Payments received from Voyages	87	28

Note 13: Financial Instruments

		Consolidated	
	Notes	2020 \$'000	2019 \$'000
Note 13A: Categories of financial instruments			
Financial assets at amortised cost			
Cash and cash equivalents	5A	131,775	108,741
Loan Receivables - Home Ownership Program	5C	967,048	897,196
Loans - Business Development and Assistance Program	5C	28,406	45,274
Goods and services receivable	5B	29,129	30,558
Other receivables	5B	7,847	4,466
Term Deposits	5E	63,361	32,224
Total financial assets at amortised cost		1,227,566	1,118,459
Investments in equity instruments at fair value through other comprehensive income (designated)			
Investments in associates	5D	15,242	17,315
Investments in equity instruments at fair value through other comprehensive income (designated)		15,242	17,315
Financial assets at fair value through profit or loss			
Other - bonds and interest in business undertakings	5E	185,876	221,237
Financial assets at fair value through profit or loss		185,876	221,237
Total financial assets		1,428,684	1,357,011
Financial liabilities at amortised cost			
Suppliers	7A	12,435	12,527
Other payables	7B	46,332	25,489
Loans	8	53,007	19,003
Total financial liabilities at amortised cost		111,774	57,019
Total financial liabilities		111,774	57,019

Note 13: Financial Instruments (continued)

		Consolidated	
	Notes	2020	2019
		\$'000	\$'000
Note 13B: Net Gains or Losses on financial assets			
Financial assets at amortised cost			
Interest revenue		50,595	53,329
Impairment on loans	2E	1,579	(10,385)
Net gain/(loss) on financial assets at amortised cost		52,174	42,944
Investments in equity instruments at fair value through other comprehensive income (designated)			
Interest revenue		118	76
Loss recognised in equity		(988)	(870)
Net gain/(loss) Investments in equity instruments at fair value through other comprehensive income (designated)		(870)	(794)
Financial assets at fair value through profit or loss			
Change in fair value	2E, 3F	(10,765)	3,546
Interest revenue		234	234
Net gain on disposal		334	514
Dividend revenue		9,275	8,648
Net gain/(loss) - assets held at fair value through profit or loss		(922)	12,942
Net gain on financial assets		50,382	55,092
Note 13C: Net Gains or Losses from financial liabilities			
Financial liabilities - at amortised cost			
Interest expense		1,797	1,572
Net losses on financial liabilities at amortised cost		1,797	789
Net losses from financial liabilities		1,797	789

Note 14: Assets Held in Trust

Aboriginal and Torres Strait Islander Commission Funds

IBA established the Aboriginal and Torres Strait Islander Commission Funds held in trust account. Funds held in the trust were received from the Aboriginal and Torres Strait Islander Commission under formal trust arrangements.

	Consolidated	
	2020	2019
	\$'000	\$'000
Opening balance as at 1 July	2,181	2,146
Interest received	7	35
Trust Distribution	(2,188)	-
Total amount at 30 June	-	2,181

Downs Aboriginal and Islander Company Funds

IBA is a trustee of Downs Aboriginal and Islander Company Funds, a trust set up exclusively for charitable purposes. Its beneficiaries are the Aboriginal and Torres Strait Islander residents of the Darling Downs District of Queensland.

	Consolidated	
	2020	2019
	\$'000	\$'000
Opening balance as at 1 July	1	1
Interest received	-	-
Payments	-	-
Total amount at 30 June	1	1

Note 15: Reporting of Outcomes

IBA's outcome is improved wealth acquisition to support the economic independence of Aboriginal and Torres Strait Islander peoples through commercial enterprise, asset acquisition, construction and access to concessional home and business loans.

	Consolidated	
	2020	2019
	\$'000	\$'000
Expenses	(254,099)	(243,351)
Income from non-government sector		
Commercial revenue	274,902	276,605
Net surplus of outcome delivery	20,803	33,254
Statement of financial position		
Total assets	1,684,513	1,570,285
Total liabilities	(132,046)	(76,558)
Net assets	1,552,467	1,493,727
Statement of equity		
Parent entity interest		
Retained earnings	314,615	288,310
Reserves	4,846	5,834
Contributed equity	1,081,275	1,056,237
Total parent entity interest	1,400,736	1,350,381
Attributed to non-controlling interests		
Retained earnings	12,230	9,719
Reserves	1,446	1,446
Contributed equity	138,055	132,181
Total non-controlling interests	151,731	143,346
Total equity	1,552,467	1,493,727

As IBA has only one outcome, the above figures correspond to the Statement of Comprehensive Income and Statement of Financial Position.

Note 16: New Housing Fund

As per section 181 (3) of the Aboriginal and Torres Strait Islander Act 2005 (ATSIC Act) money held in the New Housing Fund may only be applied to make housing loans. Section 189 (2) of the ATSIC Act requires specific information on the New Housing Fund's operations and financial position, as disclosed below. This information has been included in the preceding statement and notes:

New Housing Fund

Statement of Comprehensive Income

for the period ended 30 June 2020

	Notes	2020 \$'000	2019 \$'000
Expenses			
Write-down and impairment of assets		(4,692)	2,258
Concessional loan discount recognised		36,382	50,441
Supplier expenses		1,285	1,570
Total expenses		32,975	54,269
Less: own-source income			
Revenue			
Interest	16B	28,588	30,390
Unwinding of concessional loan discount		49,179	49,288
Other income		1,636	1,367
Total revenue		79,403	81,045
Net contribution by services		46,428	26,776

New Housing Fund

Statement of Financial Position

as at 30 June 2020

	Notes	2020 \$'000	2019 \$'000
Assets			
Financial Assets			
Cash	16C	27,045	12,789
Receivables	16D	602,098	569,925
Other		28	28
Total financial assets		629,171	582,742
Total assets		629,171	582,742
Liabilities			
Payables		-	-
Total liabilities		-	-
Net assets		629,171	582,742
Equity			
Parent entity interest			
Contributed equity		429,397	429,397
Accumulated surplus		199,774	153,345
Total parent entity interest		629,171	582,742
Total equity		629,171	582,742

Note 16: New Housing Fund (continued)

New Housing Fund

Cash flow statement

for the period ended 30 June 2020

	Notes	2020 \$'000	2019 \$'000
Operating activities			
Cash received			
Interest		28,588	30,390
Other		-	-
Total cash received		28,588	30,390
Cash used			
Other		1,368	-
Total cash used		1,368	-
Net cash from operating activities	16F	27,220	30,390
Investing activities			
Cash received			
Repayments of loans		92,537	96,185
Total cash received		92,537	96,185
Cash used			
Loans made		105,502	170,490
Total cash used		105,502	170,490
Net cash from investing activities		(12,965)	(74,305)
Net increase or (decrease) in cash held		14,255	(43,916)
Cash at beginning of reporting period		12,790	56,705
Cash at the end of the reporting period		27,045	12,789

The above statements should be read with the accompanying notes.

Note 16: New Housing Fund (continued)

	Notes	2020 \$'000	2019 \$'000
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Note 16A: Write-down and impairment of assets

Impairment of assets		(4,692)	2,258
Total write-down and impairment of assets		(4,692)	2,258

Note 16B: Interest revenue

Interest on bank account		85	638
Interest on housing loans		28,503	29,752
Total interest revenue		28,588	30,390

Note 16C: Cash

Cash at bank and on hand		27,045	7,453
Cash at agent		-	5,336
Total cash		27,045	12,789

Note 16D: Receivables

Loan receivables		601,970	569,925
Total receivables		601,970	569,925

New Housing Fund only

(a) Reconciliations of movements of loans receivable held at fair value through Profit and Loss/amortised cost

Carrying value of loans receivable held at amortised cost at 1 July 2019		569,925	499,061
Add: net loans movement at cost		14,557	74,276
Less: Net movement in carrying discount measured at amortised cost		12,797	(1,154)
Less: impairment movement through profit and loss		4,692	(2,258)
At fair value/cost closing balance		601,970	569,925

New Housing Fund loans (net) expected to be recovered

Current loans receivable		66,886	63,325
Non-current loans receivable		535,085	506,600
Total receivables		601,970	569,925

Note 16F: Cash flow reconciliation

Net cost of services		46,429	26,775
Total write-down and impairment of assets		(4,692)	2,258
Concessional loan discount recognised		36,383	50,441
Unwinding of concessional loan discount		(49,179)	(49,287)
(Increase)/Decrease in receivables		(352)	203
Net cash from operating activities		28,588	30,390

Note 17: Parent Entity - Indigenous Business Australia

	2020	2019
	\$'000	\$'000

Note 17A: Statement of Comprehensive Income

Profit after income tax on continuing operations	47,819	29,379
Other comprehensive income/(loss)	6,065	(870)
Total comprehensive income	53,885	28,509

Note 17B: Statement of Financial Position

Current assets	204,763	262,913
Non-current assets	1,229,158	1,084,178
Total assets	1,433,921	1,347,091

Current liabilities	46,084	40,228
Non-current liabilities	6,890	5,161
Total liabilities	52,974	45,389
Net assets	1,380,947	1,301,702

Note 17C: Statement of Equity

Retained earnings	340,465	286,258
Contributed Equity	1,040,482	1,015,444
Total equity	1,380,947	1,301,702

Note 17: Parent Entity - Indigenous Business Australia (continued)

Note 17D: Statement of IBA's holding in subsidiaries

Name	Country of	2020 %	2019 %
Anderleigh Enterprises Pty Limited	Australia	63	63
Anderleigh Holdings Trust	Australia	63	63
Carpentaria Shipping Trust	Australia	100	100
CDC Nominees (McArthur River Shipping) Pty Limited *	Australia	100	100
CDC Nominees (TCTP) Pty Limited *	Australia	100	100
Darwin Hotel Holdings Pty Limited *	Australia	100	100
Darwin Hotel Holdings Trust	Australia	100	100
Darwin Hotel Partnership	Australia	90	90
Dominican Indigenous Education Trust	Australia	100	100
Fitzroy Lodge Investments Pty Limited	Australia	100	100
Gagudju Crocodile Hotel Trust	Australia	70	70
Gagudju Lodge Cooina Trust	Australia	52	52
Hotel Enterprises Pty Limited *	Australia	100	100
Hotel Holdings Trust *	Australia	100	100
Ikara Wilpena Enterprises Pty Limited	Australia	87	87
Ikara Wilpena Holdings Trust	Australia	87	87
IBA Asset Management Pty Limited	Australia	100	100
IBA Northam Solar Pty Limited*	Australia	100	100
IBA Northam Solar Trust	Australia	100	100
IBA Retail Asset Management Pty Limited	Australia	100	100
IBA Retail Property Trust	Australia	100	100
IBA Tourism Asset Management Pty Limited	Australia	100	100
IBA Wilpena Solar Pty Ltd	Australia	100	100
IBA Wilpena Solar Trust	Australia	100	100
Indigenous Prosperity Fund - Cash Fund	Australia	63	93
Indigenous Prosperity Fund - Growth Fund	Australia	52	50
Indigenous Prosperity Fund - Income Fund	Australia	57	48
Indigenous Real Estate Investment Trust	Australia	56	63
IREIT Sub Trust	Australia	56	63
Kakadu Tourism (GCH) Pty Limited	Australia	70	70
Kakadu Tourism (GLC) Pty Limited	Australia	52	52
Li Ar Yalug Land Holding Trust	Australia	86	86
Marlba Maya Pty Ltd	Australia	50	50
Mungo Lodge Pty Limited*	Australia	100	100
Mungo Lodge Holdings Pty Limited*	Australia	100	100
Mungo Lodge Trust*	Australia	100	100
North Stradbroke Enterprises Trust	Australia	100	100
Northam Solar Partnership #	Australia	95	84
Performance Bonds Trust	Australia	100	100
Port Hedland Investment Trust	Australia	100	100
Tennant Creek Enterprises Pty Limited *	Australia	100	100
Tennant Creek Enterprises Trust *	Australia	100	100
Tennant Creek Foodbarn Partnership	Australia	50	50
Tennant Creek Land Holding Trust	Australia	50	50
Tennant Creek Supermarket Pty Limited	Australia	50	50
Tjapukai Aboriginal Cultural Park Partnership	Australia	100	100
Tjapukai Pty Limited *	Australia	100	100
Wilpena Pound Aerodrome Services Pty Limited	Australia	87	87

*Non-trading

Associate entity in 2019





PART 7


APPENDICES & REFERENCES

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APPENDIX A: CONSULTANTS

33 Creative Pty Ltd
A2Z Injury Management
ACIL Allen Consulting
Acumentis (WA) Pty Ltd
Adaptive Capability Pty Ltd
Agends & Agends Legal
Allens Linklaters (QLD)
APRG Pty Ltd
Australian Bureau of Statistics
Australian National University
Auxilio Consulting Canberra Pty Ltd
BDO Advisory (WA) Pty Ltd
BDO Consultants (WA) Pty Ltd
Blackhall & Pearl Board Services Pty Ltd
Boyden
Business SA
C J Hyland & Co Real Estate Trust
Career Steer Pty Ltd
Carter Digital
CBRE Valuations Pty Ltd
Checkside Pty Ltd
Clayton Utz Lawyers
Colliers International NT
Corporate Property & Consulting Services
Pty Ltd

Corporate Work Health Australia
Curijo Pty Ltd
Deloitte Access Economics Pty Ltd
Deloitte Consulting Pty Ltd
Deloitte Risk Advisory Pty Ltd
Dialog Information Technology
Ekistica Pty Ltd
ELMO Learning Services Pty Ltd
Equifax Australia
Evolve FM
Fiftyfive5 Pty Ltd
FTI Consulting Pty Ltd
GNM Australia Pty Ltd
Good Foundations Consulting Pty Ltd
Good Wolf Pty Ltd
Grantham Real Estate Partners Pty Ltd
Gresham Partners Limited
HopgoodGanim Lawyers
HQ Management Pty Ltd
HR Spectrum Pty Ltd
HWL Ebsworth Lawyers
IA Group Pty Ltd
IA Indigenous Pty Ltd
Indigenous Evaluation Services



Indigenous Professional Services
Inside Policy Pty Ltd
Jackson McDonald
JBS&G Australia Pty Ltd
Johnson Winter & Slattery
Jones Lang LaSalle Advisory Services Pty Ltd
JTM Consulting Pty Ltd
Knight Frank Australia Pty Ltd (Perth)
Knight Frank Valuations
Knight Frank Valuations Queensland
Mary Christian Ploughman
McCullough Robertson Lawyers (Brisbane)
Melbourne Business School
Moore Stephens Perth Corporate
Services Pty Ltd
Mozaic Management Consultants Pty Ltd
MXA Consulting Services Pty Ltd
National Pacific Valuers
Northern Sky Research (US)
Opteon Property Group Australia
Optiro Pty Ltd
Optum Health & Technology (Australia)
Pty Ltd
ORIMA Research Pty Ltd

Point Advisory
PricewaterhouseCoopers (PwC)
PSMA Australia Limited
Q Workplace Solutions Pty Ltd
RAEDAR Research Pty Ltd
Relative Creative Pty Ltd
RSM Bird Cameron (Perth)
Silver Gum Australia Pty Ltd
Social Ventures Australia
SRG Partners Pty Ltd
TAG Asset Consulting Group Pty Ltd
Tagai Management Consultants
Tallagandra Rural Consulting Pty Ltd
Terri Janke & Company Pty Ltd
The Difference Incubator Ltd
Trevor Gard Family Trust
Tropo Freo
Tulin Sapolyo
Warnakati Solutions Pty Ltd
Wise Workplace
Workplace Training & Advisory
Australia Pty Ltd

APPENDIX B:

KEY OUTREACH ACTIVITIES

TABLE B1: KEYNOTE SPEECHES AND SIGNIFICANT PRESENTATIONS

Date	Event	Details
14 August 2018	Business of Indigenous Knowledge Symposium SCU, Lismore Indigenous Knowledge, Aboriginal/ Indigenous Estate, Social Enterprise and Social Entrepreneurship/Leadership	Guest speaker 'Unlocking the Potential of the Indigenous Estate'
15 August 2018	CEDA 2018 Indigenous Business Leadership Event, Perth	Guest speaker 'Unlocking the Potential of the Indigenous Estate'
11 October 2018	Aboriginal Enterprise in Mining (AEMEE) Conference	Guest speaker 'Own Your Horizon'
31 October 2018	Australian Indigenous Tourism Conference, Lorne, Vic – Keynote Speaker	Guest Speaker 'IBA & the ILC - Partners in meeting the Indigenous Tourism Challenge'
20 November 2019	National Indigenous Economic Development Forum, Darwin	Guest Speaker 'Knowing the Indigenous Economy'
21 November 2019	2nd Annual OECD, Meeting of Mining Regions and Cities	Plenary Session speaker 'Invest in planning'
10 May 2019	East West Alliance Gathering	Guest speaker 'The Indigenous Estate and Future Science opportunities'
15 May 2019	Indigenous Economic Development Speech, Darwin	Guest speaker 'The Indigenous Estate and Future opportunities'

TABLE B: MEDIA RELEASES

Date	Title of media release
2 April 2020	Support for the Indigenous business sector affected by COVID-19
13 March 2020	IBA postpones Strong Women Strong Business Conference
29 January 2020	IBA launches 2020 Strong Women Strong Business Conference
8 August 2019	IBA announces second Strong Women Strong Business Conference

COMPLIANCE INDEX

PGPA Rule Reference	Part of Report	Description	Requirement
17BE	Contents of annual report		
17BE(a)	Inside cover and Pg. 2	Details of the legislation establishing the body	Mandatory
17BE(b)(i)	Pg. 2	A summary of the objects and functions of the entity as set out in legislation	Mandatory
17BE(b)(ii)	Pg. 2	The purposes of the entity as included in the entity's corporate plan for the reporting period	Mandatory
17BE(c)	Pg. 2	The names of the persons holding the position of responsible Minister or responsible Ministers during the reporting period, and the titles of those responsible Ministers	Mandatory
17BE(d)	Not applicable	Directions given to the entity by the Minister under an Act or instrument during the reporting period	If applicable, mandatory
17BE(e)	Not applicable	Any government policy order that applied in relation to the entity during the reporting period under section 22 of the Act	If applicable, mandatory
17BE(f)	Not applicable	Particulars of non compliance with: (a) a direction given to the entity by the Minister under an Act or instrument during the reporting period; or (b) a government policy order that applied in relation to the entity during the reporting period under section 22 of the Act	If applicable, mandatory
17BE(g)	Pg. 12-23	Annual performance statements in accordance with paragraph 39(1)(b) of the Act and section 16F of the rule	Mandatory
17BE(h), 17BE(i)	Pg. 60	A statement of significant issues reported to the Minister under paragraph 19(1)(e) of the Act that relates to non compliance with finance law and action taken to remedy non compliance	If applicable, mandatory
17BE(j)	Pg. 48-54	Information on the accountable authority, or each member of the accountable authority, of the entity during the reporting period	Mandatory
17BE(k)	59	Outline of the organisational structure of the entity (including any subsidiaries of the entity)	Mandatory
17BE(ka)	67-69	Statistics on the entity's employees on an ongoing and non ongoing basis, including the following: (a) statistics on full time employees; (b) statistics on part time employees; (c) statistics on gender; (d) statistics on staff location	Mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
17BE(l)	Pg. 33, 40, 43, 66	Outline of the location (whether or not in Australia) of major activities or facilities of the entity	Mandatory
17BE(m)	Pg. 46-47, 54-55, 58-60	Information relating to the main corporate governance practices used by the entity during the reporting period	Mandatory
17BE(n), 17BE(o)	Pg. 60	For transactions with a related Commonwealth entity or related company where the value of the transaction, or if there is more than one transaction, the aggregate of those transactions, is more than \$10,000 (inclusive of GST): (a) the decision making process undertaken by the accountable authority to approve the entity paying for a good or service from, or providing a grant to, the related Commonwealth entity or related company; and (b) the value of the transaction, or if there is more than one transaction, the number of transactions and the aggregate of value of the transactions	If applicable, mandatory
17BE(p)	Pg. 58	Any significant activities and changes that affected the operation or structure of the entity during the reporting period	If applicable, mandatory
17BE(q)	Pg. 61	Particulars of judicial decisions or decisions of administrative tribunals that may have a significant effect on the operations of the entity	If applicable, mandatory
17BE(r)	Pg. 61	Particulars of any reports on the entity given by: (a) the Auditor General (other than a report under section 43 of the Act); or (b) a Parliamentary Committee; or (c) the Commonwealth Ombudsman; or (d) the Office of the Australian Information Commissioner	If applicable, mandatory
17BE(s)	Not applicable	An explanation of information not obtained from a subsidiary of the entity and the effect of not having the information on the annual report	If applicable, mandatory
17BE(t)	Pg. 55	Details of any indemnity that applied during the reporting period to the accountable authority, any member of the accountable authority or officer of the entity against a liability (including premiums paid, or agreed to be paid, for insurance against the authority, member or officer's liability for legal costs)	If applicable, mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
17BE(taa)	Pg. 55-56	The following information about the audit committee for the entity: (a) a direct electronic address of the charter determining the functions of the audit committee; (b) the name of each member of the audit committee; (c) the qualifications, knowledge, skills or experience of each member of the audit committee; (d) information about each member's attendance at meetings of the audit committee; (e) the remuneration of each member of the audit committee	Mandatory
17BE(ta)	Pg. 70-71	Information about executive remuneration	Mandatory
17BF	Disclosure requirements for government business enterprises		
17BF(1)(a)(i)	Pg. 78-82	An assessment of significant changes in the entity's overall financial structure and financial conditions	If applicable, mandatory
17BF(1)(a)(ii)	Pg. 81	An assessment of any events or risks that could cause financial information that is reported not to be indicative of future operations or financial conditions	If applicable, mandatory
17BF(1)(b)	Pg. 90	Information on dividends paid or recommended	If applicable, mandatory
17BF(1)(c)	Not applicable	Details of any community service obligations the government business enterprise has including: (a) an outline of actions taken to fulfil those obligations; and (b) an assessment of the cost of fulfilling those obligations	If applicable, mandatory
17BF(2)	Not applicable	A statement regarding the exclusion of information on the grounds that the information is commercially sensitive and would be likely to result in unreasonable commercial prejudice to the government business enterprise	If applicable, mandatory

CONTACT INFORMATION

IBA staff work at the following locations across Australia, in IBA offices or co-located in Indigenous Coordination Centres. Co-located offices are marked with an asterisk.

For more information, visit IBA's website at iba.gov.au or call 1800 107 107.

AUSTRALIAN CAPITAL TERRITORY

Canberra

Level 2, 15 Lancaster Place
Majura Park ACT 2609

NEW SOUTH WALES

Sydney

Level 21, 66 Goulburn Street
Sydney NSW 2000

Coffs Harbour

140 West High Street
Coffs Harbour, NSW 2450

Tamworth

Suite 6, Shop 7
Atrium Business Centre
345 Peel Street
Tamworth NSW 2340

Wagga Wagga

70 Baylis Street
Wagga Wagga NSW 2650

NORTHERN TERRITORY

Darwin*

Jacana House
Level 4, 39–41 Woods Street
Darwin NT 0800

Alice Springs

Desert Knowledge Precinct
475 Stuart Highway
Alice Springs NT 0871

QUEENSLAND

Brisbane

Level 19, 100 Creek Street
Brisbane QLD 4000

Cairns

59 McLeod Street
Cairns QLD 4870

Townsville*

Suite 1, Level 2
520 Flinders Street
Townsville QLD 4810

SOUTH AUSTRALIA

Adelaide

Level 7, 70 Franklin Street
Adelaide SA 5000

VICTORIA

Melbourne

Level 10, 460 Bourke Street
Melbourne VIC 3000

WESTERN AUSTRALIA

Broome*

1 Short Street
Broome WA 6725

Perth

Level 24,
140 St Georges Terrace,
Perth WA 6000

FUTURES INVESTED

1800 107 107

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