

CORPORATE PLAN

2020-21



Australian Government
Indigenous Business Australia

ACKNOWLEDGEMENT OF COUNTRY

IBA pays respect to Elders, past, present and emerging. We honour the resilience and continuing connection to country, culture and community of all Aboriginal and Torres Strait Islander people across Australia. We recognise the decisions we make today will impact the lives of generations to come.

INDIGENOUS BUSINESS AUSTRALIA CORPORATE PLAN

As the accountable authority of IBA, the Board presents the IBA Corporate Plan 2020–21, as required under section 35(1)(b) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

The plan is consistent with the obligations arising from IBA's enabling legislation, the *Aboriginal and Torres Strait Islander Act 2005* (ATSI Act), and was prepared in accordance with the Public Governance, Performance and Accountability Rule 2014.

This plan has been prepared for the 2020–21 reporting period and includes information that covers the 2020–21 to 2023–24 reporting periods. It replaces IBA Corporate Plan 2019–20.

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Front cover: Indigenous artist Penny Evans displays her 'Spirit Dreaming' piece which was the inspiration behind IBA's brand.

IBA has taken all reasonable steps to ensure that the content of this publication is sensitive and considerate of Aboriginal or Torres Strait Islander people. Throughout this document the term 'Indigenous' refers to Aboriginal and Torres Strait Islander people.

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

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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 30th 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

WHY WE EXIST

OUR PURPOSE

IBA's purpose is set out in the *Aboriginal and Torres Strait Islander Act 2005* (the ATSI Act):

- 1. To assist and enhance Aboriginal and Torres Strait Islander self-management and economic self-sufficiency**
- 2. To advance the commercial and economic interests of Aboriginal and Torres Strait Islander people by accumulating and using a substantial capital asset for the benefit of Aboriginal and Torres Strait Islander people.**

The ATSI Act provides IBA with a number of powers to fulfil its role of engaging in commercial activities and promoting and encouraging Aboriginal and Torres Strait Islander self-management and economic self-sufficiency. This includes powers to provide home loans, business loans and other finance products, as well as the ability to participate in investments, partnerships and joint ventures and act as a trustee to support the accumulation of wealth for Aboriginal and Torres Strait Islander people.

DELIVERING OUR PURPOSE

IBA's vision is for a nation where Aboriginal and Torres Strait Islander people are economically independent and an integral part of the economy. We recognise and respect the 80,000+ years of connection Aboriginal and Torres Strait Islander people have with this country and how these connections to land, sea, culture and community should be acknowledged and respected by all Australians.

The relationships we have with our customers, stakeholders and partners will always be the cornerstone of any successes we achieve and we understand that the path to a brighter future for Aboriginal and Torres Strait Islander people starts with self-determination. In creating this brighter future, we must start by recognising the 200+ years of displacement and systemic exclusion that Aboriginal and Torres Strait Islander people have endured. Since white settlement in Australia, Indigenous people have been forcefully removed from their lands, denied the right to own property or operate businesses, earn equal pay and excluded from the workforce. This has had a compounding impact on our customers and it is the responsibility of organisations like IBA to address the vast gaps between economic prosperity and inter-generational wealth of non-Indigenous and Indigenous Australia.

While we understand we cannot address all the challenges that Aboriginal and Torres Strait Islander people face, we will continue to do everything within our power to increase economic participation, financial independence and self-sufficiency of Aboriginal and Torres Strait Islander people. We do this through programs designed to increase Indigenous home ownership, business ownership and development and helping to create informed investments for long-term benefit. While our capital constraints mean that we are not always able to meet the growing demand, we are proud of the successes we have had and will continue to strive to do more with each passing year.

This Corporate Plan identifies IBA's purpose, what we intend to achieve and how we will measure our achievements, so that we can continue to support our customers success and in turn our success. Our performance against the Corporate Plan is supported by IBA's Strategic Plan. The Strategic Plan is consistent with the Corporate Plan in terms of what it is trying to achieve, but it provides IBA staff with guidance about our long-term goals.

IBA serves, partners and invests with Aboriginal and Torres Strait Islander people who want to own their future. We provide financial products and services, and we invest in people, places and ideas. We're deeply invested in the financial success and economic independence of Aboriginal and Torres Strait Islander people.

It's why we exist.

OUR VALUES



Invested

We excel culturally and technically, and we respect the aspirations of our customers.



Informed

We listen to our customers and use evidence to operate ethically, with agility, and with clarity of purpose.



Responsive

We manage customer expectations through positive customer experiences every time we engage, and we are open to opportunity.



Respectful

We value the diversity of our staff and we bring our collective skills and life experiences together to create value for our customers.




Connected

We maintain strategic relationships and are invested in our customers and the communities we serve.



Photo: Futures Forum participants on Worimi Country, Williamstown, NSW.



“
AS ABORIGINAL PEOPLE WE
HAVE ALWAYS RETAINED OUR
RESILIENCE, OUR HUMOUR AND
OUR CULTURAL INTEGRITY –WE
WILL ALWAYS RETAIN OUR
DREAMS AND A VISION FOR
THE FUTURE OF OUR PEOPLE.
”

- THE HON. KEN WYATT, MINISTER
FOR INDIGENOUS AUSTRALIANS.



“
THIS EXCITING
PROJECT IS A
PRIME EXAMPLE
OF THE POWER
OF COUNTRY TO
HELP DELIVER
COMMERCIAL
RETURNS THROUGH
TECHNOLOGY,
EMPLOYMENT
AND CAREER
OPPORTUNITIES.
”

- The Hon. Ken Wyatt, Minister
for Indigenous Australians.

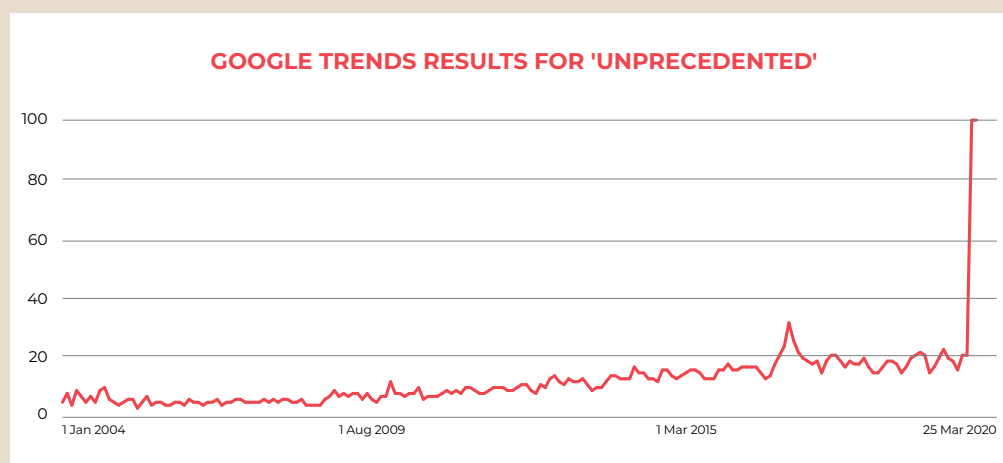
Photo: the Aboriginal owned and
operated commercial earth ground
station in Alice Springs, NT.

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OUTLOOK: LOOKING AHEAD IN A TIME OF UNCERTAINTY

UNPRECEDENTED: ADJECTIVE
WITHOUT PREVIOUS INSTANCE;
NEVER BEFORE KNOWN OR EXPERIENCED;
UNEXAMPLED OR UNPARALLELED




On March 25 2020, Google trends showed an astronomical spike in the search term 'unprecedented' across the globe. While there is no shortage of examples to show how 2020 has been unlike anything in recent time, perhaps this universal search for an explanation to what we have faced is the perfect summation.

As we entered 2020, fires burned across the land for weeks on end leaving an unimaginable aftermath. 46 million acres burned, almost 10,000 buildings destroyed, 1 billion animals perished, and 34 lives lost (with a further 417 deaths later estimated from indirect smoke inhalation). Many towns, such as Mogo on NSW's South Coast,

were directly impacted by the fires, with townships flattened and places of cultural significance engulfed by flames.

As the fires began to subside, it was clear that while the immediate danger was behind us the economic devastation on these communities was only just beginning. Businesses across the country were suffering directly or indirectly due to the loss of buildings, assets and income. The flow on effects in the loss of tourism revenue in the middle of what is commonly the most profitable season (summer holidays) left many businesses struggling to survive.



But this devastation also gave birth to something else. Out of the ashes we saw an extraordinary outpouring of generosity towards those affected and serious discussions starting to emerge about Australia's response to climate change and fire management. While bushfires may be a natural part of Australia's history, their frequency and ferocity are changing due to changes in our climate. And yet while we are fortunate enough to have the knowledge and wisdom of 80,000+ years of Indigenous fire management at our fingertips, we have not done nearly enough listening, learning or investing in applying ancient knowledge into innovative methods from Aboriginal and Torres Strait Islander people.

With the recovery from the bushfires only just underway, the world faced another battle on a scale that had not been seen in our lifetime. In March 2020 the World Health Organisation declared the COVID-19 outbreak as a pandemic and life as we knew it changed overnight. Planes essentially stopped flying, borders, schools, restaurants and shops closed their doors and our ability to physically and socially connect with many of our loved ones diminished.

While the COVID-19 pandemic is far from over, the ingenuity and resilience of the Australian community has been incredible to watch. Businesses have been turned upside down but, in many cases, managed to pivot and find ways to provide their goods and services online. Local, state and federal Governments have announced unprecedented stimulus packages to save jobs and help people keep their businesses

and livelihoods afloat. IBA has also risen to this challenge, administering a \$50 million business stimulus package in partnership with NIAA for Aboriginal and Torres Strait Islander owned businesses to help them navigate this uncertain time.

Following the murder of George Floyd in the United States, the devastating reality of racism exploded across the world. As people marched in the streets across the northern hemisphere, Australia was forced to grapple yet again with our own harrowing record of Indigenous deaths in custody and the institutionalised racism and bias that exists in our own country.

Systemic racism is a daily reality for many Aboriginal and Torres Strait Islander people as a result of historic and current exclusions they face in social, economic, health and justice systems that govern our societies. While these discussions are difficult and painful, they are also absolutely necessary. After all, those who do not learn from history are doomed to repeat it. Black lives matter.

While on the one hand, planning in such a time of uncertainty can be difficult, it can also help to refocus the core principles of why we exist. In a time of such economic disruption and a beckoning for racial and social justice, perhaps an organisation such as IBA is more important than ever before.

The years ahead will bring new challenges, but they will also bring opportunities. We feel strongly that the 2020–21 Corporate Plan, complemented by IBA's 2019–23 strategic plan, positions us well to remain focussed on what matters most – delivering positive economic impact alongside Aboriginal and Torres Strait Islander people.

OUR PLANNED ACTIVITIES AND PERFORMANCE

IBA's statutory purpose is:

(a) to assist and enhance Aboriginal and Torres Strait Islander self-management and economic self-sufficiency; and

(b) 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.

To meet our purpose, IBA will continue to deliver its products and services through its three programs, each of which are supported by a set of performance measures that we believe best demonstrate how IBA is delivering outcomes against its purpose. This approach measures the

quantum of services and products we've delivered for our customers (outputs), how well we've delivered those services and products (the quality and efficiency of what we do) and what the benefits of those services have been (outcomes and impacts). Our approach to performance measurement is guided by targets set in IBA's Portfolio Budget Statements and our performance outcomes are reported on annually in IBA's Annual Report.

IBA is developing its very own Impact Framework (page 28). As we get a better understanding of our impact, our ability to measure and demonstrate our performance and impact will improve and inform our future approach to service delivery.

HOW WE CREATE IMPACT



HOUSING SOLUTIONS

- Home loans
- Capability development workshops
- Supporting first homeowners
- Transition to mainstream lenders
- COVID-19 relief support



BUSINESS SOLUTIONS

- Business loans
- Leasing services
- Cash flow financing
- Business support services
- Strong Women Strong Business
- Futures Forum
- COVID-19 relief support



INVESTMENTS

- Direct investment joint ventures
- Managed investment funds
- Increasing the number and value of Indigenous co-investment
- Generating commercial financial returns
- Generating positive social & economic impact
- Developing the commercial capability of our co-investors



“
WE KNOW IT IS A GAME
CHANGER. WE KNOW IT
MAKES GENERATIONAL
CHANGE.
”

- Naomi, IBA home loan
customer, Darwin NT.

HOUSING SOLUTIONS DIVISION

The Housing Solutions division contributes to IBA's purpose by supporting Aboriginal and Torres Strait Islanders to grow their wealth and economic self-sufficiency through home ownership. To do this, we make available competitive home financing to provide our customers with the financial capacity to purchase a home. This service is combined with a range of other tailored

customer support and education services that assist our customers to prepare for the home ownership journey.

To assess how our Housing Solutions program is delivering against our purpose, we will measure our performance against the measures and targets outlined below. Following a recent review, IBA will be investigating in 2021, the introduction of a new performance measure that will track the increase in equity for housing loan customers over the lifetime of the loan.

Measure 1: Value of home ownership outcomes approved.

How will we measure it?	By summing the value of loans, guarantees and other finance products approved for home acquisitions (including purchase of residential land), property settlement, refinance and essential home improvements approved in financial year. The increasing target reflects current financial and economic settings, expectations around available capital for future home lending (including a \$150m capital injection announced in October 2020) and a recovery in the Australian economy.			
Why will we measure it?	Measuring the value of finance provided to Aboriginal and Torres Strait Islander customers that we support into home ownership is a direct measure of the outcomes of our work and the potential capacity for Indigenous Australians to build their own wealth. It also demonstrates that IBA is using its capital asset for the benefit of Aboriginal and Torres Strait Islander people.			
Our targets*	2020-21 \$200m	2021-22 \$220m	2022-23 \$225m	2023-24 \$226m

* Targets reflect additional capital injection allocation of \$75m in 2020-21, \$56.25m in 2021-22 and \$18.75m in 2022-23. Targets also assume loan repayments on existing loans continue at forecast levels and that the additional interest and repayment income earned by IBA directly from the capital injection can be reinvested to support additional lending.

Measure 2: Percentage of approved customers that are first home buyers.

How will we measure it?	By taking the number of approved home loans identified as first home buyers as a percentage of the total number of approved home loans. To support this calculation, IBA requests information regarding the first home buyer status of a customer and verifies this information against secondary sources. A borrower is a first homeowner if they are purchasing their residential property for the first time. For joint borrowers, they are considered a first home buyer if at least one person has not previously owned a residential property.			
Why will we measure it?	To fulfil our purpose, we focus our home lending on first homeowners as this is the most direct way to increase the number of Indigenous Australians that own a home, build wealth and become economically self-sufficient.			
Our targets	2020-21 90%	2021-22 90%	2022-23 90%	2023-24 90%

Measure 3: Percentage of Indigenous home customers who transition or are supported into mainstream lending.

How will we measure it?	‘Transition to mainstream lending’ means where an existing customer refinances their IBA housing loan with a mainstream lender or when a new customer is supported by IBA to access mainstream lending by a loan where IBA co-lends with a mainstream lender. This will be measured by taking the sum of the number of loans refinanced with a mainstream lender and the number of new split loans approved in the financial year and expressing it as a percentage of the sum of the opening loan portfolio balance as at 1 July and all new loans approved during the reporting period.			
Why will we measure it?	By transitioning customers to mainstream lending, we are promoting economic self-management as outlined in our purpose. This measure also provides a proxy indicator of the effectiveness of our lending, as the ability for a customer to transition to a mainstream lender is directly dependent on building a good credit history, and the amount of equity they have built in their home (through a combination of the customer’s own repayments and any increases in the market value of their home). Transitioning customers onto other lenders also frees up IBA’s home lending capital to allow IBA to lend to more customers including those that may find it more difficult to get finance with a mainstream lender.			
Our targets	2020-21 4.5%	2021-22 4.5%	2022-23 4.5%	2023-24 4.5%

Measure 4: Number of people attending housing capability workshops.

How will we measure it?	By counting the number of people who attend in-person or online run workshops. In-person workshop count will be on a head-count basis. Online workshop count will be based on number of computers streaming the workshop when presented.			
Why will we measure it?	The more people we deliver our housing capability workshops to, the better prepared our customers are for home ownership, making successful purchase decisions and managing their financial commitments. These outcomes directly align with our purpose to assist Aboriginal and Torres Strait Islander self-management and economic self-sufficiency.			
Our targets	2020-21 500	2021-22 500	2022-23 500	2023-24 500

Measure 5: Percentage of home customers satisfied or very satisfied with IBA's service.

How will we measure it?	By taking an annual survey of our home lending customers and asking them to give IBA a rating from 0 to 10 about their level of satisfaction with their overall experience with IBA. The count of customers identified as satisfied (6-7) or very satisfied (8-10) will be taken as a percentage of the total number of customers surveyed.			
Why will we measure it?	A central part to delivering on our purpose to support Indigenous self-management and economic self-sufficiency is to provide our customers with timely and responsible access to home finance. However, we believe that this service needs to be delivered in a tailored and culturally sensitive way that meets the needs and expectations of our customers to better support them into home ownership. This is what makes IBA's service unique.			
Our targets	2020-21 80%	2021-22 80%	2022-23 80%	2023-24 80%

Measure 6: Cost per dollar lent home loan efficiency ratio.

How will we measure it?	Cost information for IBA's Housing Solutions Program has been reviewed and a pilot measure is under development. Further work in 2020-21 will be conducted to refine the calculation method and establish an appropriate baseline to set targets for future years.			
Why will we measure it?	This efficiency ratio will allow IBA to demonstrate the efficiency with which it is delivering on its purpose through the delivery of home lending.			
Our targets	2020-21 Measure to be piloted and target to be developed	2021-22 Target to be set in 2020-21 once measure piloted	2022-23 Target to be set in 2020-21 once measure piloted	2023-24 Target to be set in 2020-21 once measure piloted

BUSINESS SOLUTIONS DIVISION

The 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 Aboriginal and Torres Strait Islanders to start, develop and

grow their own businesses. By supporting our Indigenous business customers to thrive and prosper independently, we are supporting our customers to generate economic, employment and social benefits for not only themselves but the communities they live and work in.

We will demonstrate how we are delivering these benefits, by monitoring and reporting on the following performance measures.

Measure 7: Four-year survivability of IBA supported business loan customers.

How will we measure it?	The result counts the number of businesses supported with an IBA business loan that have survived the four-year period leading up to the end of the current reporting period. The target is based on ABS's average survivability of Australian firms over the four-year period to the end of the financial year prior to the current reporting period (using the most recently available estimate from the ABS). Survival status is identified through the Australian Government's Australian Business Register and IBA's own information. Survival rates are calculated and compared to ABS's average survival rates by business employment size. IBA reports against an adjusted "0-4 Employees" target by consolidating the ABS's "Non-employing" and "1-4 employees" categories to ensure consistency with IBA's data collection approach.			
Why will we measure it?	The survival of our business customers demonstrates that our lending and support is assisting businesses that become profitable, viable and self-managed. It also reveals how our business lending activities are delivering sustained positive socioeconomic impacts for a significant time after lending has occurred.			
Our targets	2020-21	2021-22	2022-23	2023-24
	Australian average business survivability by employment category, as reported by the ABS.			

Measure 8: Value of business finance approved.

How will we measure it?	By summing the value of finance approved and committed to IBA customers across all of IBA's business finance products including loans and loan/grant mix, cashflow finance products (invoice financing, producer offset loan, and performance bonds), equipment finance and asset leases, and other finance products approved in the reporting period.			
Why will we measure it?	The dollar value of finance provided to our Indigenous business customers indicates the level of support we've provided to Aboriginal and Torres Strait Islander people to start and grow a business to help them manage and achieve their own economic independence. It also demonstrates that IBA is using its capital asset for the benefit of Aboriginal and Torres Strait Islander people.			
Our targets	2020-21	2021-22	2022-23	2023-24
	\$45m	\$45m	\$45m	\$45m

Measure 9: Number of people attending business capability workshops.

How will we measure it?	By counting and summing the number of people who attend in-person or online run workshops. Workshop count will be on a head-count basis.			
Why will we measure it?	The more customers we deliver our business capability workshops to, the better prepared our customers are for business ownership and management, so as to successfully start, acquire and/or grow a business. This aligns directly align with our purpose to assist Aboriginal and Torres Strait Islander self-management and economic self-sufficiency.			
Our targets	2020-21 500	2021-22 500	2022-23 500	2023-24 500

Measure 10: Percentage of business customers satisfied or very satisfied with IBA's service.

How will we measure it?	By taking an annual survey of our business lending customers and asking them to give IBA a rating from 0 to 10 about their level of satisfaction with their overall experience with IBA. The count of customers identified as satisfied (6-7) or very satisfied (8-10) will be taken as a percentage of the total number of customers surveyed.			
Why will we measure it?	A central part to delivering on our purpose to support Indigenous self-management and economic self-sufficiency is to provide our customers with timely and responsible access to business finance. However, we believe that this service needs to be delivered in a tailored and culturally sensitive way that meets the needs and expectations of our customers to better support their business ownership and success. This is what makes IBA's service unique.			
Our targets	2020-21 80%	2021-22 80%	2022-23 80%	2023-24 80%

Measure 11: Cost per dollar lent business loan efficiency ratio.

How will we measure it?	Cost information for IBA's Business Solutions Program has been reviewed and a pilot measure is under development. Further work in 2020-21 will be conducted to refine the calculation method and establish an appropriate baseline to set targets for future years			
Why will we measure it?	This efficiency ratio will allow IBA to demonstrate the efficiency with which it is delivering on its purpose through the delivery of business lending.			
Our targets	2020-21 Measure to be piloted and target to be developed	2021-22 Target to be set in 2020-21 once measure piloted	2022-23 Target to be set in 2020-21 once measure piloted	2023-24 Target to be set in 2020-21 once measure piloted



“
CULTURE IS THE
HEARTBEAT OF
OUR BUSINESS.
”

- IBA Futures Forum participant,
Worimi Country, Williamtown, NSW.

INVESTMENTS AND ASSET MANAGEMENT DIVISION

The Investments and Asset Management division contributes to IBA's purpose by providing Aboriginal and Torres Strait Islander investors with access to investment opportunities that generate financial returns and deliver positive social and economic impacts for Indigenous Australians. Through our direct investments, in which we invest through joint venture partnerships alongside our

Indigenous partners, we provide direct management of businesses with a focus on financial returns as well as employment, training and procurement outcomes. In addition we provide access to managed fund investment options that deliver commercial returns to grow the wealth of our co-investors.

Measurement of the division's performance against IBA's purpose focuses on the financial growth and returns of our assets and investments as well as the socio-economic impacts of our direct investments, using the following measures.

Measure 12: Total value of Indigenous co-investments with IBA (cumulative since 1 July 2015)

How will we measure it?	By taking the sum of the value of funds invested by Indigenous organisations, businesses in partnership with IBA in the Indigenous Prosperity Fund (IPF), the Indigenous Real Estate Investment Trust (IREIT) and IBA's direct investments since 1 July 2015.			
Why will we measure it?	Growth in this value shows the effectiveness of our contribution to our purpose to assist and enhance Aboriginal and Torres Strait Islander economic self-sufficiency. It also demonstrates that IBA is using its capital asset for the benefit of Aboriginal and Torres Strait Islander people.			
Our targets	2020-21 \$152m	2021-22 \$162m	2022-23 \$172m	2023-24 \$182m

Measure 13: Five-year average annual portfolio return to Indigenous co-investors.

How will we measure it?	Takes the average annual portfolio return to Indigenous co-investors over the preceding five-year period across the Indigenous Prosperity Fund, the Indigenous Real Estate Investment Trust and IBA's direct investments. Calculated as the after-tax comprehensive income (including valuation increments and decrements) attributable to Indigenous co-investors' and beneficiaries' interests for the financial year, expressed as a percentage of the aggregate value of Indigenous co-investors' and beneficiaries' holdings.			
Why will we measure it?	The portfolio return to Aboriginal and Torres Strait Islander co-investors provides a direct indication of our ability to support our co-investors to accumulate a capital asset, self-manage and become economically self-sufficient.			
Our targets	2020-21 CPI + 3.5%	2021-22 CPI + 3.5%	2022-23 CPI + 3.5%	2023-24 CPI + 3.5%

Measure 14: Number of Indigenous co-investor partnerships (cumulative since 1 Jul 15).**How will we measure it?**

By counting the cumulative number of new Indigenous co-investor partnerships initiated at the end of the reporting period, since the 1 July 2015. A new co-investor partnership is counted when an entity who has not previously made a co-investment in partnership with IBA since 1 July 2015 makes an investment in the Indigenous Prosperity Fund (IPF), the Indigenous Real Estate Investment Trust (IREIT) and IBA's direct investments.

Why will we measure it?

The number of new partnerships established provides a direct indication of the growth in the number of Indigenous entities that are benefiting from the services provided by IBA's Investments and Asset Management Division. This is in addition to pre-existing partnerships. This is a measure of our effectiveness in delivering on our purpose to enhance Aboriginal and Torres Strait Islander economic self-sufficiency.

Our targets**2020-21****60****2021-22****65****2022-23****70****2023-24****75****Measure 15: Value of goods and services procured from Indigenous suppliers by IBA's subsidiaries and associates.****How will we measure it?**

By taking the sum of the value of goods and services procured from Indigenous suppliers by IBA's associates and subsidiaries. Indigenous suppliers' means suppliers that are 50% or more Indigenous owned. The value of goods or services procured refers to the value of procurement purchases estimated on a cash basis (not on accrual basis) and inclusive of GST. The calculation utilises data provided by subsidiaries.

Why will we measure it?

Increasing our procurement spend with Indigenous suppliers means that we are directly generating increased income for Indigenous businesses and supporting them to compete, succeed and grow. This boosts the economic independence of Indigenous business owners and employees.

Our targets**2020-21****\$2m****2021-22****\$2.5m****2022-23****\$3m****2023-24****\$3.5m****Measure 16: Percentage of jobs supported by IBA's subsidiaries and associates held by Indigenous Australians.****How will we measure it?**

By taking the rolling twelve-month average of all Indigenous employees of IBA subsidiaries and associates as a proportion of the rolling twelve-month average of all employees of IBA subsidiaries and associates. The rolling twelve-month average is used to adjust for seasonality changes. The calculation utilises data provided by subsidiaries.

Why will we measure it?

The more jobs that IBA can support through its subsidiaries and associates, the greater an impact it has on supporting the economic self-sufficiency and independence of Aboriginal and Torres Strait Islander people. Target set is based on recent performance and expectations that performance may decline following recent divestments and the impacts of COVID-19 on the operations of some direct investments.

Our targets**2020-21****22%****2021-22****23%****2022-23****24%****2023-24****25%**

Measure 17: Percentage of investors satisfied or very satisfied with IBA's service.

How will we measure it?	By taking an annual survey of our investment partners and asking them to give IBA a rating from 0 to 10 about their level of satisfaction with their overall experience with IBA. The count of customers identified as satisfied (6-7) or very satisfied (8-10) will be taken as a percentage of the total number of customers surveyed.			
Why will we measure it?	A central part to delivering on our purpose to support Indigenous self-management and economic self-sufficiency is investors with access to investment options that meet their objective. However, we believe that this service needs to be delivered in a tailored and culturally sensitive way that meets the needs and expectations of our co-investors to best assist them to meet their investment goals. This is what makes IBA's service unique.			
Our targets	2020-21 70%	2021-22 75%	2022-23 75%	2023-24 80%

Measure 18: Asset management expense ratio.

How will we measure it?	By taking the ratio of management expenses to the value of assets and funds managed across the Indigenous Prosperity Fund, the Indigenous Real Estate Investment Trust and IBA's direct investments			
Why will we measure it?	This efficiency ratio will allow IBA to demonstrate the efficiency with which it is delivering on its purpose through the delivery of its investment services.			
Our targets	2020-21 <3%	2021-22 <3%	2022-23 <3%	2023-24 <3%

IBA OVERALL

Our organisation as a whole contributes to IBA's purpose in a number of ways. The performance measures outlined below capture those activities that will be delivered by IBA in 2020-21 and beyond that support the economic independence of Aboriginal and Torres Strait Islander people.

Measure 19: Value of goods and services procured from Indigenous suppliers by IBA.

How will we measure it?	By taking the sum of the value of goods and services procured from Indigenous suppliers by IBA. Indigenous suppliers' means suppliers that are 50% or more Indigenous owned. The value of goods or services procured refers to the value of procurement purchases estimated on a cash basis (not on accrual basis) and inclusive of GST. Calculation utilises data collected through IBA's financial records system.			
Why will we measure it?	By increasing our procurement spend with Indigenous suppliers, we are directly generating increased income for Aboriginal and Torres Strait Islander businesses and supporting them to compete, succeed and grow. This boosts the economic independence of Indigenous business owners and employees.			
Our targets	2020-21 \$4.5m	2021-22 \$4.75m	2022-23 \$5m	2023-24 \$5.25m

Measure 20: Implementation of IBA's Impact Framework.

How will we measure it?	By noting publication of IBA's Annual Impact Report.			
Why will we measure it?	To improve our delivery of impact and outcomes for Aboriginal and Torres Strait Islander people, consistent with our purpose.			
Our targets	2020-21	2021-22	2022-23	2023-24
	Annual Impact Report published			

IBA FIVE YEAR STRATEGY

Our activities and strategies to develop the required capabilities to deliver on our targeted performance are best described against the four pillars of IBA's Strategy: Customer Success, Smart Money, Deadly People and Strong Systems.



Photo: Robert Dann from Bindam Mie, a company that makes products from boab nuts, Broome WA.

CUSTOMER SUCCESS

The strategic pillar of customer success is at the heart of everything we do at IBA. We are acutely aware that historically programs and services designed for Aboriginal and Torres Strait Islander people were typically created and delivered without the input, experience, skills, knowledge and insights of Aboriginal and Torres Strait Islander people themselves. While we have seen positive improvements in consultation and engagement in recent years, one of the fundamental things that is still often overlooked is 'what success looks like' and more importantly genuine participation? All too often program goals and objectives are geared towards what success would like for someone else.

IBA's commitment to customer success is deeply rooted in the idea that 'success' is only real if the customer has defined it. Every person we work with, from a first-time home buyer to an established business looking to grow and take their next big step, will have a different view on what success means to them. Achieving these outcomes means never resting on our laurels or choosing a 'set and forget' approach to customer care.

The need to better understand how customers view success was previously identified by the IBA Board. In recognition of this capability gap, IBA developed its Impact Framework in late 2019. Over the next four years, a key strategy for IBA will be implementing data collection under the Framework to better understand our customers' experiences from engaging with IBA and their views on whether we've helped them succeed.

In addition to delivering the Impact Framework, IBA will continue to deliver on our customer success pillar by focussing on the following:

Responsive and consistent

- Providing a transparent experience for customers from their first to their last interaction.
- Ensuring information is clear across all platforms, avoiding jargon and unnecessary complexities wherever possible.
- Improving response times and ensuring customers are regularly kept up to date with how their enquiries are progressing.
- Improve access to information by providing appropriate resources, tools and services online.
- Improve our measurement and evaluation systems for tracking customer journeys.
- Maintain our high levels of customer satisfaction.

Customer experience

- Continuing to invest heavily in improving our internal and external systems to provide customers with an engaging, clear, accessible and timely experience.
- Invest in consistently creating new and accessible content, resources, tools and services.
- Create ways for our customers to connect with one another and share their stories.
- Support our customers to feel connected to IBA and understand what we can and cannot do to help them in their journey right from the outset.

Agility and innovation

- Continue our commitment to be an agile 'go-to' agency who can respond to customer needs and external challenges as they arise.
- Maintain our 'continuous improvement' culture by innovating our products and services and investing in technology to best suit customer needs.
- Continue to establish an impact informed innovation approach by ensuring the decisions we make about products and services is informed by Indigenous lead impact research.

WHAT CUSTOMER SUCCESS LOOKS LIKE

Homes

- Executing the new \$150m housing funding strategy to help more Aboriginal and Torres Strait Islander people into home ownership through new construction.
- Helping our customers to navigate COVID-19.
- Flexible products.
- New systems and platforms delivered.
- Improvements to internal systems to deliver efficiencies.
- Continuing to advocate for more funding and source alternative funding options to ensure we can assist as many people as possible into home ownership.
- Strong commitment to cultural capability and ensuring IBA staff uphold our values.

Business

- Helping our customers to navigate COVID-19.
- Positioning ourselves and our businesses customers to be ready and able to take advantage of new opportunities as they arise.
- Streamlining customer products and making it easier for our customers to work with us.
- Strong commitment to cultural capability and ensuring IBA staff uphold our values.

Investments

- Helping our co-investment partners to navigate COVID-19 and be well positioned to take advantage of emerging opportunities.
- Strong financial and non-financial returns for Indigenous co-investment partners.
- Developing new products, services and investment opportunities that meet customers needs.
- Increasing the number of co-investment partners and value of Indigenous co-investment.
- Building strong and sustainable relationships that contribute to the commercial capability of our co-investment partners.
- Strong commitment to cultural capability and ensuring IBA staff uphold our values.

SMART MONEY

INVESTMENT CAPABILITY

One of the ways that IBA creates economic independence for Aboriginal and Torres Strait Islander people and communities is by facilitating investment opportunities for impact – that is, creating opportunities that produce strong financial returns and deliver social and economic impact. In light of this, IBA identifies smart impact investing as a key organisational capability need.

IBA's investment strategy drives our ability to deliver commercial outcomes for our co-investors and promote strong and sustainable client relationships. It encourages investment in opportunities where both IBA and its partners achieve commercial outcomes. The strategy also ensures that we create outcomes aligned to the purposes of IBA and the aspirations of our investment partners – Aboriginal and Torres Strait Islander people and communities from across Australia.

IBA's investment strategy is designed around 'smart money' and focuses on investments that generate appropriate risk-adjusted returns for our investment partners and IBA and which also deliver social impact. IBA's Impact Framework will improve the ways we identify, measure and evaluate the social impact of our investment activities. By investing smartly and by better understanding the impact of our activities on lives and livelihoods we can grow our impact, build intergenerational wealth and support economic independence.

Following a smart money approach also enables our funds management business to achieve scale and returns that may otherwise not be achievable by a single investor. These investment options provide

Aboriginal and Torres Strait Islander organisations with access to professionally managed investment opportunities that deliver financial returns that can be reinvested to achieve the specific objectives of each organisation, whether that be building long-term wealth, increasing employment or increasing program delivery.

MANAGING OUR FINANCES

Focusing on reinvesting our wealth so it can grow enables IBA to better support our customers and future generations. While IBA receives funding from the Australian Government to deliver our programs, the overwhelming majority of money we invest into the Indigenous estate each year via home loans, business support and investment opportunities is self-funded. This is the bedrock of our Smart Money pillar and helps ensure that the decisions we make today will help to benefit more and more Aboriginal and Torres Strait Islander people into the future.

Given that we are predominantly self-funded, our response to supporting our customers through COVID-19 by way of loan and interest payment relief means that more than ever we need to be even smarter with our money to protect our capability to support our customers into the future. While the additional \$150m for new home construction lending will help immensely over the next 3 years, we still need to look for ways to innovate and support the high demand for our lending and finance products and services.

STRONG SYSTEMS

Strong Systems was identified as a core pillar in IBA's 2018-23 strategic plan in recognition of the role our information and communications technology (ICT) capability plays in supporting our commitment to deliver success for our customers.

While IBA has 14 offices around the country and we are continuing to diversify our staffing footprint, the reality is as an organisation of 200 people we simply do not have the capacity to do everything face to face.

IBA's ICT capability experienced a rapid evolution in 2019-20, with the roll out of new laptops to better support remote working, the installation of the Windows 10 operating environment across all computers and the adoption of Microsoft Teams to allow improved remote collaboration.

The evolution is set to continue over the coming period under IBA's Digital Futures program, which is driving IBA's ICT reform agenda. Under the Digital Futures program, we are taking steps to improve our customers' online experience, ensure our IT systems, applications and infrastructure are secure and fit for purpose and provide all staff with a suite of tools to deliver products and services more efficiently.

The Digital Futures Program consists of three sub-projects:

- Core Business System Solution
- Infrastructure Cloud Transition
- Business Intelligence and Data Analytics

The major focuses in 2020-21 will be the development and implementation of IBA's Core Business System (CBS) Solution and the transition of IBA's ICT infrastructure to a cloud-based environment.

Under the CBS project, IBA will be replacing several of its aging business applications with a single solution. It will also deliver contemporary online services and mobile access for our customers and streamline our internal customer service and product management processes.

The Infrastructure Cloud Transition project is being implemented to allow IBA to take advantage of the rapid advances to cloud based services. IBA will be transitioning to a Microsoft Azure and Office 365 cloud-based environment, in line with Australian Government policy. This transition will bring reduced costs, increased productivity and deliver more agile digital services, allowing our staff to better serve our customers.

A close-up, shallow depth-of-field photograph of a person's hands typing on a laptop keyboard. The hands are positioned in the lower half of the frame, with fingers pressing down on the keys. The laptop is silver and open. The background is heavily blurred, showing warm, out-of-focus light sources that create a bokeh effect, suggesting an indoor office or workspace environment. The overall tone is professional and focused on digital work.

UNDER THE DIGITAL
FUTURES PROGRAM, WE
ARE TAKING STEPS TO
IMPROVE OUR STAFF AND
CUSTOMERS' DIGITAL
EXPERIENCE.

DEADLY PEOPLE

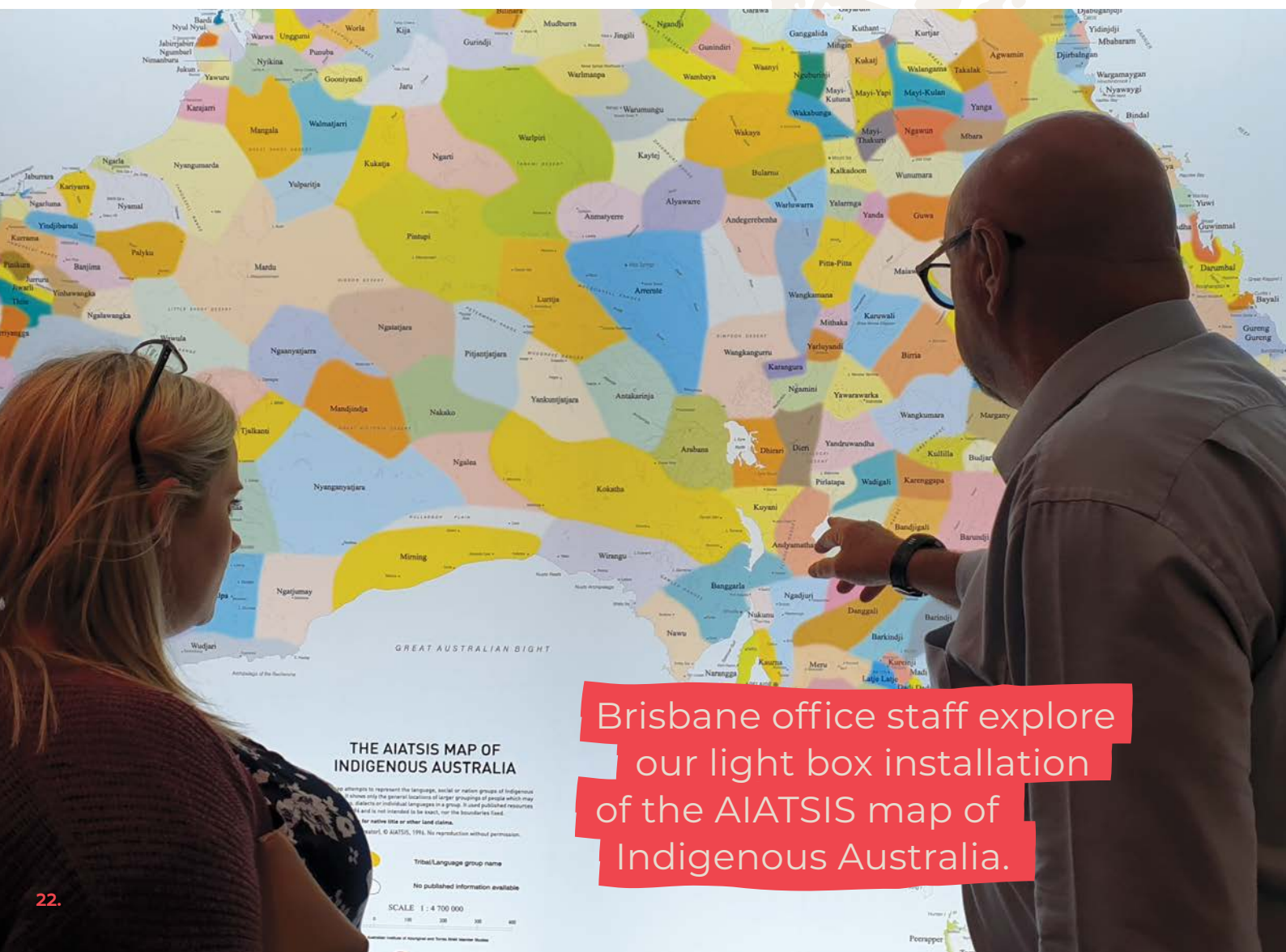
The foundation of any good organisation will always be its people and their commitment to achieving a collective goal.

The people who work with us are not here by accident. They come to IBA because they are passionate about the issues and inequities that effect Aboriginal and Torres Strait Islander people and want to be an active part of creating a brighter future.

IBA is led by a Board which brings together members from diverse professional and cultural backgrounds, the majority of whom (75%) are Aboriginal and Torres Strait Islander people. Our Board not only

fulfil their fiduciary duties of overseeing the organisation and ensure we are operating effectively, but also play a critical role in guiding the values we work to and advocating for our customers.

In addition to our Board, IBA's staff comprises of a rich and diverse group of people who are deeply invested in the economic independence and self-sufficiency of Indigenous people. Currently IBA's workforce includes 30.44% who identify as Aboriginal and Torres Strait Islander and IBA recognises the wisdom and connections these staff bring into the organisation.



Brisbane office staff explore our light box installation of the AIATSIS map of Indigenous Australia.

IBA is committed to investing in our people and developing their technical abilities, people skills and cultural capabilities to ensure we can best meet the needs of our customers. At no point in time has this been more critical than now.

Responding to COVID-19 restrictions has resulted in remote working becoming a new norm and has demonstrated how adaptable our people really are. To support this change, there has been a significant focus on staff wellbeing and ensuring that staff have the resources they need to effectively adjust to this new way of working. Our workplace culture of collaboration, flexibility and genuine respect for each other, together with IBA's Employee Assistance Services offered through Lifeworks has provided our people with support and resources to take actions to stay positive and maintain their mental health.

Continuing to provide this support will be vital in 2020-21, particularly as we look to return to office-based working, but also as we take lessons from this phase and consider new flexible ways of working. This will be complemented by our continued focus on performance, supported by our Performance Management and Development System. Increased flexible delivery of training, including online training will also ensure that staff continue to develop the skills they need to thrive. Training priorities in 2020-21 will include manager capability, cultural capability, cyber security, regulatory compliance and ICT.

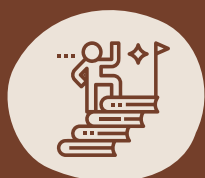
IBA values including understanding and growing cultural capability and respecting diversity will continue to be a focus in the Performance Management and Development System. This will continue to be complemented by IBA's Galambany Staff Network which supports IBA Indigenous staff and works collaboratively across the organisation to promote cultural capability within IBA. The recent appointment of an IBA Diversity Champion and Local Office Coordinators will further promote and strengthen our organisational values.

IBA's inaugural 2018-20 Emerging Leaders Development Program will be evaluated and outcomes will facilitate the design of leadership development initiatives into 2021.

We have a large geographical footprint with offices spread across 14 locations across Australia, allowing us to best serve our customers. In 2019-20, the IBA Board Chair and CEO travelled to multiple locations across Australia to undertake Staff Regional Forums, which provided an opportunity for IBA's people to connect, hear about issues that are important at a local level and to share their vision for IBA and its customers. The success and positive feedback received about these initiatives will see these forums held again in 2020-21, if travel restrictions permit

The movement of Perth staff to a new office in 2020-21, as well as investments in an office refurbishment for our Cairns office, will also provide staff with modern facilities to support more effective work and collaboration.

STRATEGIC PLAN: TARGETS FOR 2020-21



CUSTOMER SUCCESS

GOAL 1



Support Aboriginal and Torres Strait Islander entrepreneurs and businesses to build business knowledge, skills and capabilities.



2021 TARGET:
700 CUSTOMERS
(ANNUAL)

GOAL 2



Build useful and smart pathways for Aboriginal and Torres Strait Islander people to buy a home.



2021 TARGET:
65,000 PEOPLE (CUMULATIVE
FOR PROGRAM LIFE)

CAPABILITY PLANS:

Implementing our Impact Framework to better understand how our customers define success.



DEADLY PEOPLE

GOAL 3



Employ more Aboriginal and Torres Strait Islander people and buy more from Aboriginal and Torres Strait Islander businesses.



2021 TARGET:
25% INDIGENOUS EMPLOYMENT



2021 TARGET:
\$6.5m IN INDIGENOUS PROCUREMENT
ACROSS IBA AND SUBSIDIARIES

CAPABILITY PLANS:

Delivering employee assistance services, flexible training options and performance management framework to support staff development, cultural capability and wellbeing.



SMART MONEY



GOAL 4

Keep making smart choices with our money so more Aboriginal and Torres Strait Islander people benefit.



2021 TARGET:
\$152M CO-INVESTMENT
(CUMULATIVE SINCE 2015-16)



GOAL 5

Partner with Aboriginal and Torres Strait Islander people to find new and innovative ways to invest in their future.



2021 TARGET:
60 PARTNERSHIPS
(CUMULATIVE SINCE 2015-16)

CAPABILITY PLANS:

Following our Investment Strategy to deliver financial returns and positive social impact for Indigenous Australians.



STRONG SYSTEMS



Use our technology and systems to ensure we provide the best possible customer experience online, over the phone or in person.

2021 TARGET:
CORE BUSINESS SYSTEM
SOLUTION IMPLEMENTED
FOR HOUSING AND BUSINESS
DIVISIONS, CLOUD INFRASTRUCTURE
TRANSITION COMPLETED



Impact framework in development to demonstrate and improve customer success and product impact.

2021 TARGET: IMPACT
DATA COLLECTION
IMPLEMENTED AND IBA'S
FIRST IMPACT RESULTS
REPORT RELEASED



CAPABILITY PLANS:

Delivering the Digital Futures Program to improve customer experience, maintain a secure ICT environment and support staff efficiency.

ENVIRONMENT

IBA operates in a dynamic and rapidly evolving environment. The Australian economy is experiencing rapid shifts, driven by new technology, changing demographics and consumer preferences. The Australian economy has also experienced significant shocks over the past financial year from the catastrophic 2019–20 bushfires and then the COVID-19 pandemic. These impacts of these events will continue to be experienced for some time.

Within this dynamic environment, IBA is an independent Corporate Commonwealth entity of the Australian Government - accountable through our legislation, the *Aboriginal and Torres Strait Islander Act 2005*, to the Department of the Prime Minister and Cabinet and the Minister for Indigenous Australians. IBA has a prominent national footprint and impact, despite our small size.

The growing, younger demographic profile of the Aboriginal and Torres Strait Islander population creates opportunities for IBA to increase the scale and contribution to the economic independence of Aboriginal and Torres Strait Islander people across Australia. Because of ongoing financial and economic exclusion experienced by Aboriginal and Torres Strait Islander people, our customers are also more likely to be vulnerable to the economic shocks presently being experienced by the Australian economy.

Despite these external economic events, we continue to experience growing demand for our solutions for home ownership, business finance and business support and demand for investment opportunities is sustained in some sectors that are less impacted. The impact of the COVID-19 pandemic has also seen key sections of the Indigenous business sector experience enormous downturns in their activity – such as the hospitality, tourism and construction sectors. This will drive strong demand for IBA to assist these businesses recover.

External economic factors will significantly impact our ability to meet this growing demand – weak wage growth, rising costs of living and property prices were already placing a strain on households and businesses prior to the economic impacts of the 2019–20 bushfires and the COVID-19 pandemic.

As a predominately self-funded agency, IBA's model is to reinvest interest earned on loan repayments and investment earnings to support more Indigenous Australians into home ownership, starting or growing businesses and investing in their future. Our rapid response to assisting customers with repayment and interest rate relief during the COVID-19 pandemic helped thousands of customers at a time when they needed it most. However, the inverse effect of this relief resulted in less funding available in the coming years to provide new customers access to our products and services. To help offset this, IBA was able to secure a much-needed equity injection of \$150m for new construction loans over the next 3 years. This funding will help immensely in providing home loans to our growing wait list.

As we reflect on our proud history and look to the future, we take a commercially-focused approach which is centred around creating impact for our customers by generating jobs, successful businesses, home ownership, wealth, opportunity and capability and capacity development. We will address the challenges created by the present dynamic operating environment by strategically working with key partners across sectors to innovate and grow our networks, partnerships and collaborations. Evidence and experience will inform responses to economic development challenges and develop our stakeholder relationships for the benefit of customers.

A woman with a wide-brimmed hat and a striped shirt is walking on a sandy path. In the background is a single-story building with a large window. The sky is blue with some clouds.

“
**WHEN WE FIRST
STARTED OFF 15 YEARS
AGO I WOULD NEVER
HAVE IMAGINED WE
WOULD BE SITTING
HERE TODAY.**
”

- Helen from Banubanu
Beach Resort, Bremer
Island, Yolngu land, NT.

MEASURING OUR IMPACT

The economic landscape has changed significantly for Aboriginal and Torres Strait Islander people over the past 30 years, and so have the expectations and aspirations of our customers and stakeholders. Like many development agencies, historically IBA has primarily focused its reporting on outputs rather than outcomes. But as data capture, analysis tools and monitoring and evaluation frameworks continue to rapidly improve, so does our ability to understand the short, medium and long-term impacts we deliver for our customers, communities and wider Australian landscape.

In 2019, Commissioner Romlie Mokak, released the issues paper for the Indigenous Evaluation Strategy being undertaken for the Productivity Commission. While the final strategy to government is not expected till October 2020, the purpose of the evaluation has been clearly detailed in the issues paper:

"There are increasing calls from the Aboriginal and Torres Strait Islander community for a greater focus on monitoring and evaluation to improve program design, delivery and accountability. 'Too often, evaluations of key Indigenous reforms have been of limited usefulness for Indigenous people and policymakers. The evidence about what works, including for whom, under what circumstances, at what cost, and why, remains scant.'"

IBA has a long history of providing effective monitoring and reporting of our program outputs. Through our comprehensive reporting cycle (including Annual Reports, Corporate Plan, monthly and quarterly internal reporting and more), we can provide a clear analysis of the what, where, when and how much we are doing.

IMPACT PATHWAYS

STAGE ONE TRANSITIONAL IMPACTS

Transitional impacts reflect changes in customer understanding and behaviours of what is required to achieve economic, social and cultural aspirations following an interaction with IBA by potential customers.

STAGE TWO SUSTAINABLE IMPACTS

Sustainable impacts occur when transitional impacts are coupled with access to products, services and resources and reflect changes in the economic, social and cultural circumstances of customers that have been serviced by IBA.

STAGE THREE WIDER IMPACTS

Broad impacts reflect the wider societal impacts that occur indirectly and directly over a longer period of time as a result of the transitional and sustainable impacts.

TRANSITIONAL IMPACTS: POTENTIAL CUSTOMERS

Self-identified capacity and aspirations for self-management and economic self-sufficiency.

SUSTAINABLE IMPACTS: SERVICED CUSTOMERS

Increased self-management and economic self-sufficiency
Increased sense of empowerment and wellbeing

WIDER IMPACTS: COMMUNITY & SOCIETY

Progress towards:
Economic empowerment,
Closing the Gap, Declaration
on the Rights of Indigenous
Peoples, Sustainable
Development Goals

However, as with many of our contemporary agencies, it remains difficult to truly outline and explain the broader impact we have on our customers lives over the course of time.

In developing our Impact Framework, IBA has been mindful to avoid tying ourselves to preexisting assumptions and measuring 'what we know' and instead leave space for the Framework to develop over time as new insights come to light, led and informed by Aboriginal and Torres Strait Islander people and evaluation experts. Importantly this means that while the overarching impact categories we are trying to understand are likely to remain the same, the questions we ask, data we seek, indicators we use and our attribution of impact will evolve to reflect the changes in both IBA and our customers.

In developing our Impact Framework we wanted to ensure that independence, integrity and Indigenous design principles were embedded in every part of the process. With this in mind, IBA engaged Eastern Arrernte Indigenous Evaluation expert, Dr Kevin Dolman, and the Interplay Project team to help design our Impact Framework as well as lead the process for implementing it and conducting all surveys and analysis.

The Impact Report will comprise of data collected through surveys and interviews of more than 700 customers, which will then be analysed and reported on a yearly basis. Over the next five years we anticipate IBA will be able to share a comprehensive customer view of how our products and services impact customer's lives and how IBA can improve to produce the best possible outcomes.

IMPACT ASSESSMENT

WHO	Who are we servicing & impacting?	Potential customers	Serviced customers	Community and society
HOW	How are we delivering impact?	Housing Solutions Finance Workshops	Business Solutions Loans Workshops Leasing Cashflow finance Mentoring	Investment & Asset Management Partnerships Investment options
WHAT	What is the impact?	Transitional ••••• Economic self-sufficiency ••••• Economic	Sustainable ••••• Economic empowerment ••••• Social	Broad ••••• Self management ••••• Cultural
HOW MUCH	How much of an impact is occurring that is attributed to IBA?	Significant negative impact	No detectable impact	Significant positive impact

PARTNERSHIPS WITH PURPOSE

"Teamwork is the ability to work together toward a common vision. The ability to direct individual accomplishments toward organizational objectives. It is the fuel that allows common people to attain uncommon results." – Andrew Carnegie

IBA recognises the work we do relies on relationships, collaborating and partnering with organisations that are willing to share their experiences, are aligned with our values and importantly share a common vision that will benefit Aboriginal and Torres Strait Islander people in a positive way. The ability to be courageous in a time of uncertainty is an increasingly important element as we look to the year ahead, particularly when trust ebbs and flows, we must demonstrate that through strategic partnerships we can deliver greater impact and results.

Our relationships are the foundation from which delivery of our purpose and our functions must be achieved, we cannot do it alone, nor should we. History shows us that there is significant room for improvement in this space, our Board has told us that it is critical to the future achievement of our purpose and society expects us to prove and deliver in ways that demonstrate collective impact.

As we look to the year ahead, we will continue to collaborate with other Commonwealth departments and entities such as the Northern Australia Infrastructure Facility, state and territory governments (particularly those with common interests in maximising outcomes through Indigenous business such as access via infrastructure developments for land or sea based economic opportunities e.g. WA's Department of Infrastructure and Regional Development and Tourism WA), local government, private sector

organisations (numerous Indigenous partners who provide subject matter expertise), not-for-profit bodies (First Nations Foundations Big Super Day Out), peak industry bodies and international agencies (such as the OECD's research into linking regional communities with economic development).

More importantly, it is time to turn our focus to elevating the role of strategic partnerships. And the most important role we can play now and into the future is that of a partner – a partner willing to move beyond delivery of our traditional suite of products and services (although these are important) and to demonstrate through our partnerships that Aboriginal and Torres Strait Islander people are valued and essential in designing and delivering solutions.

Partnerships are a vital part of IBA's success and demonstrate that in undertaking our key activities, that when we cooperate with others to achieve their purpose, it can help immensely in extending our reach, provide important program co-design opportunities and help us deliver vital products and services.

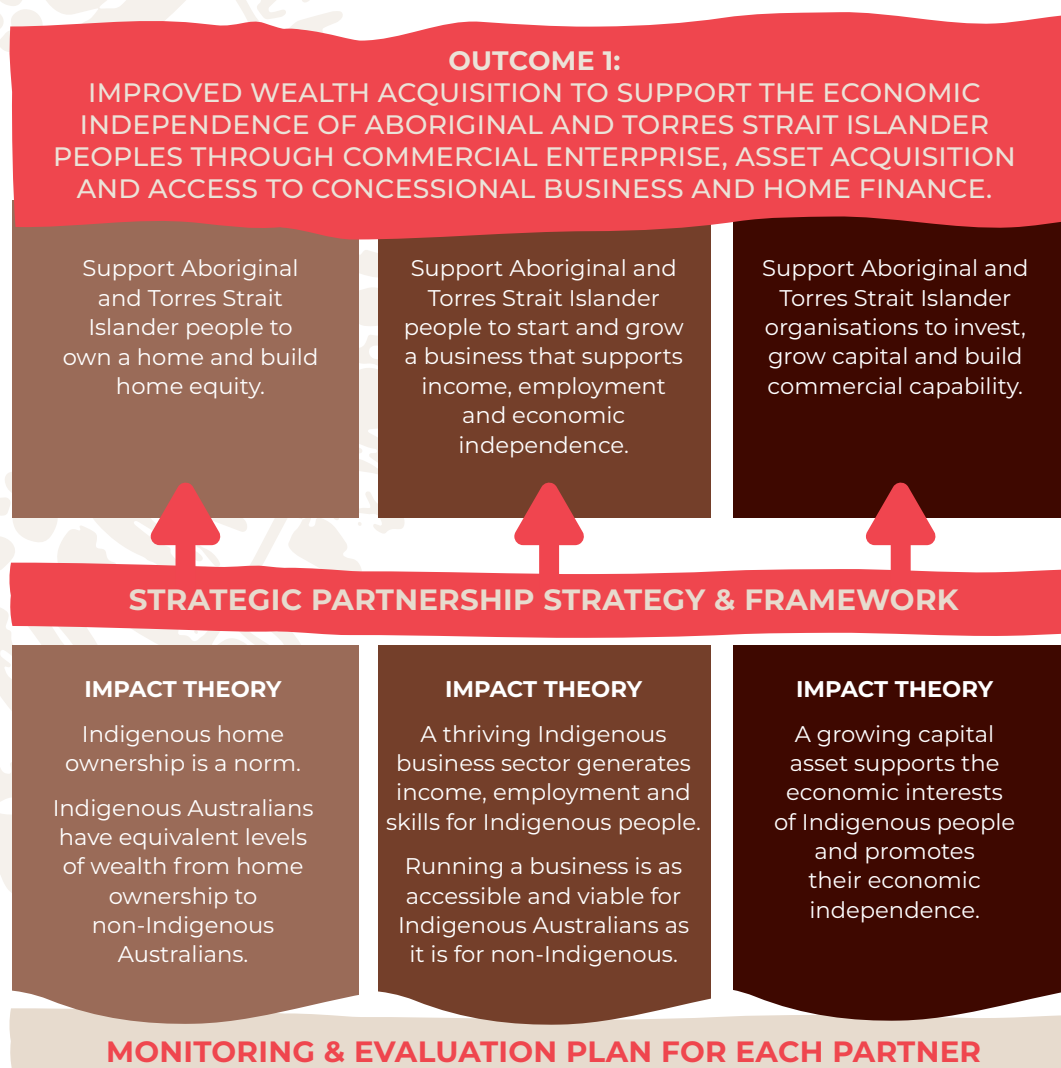
In the year ahead, we will deliver a strategic partnership framework that defines and demonstrates the power of partnerships, supported by a robust monitoring and evaluation program, to aim to deliver more for our customers.

Given the broad scope of IBA's statutory purpose but relatively small size, developing strong partnerships with other organisations who are deeply rooted in the Indigenous space and share our core values can be extraordinarily helpful for our customers. However, the process of deciding who these partners are, how we will work with them and what success looks like needs to be clearly defined.

Over the next 12 months, IBA will be working to produce a new partnership strategy to guide our approach to developing, managing and measuring impactful relationships. This will ensure that there is a strategic approach to how IBA enters partnerships and leverages them to get the maximum benefit for our customers.

The high level approach informing the development of our partnership strategy is illustrated below, including how each

partnership must demonstrate the delivery beyond our purpose to create mutual benefit and impact. The strategy and therefore announcements of strategic partnerships will be launched in 2021. Strategic partnerships will be forward looking and aim to address areas that are currently not delivered through our existing programs or will be reassessed to elevate the potential for greater reach and customer benefit.



STAKEHOLDER LIST

To achieve our purpose, IBA engages regularly with a significant number of organisations right across Australia. It would not be practical to provide an exhaustive list, however examples of the stakeholders we regularly engage with are provided below:

Government (federal, state and local)

- Minister for Indigenous Australians, the Hon Ken Wyatt AM MP and key advisors
- National Indigenous Australians Agency (NIAA)
- Department of Prime Minister and Cabinet
- Department of Finance, Agency Advice Unit, Financial Reporting, Performance Reporting
- Department of Treasury
- Department of Industry, Science, Energy and Resources

Government organisations and bodies

- ILSC and its associated entities (Voyages, NCIE)
- AIATSIS
- Office of the Registrar of Indigenous Corporations

- Office of Township Leasing
- National COVID-19 Coordination Commission
- Parliamentary Standing Committees on Indigenous Affairs, Northern Australia
- Productivity Commission
- Northern Australia Infrastructure Facility

Universities and education bodies

- ANU
- Melbourne Business School (Murra)
- University of Western Australia

Land councils and peak bodies

- NACCHO
- Reconciliation Australia
- Native Title Representative Bodies
- Supply Nation
- State and Territory Indigenous Chambers of Commerce and Networks
- Aboriginal Housing Office NSW

Local community groups

- Indigenous community housing organisations
- Community organisations

Partners and investors

- All IBA Investment partners



Photo: IBA home owners, Darwin NT.

CAPABILITY

Achieving our purpose means delivering long lasting positive impacts with Aboriginal and Torres Strait people and communities so their aspirations for economic participation and financial independence are realised. Building capability for IBA means doing whatever we can to better meet the unique needs of our customers to ensure their success.

In 2019–20, our capabilities enabled us to rapidly and positively respond to the challenging circumstances presented by COVID-19. In doing so, we were able to continue to support our customers to cope with these new circumstances. It is likely that capability development will continue to follow a similar theme in 2020–21 as the full impacts of COVID-19 for our customers are better understood and as the Australian economy rebuilds.

The strategies that we will use to develop our capability as previously described against our strategic pillars are summarised here.

1. PURPOSE

(a) To assist and enhance Aboriginal and Torres Strait Islander self-management and economic self-sufficiency.

(b) To advance the commercial and economic interests of Aboriginal and Torres Strait Islander people by accumulating and using a substantial capital asset for the benefit of Aboriginal and Torres Strait Islander people.

2. DEADLY PEOPLE

- a. Flexible, adaptable and committed
- b. Health and wellbeing
- c. Performance and development
- d. Cultural capability
- e. Diversity
- f. Regional forums

3. STRONG SYSTEMS

- a. New systems and infrastructure
- b. Remote working capability
- c. Core Business System Solution
- d. Infrastructure Cloud Transition
- e. Business Intelligence and Data Analytics

4. CUSTOMER SUCCESS

- a. Impact framework
- b. Data collection and evaluation
- c. IBA Strategy update
- d. Continuous improvement

5. SMART MONEY

- a. Capital growth
- b. Government funding
- c. Partnerships
- d. Lending strategies

RISK

The effective management of risks plays an important role in shaping IBA's strategic direction, contributes to evidence-based decision-making and is critical to the successful delivery of the IBA's vision for **a nation in which Aboriginal and Torres Strait Islander people are economically independent and an integral part of the economy.**

Never before has risk management been more critical to supporting our delivery of purpose with the risks posed by the COVID-19 pandemic and its impacts on our customers, our staff and our ability to delivery outcomes for our customers.

While IBA pro-actively manages risk, at times we accept certain risks are likely to occur in the markets we operate in.

IBA encourages an organisational wide culture of risk awareness, led by a strong and dedicated team within the organisation.

While the identification and the appropriate treatment of risk at IBA is the responsibility of all employees', oversight of IBA's Risk Management Framework and risk profile is the responsibility of the Executive, Audit, Risk and Performance Committee and the Board.

RISKS IN FOCUS

The effective management of risk is critical to IBA achieving its objectives and supporting our purposes, vision and long-term strategic goals.

The Risk Management Framework identifies specific responsibilities for key personnel across IBA, including acceptable tolerance levels for identified risks. The IBA Board annually reviews and aligns IBA's risk appetite and these tolerances levels in light of the changes and challenges within our current operating environment, both domestically and globally. These tolerance levels are regularly reviewed and reported to the Executive; Finance, Investments and Products Committee (FIP); Audit Risk and Performance Committee (ARPC); and the IBA Board via regular reporting arrangements.

In addition to the already established and detailed Risk Management Framework, IBA has commenced an internal review of its exposure to the physical and transition risks caused by climate change. This is in turn guided by applying the recommendations from the Financial Stability Board's Taskforce for Climate-related Financial Disclosure (TCFD). This work is ongoing and will be incorporated into IBA's Risk Management Framework as appropriate in the 2020–21 financial year.

The below table highlights the key risk categories that IBA manage across the organisation, including the controls to mitigate the instances or effects of these risk if realised.

Risk type	Description	Managing the risk
Strategic	<p>Risks related to IBA's business model and how it positions itself in the commercial, social, political and Indigenous affairs environment.</p> <p>Key risks to be managed:</p> <ul style="list-style-type: none"> • Ongoing capital constraints • Business Continuity - COVID-19 • Political/stakeholder engagement 	<p>Strategic risks are those that affect or are created by IBA's business and strategic objectives. Given strategic risk is complex and often dependent on the external environment, IBA's strategic risks are closely monitored through a strategic risk register to ensure synergy with the organisations long-term goals and strategic direction.</p>
Reputational	<p>The risk of negative perceptions of IBA on the part of stakeholders, including government, customers and the wider community.</p> <p>Key risks to be managed:</p> <ul style="list-style-type: none"> • Adverse/negative media exposure • Customer complaints • Negative feedback from the Minister or Minister's office 	<p>IBA has a well-established complaints management system that is complimented by a Customer Service Charter, ensuring we act with integrity, deal with customers promptly and in a respectful manner.</p> <p>Creating and maintaining a positive risk culture by fostering strong relationships with our customers and other stakeholders is paramount to IBA and enables the management of this shared risk.</p>
Operational	<p>Risks arising from inadequate or failed internal processes, people or systems, or from external events.</p> <p>Key risks to be managed:</p> <ul style="list-style-type: none"> • Control weaknesses • Instances of dangerous incident, serious injury, illness or death • Breaches of the IBA code of conduct, values and behaviour framework 	<p>IBA manages operational risk via a risk register that aims to mitigate the potential for loss from inadequate or failed procedures, systems, policies or other control weaknesses.</p> <p>A robust mandatory Employee Compliance Training program is further supported by an established Quality Assurance Framework and internal and external audit/ review program.</p> <p>Risk oversight and management controls are reported to relevant accountable authorities.</p> <p>Annual customer and employee surveys are conducted to drive continual process improvement.</p>
Legal, Governance and Legislative Compliance	<p>The risks arising from the failure of IBA or other parties to comply with relevant laws or regulations, policies, guidelines or contractual agreements.</p> <p>Key risks to be managed:</p> <ul style="list-style-type: none"> • Instances of actual fraud against IBA and its subsidiaries • Significant breaches by IBA to law, contracts and/or IBA policy 	<p>IBA monitors the legal and regulatory environment on an ongoing basis in order to ensure ongoing compliance with relevant laws and regulations.</p> <p>A suite of policies and procedures, including a Fraud Control Plan provide guidance and instruction to staff on a range of processes, procedures, governance arrangements and responsibilities.</p> <p>Employee awareness programs and training are also in place to ensure legal and governance requirements are understood, adopted and reported on.</p> <p>IBA also provides all staff and contractors whistle blower protection, enabling the making of confidential and anonymous disclosures if necessary.</p>

Risk type	Description	Managing the risk
Financial	<p>Risks arising from failure to obtain, allocate and manage financial resources effectively.</p> <p>Key risks to be managed:</p> <ul style="list-style-type: none"> Actual to budgeted financial performance Working capital level (cash available to meet expenses [and short-term liabilities]) 	<p>Timely and accurate forecasting, monitoring and reporting provides strong assurance measures in managing Financial Risks. This in turn complements the constant analysis of funding opportunities to address the organisations ongoing capital constraints.</p>
Credit	<p>Risks of losses due to counterparty failure or customer default.</p> <p>Key risks to be managed:</p> <ul style="list-style-type: none"> Credit related policy, product and delegation breaches Security coverage Customer loan serviceability Investment concentration in a particular sector/industry 	<p>Policies and procedures, including strong systems that govern credit risk that cover all areas of the credit life cycle of IBA's product offerings, including:</p> <ul style="list-style-type: none"> product structuring risk grading initial application approvals debt management. <p>A risk aware culture coupled with a skilled workforce further strengthens IBA approach and subsequent management of credit related risks.</p>
Market	<p>Risks arising from adverse movements in market interest rates, prices and economic conditions.</p> <p>Key risks to be managed:</p> <ul style="list-style-type: none"> RBA cash rate Housing values - increase or fall in capital cities and regional markets GDP growth rate 	<p>Ongoing monitoring of external interest rates, prices and economic conditions through IBA's risk register, coupled with internal portfolio reviews and reporting provides assurance that market risk is being managed appropriately.</p>
Equity	<p>Risk of losses due to adverse movements in the value of IBA's investments/assets.</p> <p>Key risks to be managed:</p> <ul style="list-style-type: none"> Maximum negative variance in actual to budgeted consolidated net assets/equity. 	<p>Prudent due diligence, informed risk-based decision making, asset management and diversification of asset classes with regular reviews of operating businesses and investment markets provides a solid platform for managing this risk.</p>

RISK TYPES

Strategic

Market

Operational

Financial

Credit

Equity

Legal

Reputational



COVID-19 – THE WAY FORWARD

Whilst the COVID-19 pandemic took the world by surprise, IBA reacted in a swift and decisive manner to ensure the health and wellbeing of staff and while also meeting the needs of our customers. It also demonstrated the ability of the IBA leadership team to manage and respond to this prevailing risk. Supported by IBA's Risk Management Framework and in conjunction with the Business Continuity

Plan, key risks were identified, and appropriately measured strategies were executed in response. In doing so, the organisation rallied together and found ways to continue to service our customers while adapting to a new way of working.

As the impacts of COVID-19 continue into 2020-21 and beyond, IBA is committed to further enhancing, refining and building upon its system of internal controls, risk management principles, fraud prevention measures, WHS requirements and business continuity for the continued benefit of both our staff and customers



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I FELT INCREDIBLY
PROUD TO BRING
INDIGENOUS AUSTRALIA
TO AN INTERNATIONAL
AUDIENCE, AND TO BE
ABLE TO DISCUSS THE
FANTASTIC THINGS WE ARE
DOING HERE IN AUSTRALIA

”

- Liandra, business owner
(Liandra Swim) at the Pacific
Runway show in Sydney, NSW.

SUBSIDIARIES

The IBA Investment and Asset Management Program consists of several subsidiaries and associates that help contribute to creating economic independence for Aboriginal and Torres Strait islanders by providing appropriate structures to facilitate access to investment opportunities.

These include subsidiary joint ventures between IBA and Indigenous co-investors in direct investment opportunities that aim to generate financial returns alongside positive economic, social and cultural impacts for Aboriginal and Torres Strait Islander communities and IBA, consistent with our purpose. In addition the Program provides access to managed investment funds in which IBA is also a co-investor, which are actively managed by subsidiaries.

Through these partnerships IBA provides support to our co-investors in terms of management expertise, entity governance, and commercial capability development, which contributes both to our partners' self-management and to the success of the subsidiaries.

Financial goals

- Financial sustainability and profitability
- Asset and wealth accumulation

Non-financial goals

- Employment opportunities for Indigenous Australians
- Training and skills development of Indigenous Australians
- Commercial capability development and transfer
- Promotion of Indigenous culture
- Procurement from Indigenous businesses

Contribution to IBA's purpose

- Delivering commercial returns to Aboriginal and Torres Strait Islander organisations so that they are more economically self sufficient
- Building a capital asset for the benefit of Aboriginal and Torres Strait Islanders
- Building the capability of Indigenous people and organisations to become economically self-sufficient
- Supporting stronger, resilient and economically independent communities

In 2019-20, we were able to support 185 jobs for Aboriginal and Torres Strait Islander Australians (27% of the total subsidiary workforce) and delivered significant salary, wage and job-relevant training benefits to Aboriginal and Torres Strait Islander Australians. IBA's subsidiaries also procured around \$3 million in goods and services from Aboriginal and Torres Strait Islander suppliers.

Our subsidiaries can be grouped into five broad categories, being retail, tourism and hospitality, renewable and industrial, commercial property, and financial services. Each sector contributes specific outcomes in addition to the goals outlined above.

Retail

Through investing in regional and remote supermarkets IBA aims to deliver much needed food security outcomes to communities. Its retail portfolio delivers consistent supplies of fresh and quality produce at competitive prices to enable positive health and nutrition outcomes as well as economic outcomes for Indigenous communities.

Tourism and hospitality

Tourism and hospitality is a key sector of the Australian economy and well suited to providing strong economic benefits for Indigenous Australians. It is labour intensive, creating strong opportunities for employment and training, and enables Indigenous employees to connect to and promote their culture. Through our investments in this sector, we offer Australian and international visitors the opportunity to engage with and experience Indigenous cultures and peoples in an ethical, authentic and dynamic context.

Renewable and Industrial

IBA's renewable energy portfolio focuses on identifying opportunities in remote and very remote Indigenous communities to displace diesel electricity generation with renewable energy and storage solutions. In addition, IBA is actively looking to promote energy reliability and security in rural communities located on the edge of the major electricity networks. The industrial portfolio provides exposure to a broad range of sectors in the Australian economy, such as space and information technology. The portfolio is seeking to unlock the potential of Aboriginal and Torres Strait Islander land assets by facilitating access to opportunities in high growth technology focused sectors.

Property

Investment in commercial property enables IBA and Indigenous co-investors the opportunity to share in the income and capital growth generated by assets that have strategic or community significance within the local area.

Financial Services

IBA utilises a subsidiary to provide specialist fund management services for investment funds including the Indigenous Real Estate Investment Trust (I-REIT) and the Indigenous Prosperity Funds (IPF). The funds provide eligible Aboriginal and Torres Strait Islander Investors with the opportunity to invest alongside IBA in a diversified portfolio of investments including exposure to Australian and international shares, bonds, property and cash, which would not otherwise be readily accessible to them.

APPENDIX A: MEETING OF REQUIREMENTS

The corporate plan has been prepared in accordance with the requirements of:

- subsection 35(1) of the PGPA Act; and
- the PGPA Rule 2014.

The table details the requirements met by IBA's Corporate Plan and the page reference(s) for each requirement.

Requirement	Page
Introduction	inside cover
Statement of preparation	inside cover
The reporting period for which the plan is prepared	inside cover
The reporting periods covered by the plan	inside cover
Purposes	d
Key activities	4
Operating context	see below
Environment	26
Capability	22
Risk oversight and management	34
Cooperation	30
Subsidiaries	40
Performance	4

