



ANNUAL REPORT 2021-22



Australian Government
Indigenous Business Australia

A NOTE ON TERMINOLOGY

The United Nations estimates there are more than 476 million Indigenous peoples spread across 90 countries worldwide, each practising unique traditions and retaining social, cultural, economic and political characteristics that are distinct from those of the dominant societies in which they live.

Many Indigenous peoples are the holders of unique languages, knowledge systems and beliefs, possess invaluable traditional knowledge for the sustainable management of natural resources, and have a special relationship to, and use of, their traditional land, waters or territories. Ancestral lands, waters and territories are of fundamental importance for their physical and cultural survival as peoples.

In considering the diversity of Indigenous peoples, an official definition of 'Indigenous' has not been adopted by any United Nations (UN) system or body.

According to the UN, the most fruitful approach is to identify, rather than define, Indigenous peoples. This is based on the fundamental criterion of self-identification as underlined in several human rights documents.

Australia's Indigenous peoples are two distinct cultural groups made up of Aboriginal and Torres Strait Islander peoples. But there is great diversity within these two broadly described groups, exemplified by the over 250 different language groups spread across the nation.

IBA uses the primary term of Aboriginal and Torres Strait Islander peoples to refer to our customers, in line with the *Aboriginal and Torres Strait Islander Act 2005*, which acknowledges the distinct cultural differences and diversity across Australia. In recognition of the societal shifts occurring in Australia, IBA has adopted the secondary term of First Nations.

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.

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 peoples.

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Cover photographs are a selection of our homes, business and investment customers.

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CARBON
NEUTRAL



MANAGEMENT
SYSTEMS



RECYCLED
CONTENT



FOREST
MANAGEMENT



RENEWABLE
ENERGY



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 PEOPLES ACROSS AUSTRALIA. WE RECOGNISE THE DECISIONS WE MAKE TODAY WILL IMPACT THE LIVES OF GENERATIONS TO COME.



Sunrise over Angkerle
Atwatye (Standley Chasm)
on Arrernte Country, NT.



CONTENTS

PART 01	FOREWORD	01
PART 02	YEAR IN REVIEW	07
PART 03	ANNUAL PERFORMANCE STATEMENTS	25
PART 04	GOVERNANCE	63
PART 05	OUR PEOPLE	83
PART 06	FINANCIAL PERFORMANCE	89
PART 07	APPENDICES	145



Australian Government
Indigenous Business Australia

iba.gov.au

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ABN 25 192 932 833
1800 107 107



27 September 2022

The Hon. Linda Burney MP
Minister for Indigenous Australians
Ngunnawal Country
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 2022.

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*.

The report includes IBA's annual performance statements and audited financial statements, which were approved in accordance with a resolution of the Board on 27 September 2022.

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

Yours sincerely

Eddie Fry
Chairperson
Indigenous Business Australia

IBA
INDIGENOUS
BUSINESS
AUSTRALIA

Arrernte woman, Helen Martin, runs Banubanu Beach Retreat on Bremer Island (Dhambaliya) off Arnhem Land in partnership with the Yolngu people.

PART 01 FOREWORD

FOREWORD FROM THE CHAIR.....	02
FOREWORD FROM THE CEO	05

FOREWORD FROM THE CHAIR



To our customers, our stakeholders, our partners and our co-investors, on behalf of the IBA Board of Directors, we sincerely thank you all. It is a pleasure to be part of an organisation with so many passionate and focused individuals working toward shared goals, underpinned by the understanding of shared value, equity and ultimately the urgent need to deliver greater impact.

To our staff, it is invigorating to see Aboriginal and Torres Strait Islander communities and individuals achieve economic independence. I applaud you all for your ongoing dedication and commitment to contributing to a strong, sustainable future.

I would like to acknowledge and thank Dr Valerie Cooms, a Nunukul woman of Minjerribah/North Stradbroke Island in Queensland for her generous contribution and experience regarding Native Title,

land tenure and navigating community led change. I extend my thanks to Director Scott Young, a Koa man from the Winton area, Central West Queensland who brought extensive commercial and procurement experience to the IBA Board. It was a privilege to work with such accomplished and passionate First Nations leaders and their contributions to the Board and organisation will be missed.

During the year, we welcomed new Directors; Richard Callaghan, a Potaruwutj man whose Aboriginal family originate from the Padthaway region in south-eastern South Australia and Joshua Gilbert, a Worimi man. Director Callaghan brings extensive experience in business, Aboriginal corporations and not-for-profits, and Director Gilbert is an entrepreneur and business advisor, working predominantly in the Aboriginal cultural, agricultural and environmental spheres.

IBA plays a critical role in enabling Aboriginal and Torres Strait Islander peoples to achieve economic self-determination. Our products and services help customers achieve their dreams of owning a home (in many cases, a family first); starting or growing a business; and investing and growing wealth via investments and asset management. Historical capital constraints have made it difficult for IBA to meet growing need and recent events have increased the budgetary pressure on customers.

When I introduced IBA's Annual Report last year, it was clear the world as we knew it was going through an incredible amount of change, with little sign of stabilisation. I did not imagine that today we would still be dealing with the COVID-19 pandemic, the added complexities of geo-political stability being challenged, the impacts of climate change with repeated floods down the east coast of Australia and the consequences of these events on market conditions and affordability. Through it all, IBA maintained its focus, inspired and propelled by the strength and resilience of our customers and the commitment and dedication of our staff.

As set out in the *Aboriginal and Torres Strait Islander Act 2005* (the Act), our purposes are achieved through IBA's single portfolio outcome – to improve wealth acquisition and economic independence of Aboriginal and Torres Strait Islander peoples – via:

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

As I reflect on the past year, it must be acknowledged that there is ongoing high demand from Aboriginal and Torres Strait Islander peoples wanting to become homeowners. Housing Solutions received 7,278 Expressions of Interest and successfully pre-approved 616 customers to start house-hunting. However, in practical terms, the impacts of the national and global events mentioned, resulted in new barriers for our customers that were outside of IBA's control. Specifically, property prices continuing to rise – particularly in regional areas where 68% of our new customers work and live – and ongoing delays in home building, due to high labour demand and shortages in building materials, meant we were able to approve 461 home loans against a target of 560. To mitigate the pressures our customers were experiencing, IBA assisted 527 existing home loan customers in financial hardship.

For other customers, booming property prices created new home equity, allowing them to refinance with a mainstream bank, taking advantage of competitive interest rates. Our strategic partnership, announced in May 2021, with Australian Unity and Bank Australia played a role in this. IBA supported 4.5% of our customers to transition to mainstream lending. Transitioning customers onto other lenders frees up IBA's home lending capital so we can lend to more customers, including those that may find it more difficult to get finance with a mainstream lender. At the end of the financial year, 86% of our customers were ahead on their home loan repayments. This buffer provides security for many, as interest rates rise.

In business we continued to connect with and support existing (and new) customers to keep operating or to adapt, re-imagine and grow their businesses in new ways. One hundred and nine customers across the country received working capital assistance of up to \$200,000 via loan, grant or a combination, via the COVID-19 Business Relief Package. We went further in our support and provided free Business Impact Assessments to 176 customers.

Despite an annual inflation increase (5.1 percent in March 2022) and the Reserve Bank's cash rate increases, IBA did not pass on extra costs to businesses. We partnered with Abstarr Consulting to design and deliver 'Wellbeing in Business' workshops, supporting business owners to strengthen their existing levels of resilience and focus on their personal and professional wellbeing.

Our investments program held strong with five-year average returns to IBA's Indigenous co-investors of 5.9%. Investment and asset management activities employed 607 people in total with 25.3% identifying as Aboriginal and Torres Strait Islander. As part of our asset acquisition approach, underpinned by the principles of economic self-sufficiency and self-management, IBA divested interests in Fitzroy River Lodge and Li Ar Yalug, selling them back to co-investors for independent management. The capital IBA received from these sales will be used to invest in new opportunities with other First Nations co-investors.

Recognising the great work of our people to deliver these results is one part of our overall story. During 2021-22, IBA focused on ensuring the recommendations from our inaugural Impact Report were responded to and improvements implemented. In the year ahead, IBA will release its second annual Impact Report with new insights into the economic, social and cultural impacts our products and services have on our customers. We will go further to explore the role of country and water in understanding what this means for our customers and the way we continue to enable, facilitate and support the journey towards economic self-determination in the short, medium and long term.

Alongside our ongoing impact research, IBA developed a continuous improvement and business intelligence framework. It combines impact, performance measurement and evaluation to efficiently gather our extensive research and better serve First Nations communities. With no real precedent across Government, this initiative is leading the way on how to respond to the needs of the communities we serve and in doing so, facilitate customer success.

Effective risk management continues to be a high priority, playing an important role in shaping IBA's strategic direction. It contributes to evidence-based decision-making and is critical to the successful delivery of our purpose. It has never been more important than during the COVID-19 pandemic and has informed our strategic thinking, operational readiness and agility. IBA promotes an organisation-wide culture of risk awareness, led by a strong and dedicated team. We also now apply the recommendations of the Financial Stability Board's Taskforce for Climate-related Financial Disclosure (TCFD). This work is ongoing and is incorporated into IBA's Risk Management Framework.

Overall, IBA is on track to meet most of our targets and the strategic goals set back in 2018. In practice, while we have 'opened the door' for Aboriginal and Torres Strait Islander peoples to own their own future, tens of thousands more cannot yet access IBA products and services due to ongoing constraints. We are hopeful, after a recent parliamentary recommitment to the Uluru Statement from the Heart and further progress against the National Agreement for Closing the Gap, that we can collaborate further with, and across, government to deliver greater impact with our customers. That impact is reliant on addressing strategic and operational challenges as we see them.

Until those challenges are resolved, we will continue to deliver and respond to customer demand to the best of our capacity. To do this, IBA is supported by a capable team who have a wealth of experience in understanding and consistently delivering on the aspirations of Aboriginal and Torres Strait Islander peoples. But we recognise the urgency to continue to challenge old ways of thinking and continue to adapt – we can and want to do more, when we are resourced to do so.

Eddie Fry
Chair, IBA

FOREWORD FROM THE CEO

As my first year as CEO ticks over, there is so much good work to reflect on and still so much to do. IBA is the most supportive and collaborative organisation I've ever worked in. Our people are amazingly talented and there is a genuine feeling of connection to outcomes – on behalf of the IBA Executive, I extend my sincere thanks for your contribution. The passion and commitment I see every day are rare and precious. Once again I extend my deep gratitude to Aboriginal and Torres Strait Islander peoples and communities who continue to maintain their connection to land, water, culture and community – it is because of your strength and resilience that the future of Australia is bright.

In the past year, we have again faced many strategic challenges and global shifts. One of these was a change of government at the most recent federal election. On that, I would like to acknowledge the time and support that former Minister Ken Wyatt AM offered to IBA as Minister for Indigenous Australians. I welcome the opportunity to work with his successor, the Hon. Linda Burney, MP across a broad range of policy issues.

As highlighted by our Chair, other events in the past twelve months have been extremely difficult for many organisations like IBA. Our customers were affected by these trying conditions which impacted our ability to achieve what we planned in the fourth year of our current five-year strategy (2018–23).

In light of these challenges, IBA responded quickly to limit the worst effects of the hardships our customers faced. This included offering \$2,000 emergency flood relief grants to affected home loan customers and \$5,000 grants to business finance customers. We continued to juggle the competing needs of existing customers whilst managing unmet demand from aspiring home and business owners. At all times we took responsibility for remaining connected to our customers, continuing to promote and foster their economic empowerment and safety.

In July 2021 we formed our Community and Customer Experience (CCE) directorate. CCE brings together our Customer Complaints and Quality Assurance functions so the customers and communities we



serve not only feel heard and reflected in our work, but that their experiences with us are positive. Pleasingly our customers have told us that we are already better at managing and responding to their complaints and feedback, and our resolution times have improved. Customer input through the CCE team also informed how we use our partnerships model to assist business development and implement improvements.

IBA's partnership framework expands our reach and allows us to leverage others' knowledge and resources to assist customers. From our already successful recent strategic collaboration with Australian Unity and Bank Australia, to the relationships that help us deliver programs like Xero and the Strong Women Strong Business (SWSB) Facebook group, partnerships mean we can support more people and businesses across urban, regional and remote Australia.

This year we:

- celebrated First Nations success through our partnership with the Black Magic Woman podcast and its founder, Aboriginal businesswoman, Mundanara Bayles – her podcast features conversations with IBA customers, exploring uplifting stories and issues important to Aboriginal and Torres Strait Islander peoples and communities
- partnered with Kimberley Jiyigas, a movement of First Nations women from the Kimberley, to expand our Strong Women Strong Business initiative that facilitates female entrepreneurship and leadership
- established a partnership with Yamatji Enterprises and 4Ways Fresh Produce to develop and operate a horticulture business in Geraldton, generating benefits like employment, training and equity outcomes for First Nations peoples, while exposing them to a key regional growth sector.

These are just a few examples of how IBA can strengthen our connection with customers, wherever they live. Our approach to partnerships helps IBA deliver products and services with people and organisations in a culturally appropriate and relevant way. Plans are already in place to expand our partnerships activities.

A program I am equal parts proud of and humbled by, is IBA's new domestic and family violence initiative. The National Agreement on Closing the Gap has a specific target to help ensure that 'Aboriginal and Torres Strait Islander families and households are safe'. IBA has seen firsthand that, when there is a relationship breakdown and customers have entered into joint loans, problems can arise. If there is family violence and/or financial abuse, the situation is even more difficult. Financial safety is an important part of keeping families together. In recognition of this, IBA has created a suite of training resources so our staff can support affected home lending and business customers. Tailored products, services and tools can assist anyone impacted by, and/or moving on from, family violence situations.

From an organisational perspective, IBA's professionally and culturally diverse Board are now 66% First Nations while nearly 30% of staff identify as Aboriginal and/or Torres Strait Islander – well above the average across the public sector. Further to that, IBA's Executive are a leadership team of seven, including the CEO. Three of the seven members identify as either Aboriginal and/or Torres Strait Islander and four are women. Three Executive members are from culturally and linguistically diverse backgrounds.

As we evolve our understanding of what our customers want and future workforce needs, we'll be looking to increase this representation. We'll also continue offering flexible work arrangements, including work from home and flexible start and finish times. Moving to remote working strategies helped many staff better manage the demands of work and life balance and enabled IBA to operate in new locations that were more difficult in a traditional work environment. Our national footprint has offices in 14 locations allowing us to meet customers in every state and territory, and we plan to expand this accessibility. Where practical, all our positions are advertised nationally to achieve even more workforce decentralisation.

It is a privilege to lead a future focused organisation that is having such a positive, transformative impact on the lives of our customers. IBA will continue to refine our approaches, adapt and find innovative ways to help Aboriginal and Torres Strait Islander peoples capitalise on opportunities arising from native title and land settlements, and from the ongoing growth of the Indigenous Estate. We will listen to and respect our customers always, make evidence-based decisions, build strategic relationships, and leverage the collective skills and life experience of all our staff to achieve this. I remain open to hearing everyone's ideas and working together to make more dreams real. The future of Aboriginal and Torres Strait Islander people can be amazing. Let's get it done.

Kirsty Moore

Chief Executive Officer, IBA

PART 02 YEAR IN REVIEW

ABOUT IBA.....	08
DELIVERING ON OUR PURPOSE.....	10
HIGHLIGHTS.....	12
OUR STRATEGY.....	14
OUR PERFORMANCE.....	18
OUR OPERATING ENVIRONMENT.....	21



For Civil Road and Rail (SX5) Pty Ltd, leasing products through IBA and investing in technology is what allows them to not only grow their business but also to 'make Country feel better'.

ABOUT IBA

Indigenous Business Australia (IBA) was established under the *Aboriginal and Torres Strait Islander Act 2005* (ATSI Act). The ATSI Act sets out the purposes, functions and powers of IBA. IBA is a Corporate Commonwealth Entity (CCE) 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.

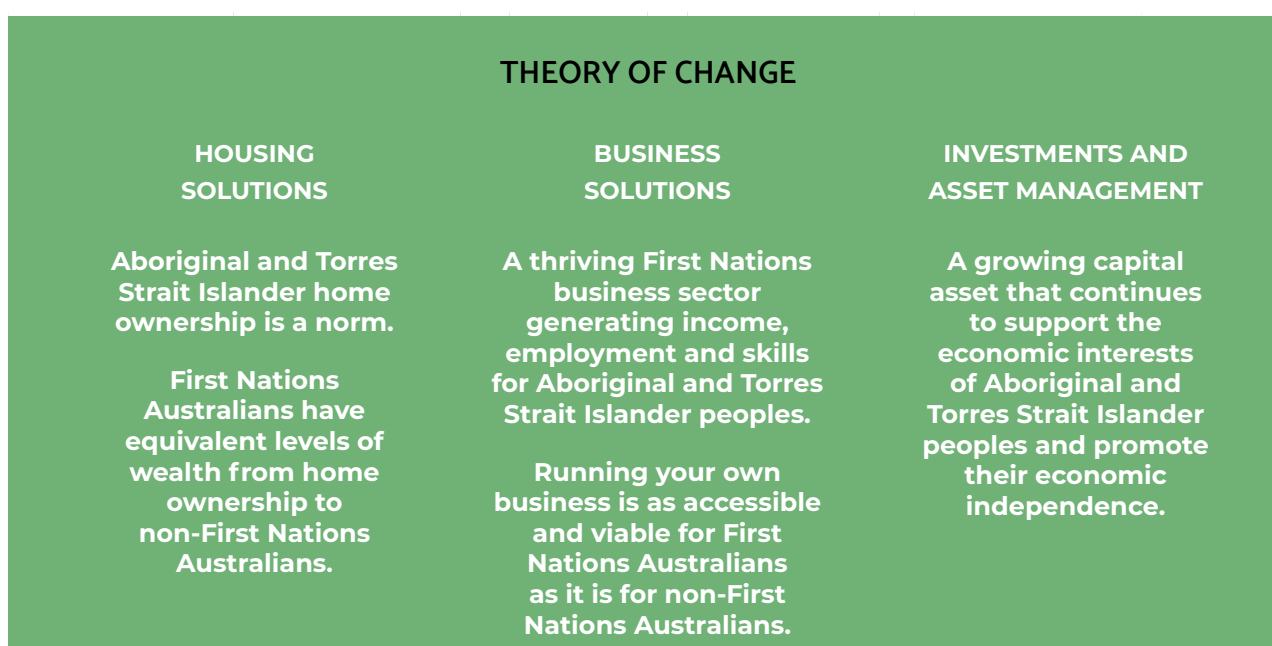
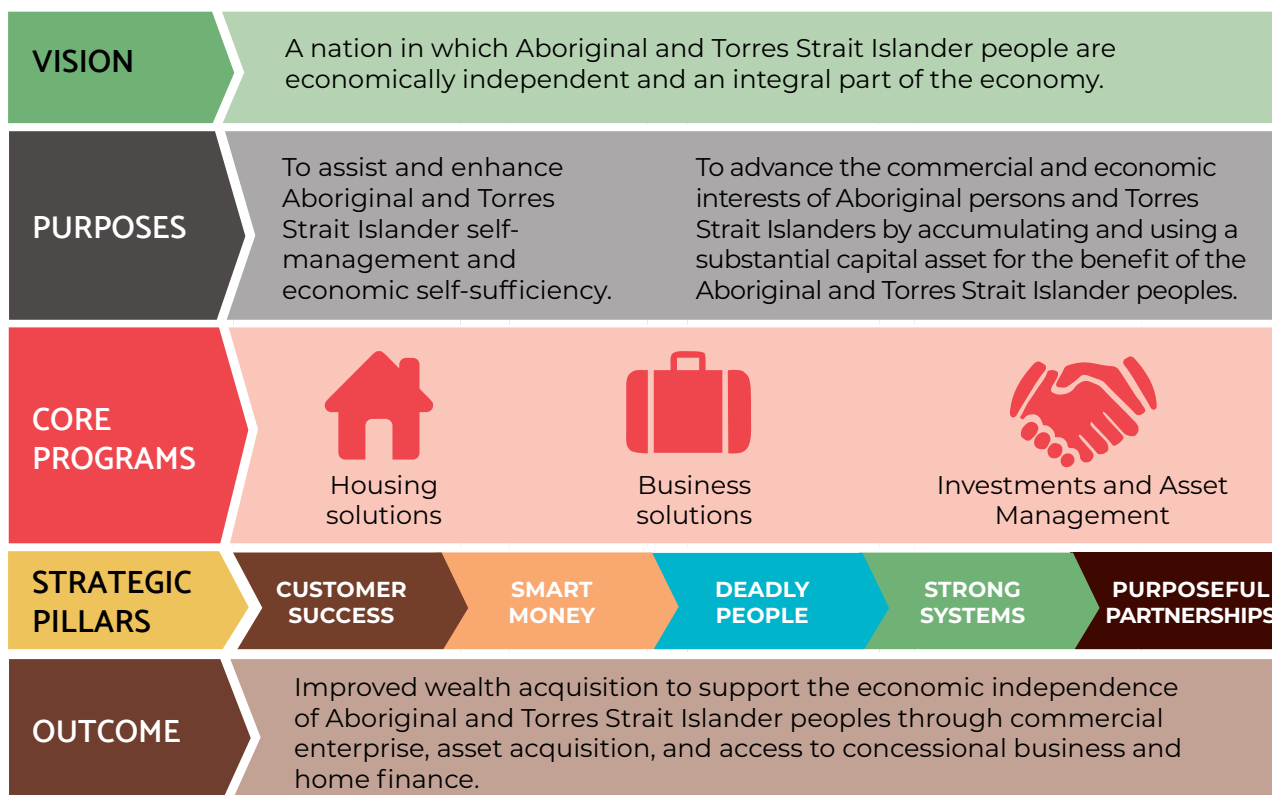
These purposes are included in the 2021–22 Corporate Plan and achieved through IBA's single portfolio outcome – to improve wealth acquisition and the economic independence of Aboriginal and Torres Strait Islander peoples. We do this via:

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

IBA is accountable to the Australian Parliament through the National Indigenous Australians Agency (NIAA) and the Minister for Indigenous Australians, the Hon. Linda Burney MP.



Nova (General Manager, Standley Chasm) and Rachel (IBA) at Angkele Atwatye (Standley Chasm) outside of Alice Springs on Arrernte Country.



DELIVERING ON 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 acknowledge, honour and recognise their 80,000+ years of continuing connection with this country. We pay our respects to all that exists above, within, and as part of, the world views of Aboriginal and Torres Strait Islander peoples in Australia. IBA believes in and supports economic self-determination as defined by our customers and the importance of redefining what success means through their perspectives and voices.

Through the delivery of our products and services, IBA focused on the strength and resilience of our customers. In doing so, we continued to facilitate greater economic participation as defined by Aboriginal and Torres Strait Islander peoples.

Since colonisation and the imposition of white settlement and systems, Aboriginal and Torres Strait Islander peoples have:

- been removed from their lands
- been denied the right to own property or operate businesses
- not earned equal pay
- faced ongoing prejudice, marginalisation and discrimination.

Exclusionary policies over 200+ years have:

- created barriers to opportunities to achieve self-management and economic self-sufficiency
- resulted in financial exclusion across nearly all income bands
- limited their ability to leverage assets, grow wealth and reach economic independence
- left many without financial, budgeting, or commercial experience to realise wealth creation opportunities.

Aboriginal and Torres Strait Islander people “are the only ethnic group in Australia, consistently associated with financial exclusion, irrespective of their location.”* This has caused a lack of intergenerational wealth transfer. Meaningful access to economic activity has only been made possible relatively recently. It is IBA's responsibility to improve economic participation, financial independence, and self-sufficiency alongside First Nations Australians. As a government entity, we are in a unique position to do this.

In 2021-22, IBA continued to challenge institutional stories about Aboriginal and Torres Strait Islander communities – rather than talking about imposing ‘solutions’ on ‘problems’, we focused on our customers’ capacity, positive contributions, resilience and successes. Doing so confirmed what we already know – Aboriginal and Torres Strait Islander peoples are entitled to a greater share of Australia's investment.

By providing access to capital, networks and skills that may otherwise be unavailable, IBA helped customers establish their own economic security, create jobs and grow wealth. We played a critical role in enabling Aboriginal and Torres Strait Islander peoples to achieve economic self-determination.

* ANZ (2004) Summary Presentation: Research on Financial Exclusion in Australia Financial Exclusion Summary Presentation.

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

CAPITAL FUNDING RECEIVED VS OVERALL INVESTMENT MADE

In the last five years IBA received \$266.5 million in capital from government to invest into the Indigenous Estate.

\$266.5
MILLION

In the last five years IBA invested \$1.4 billion into the Indigenous Estate.

\$1.4
BILLION

HIGHLIGHTS



* Total new home loans over five years.

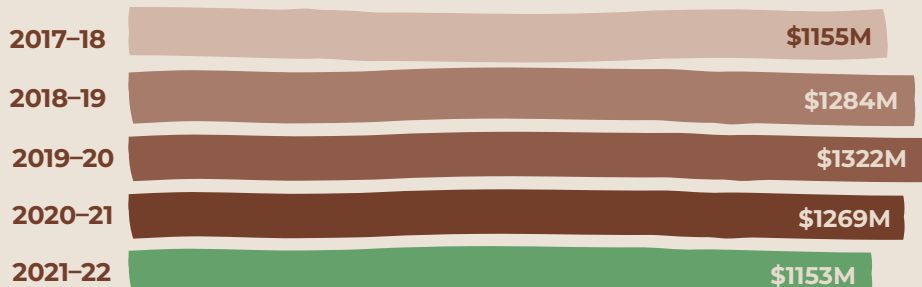
HOME OWNERSHIP
OUTCOMES OVER
FIVE YEARS*

**\$1.08
BILLION**



* As at 30 June of each financial year.

VALUE OF HOME LOAN PORTFOLIO



TOTAL LOANS IN PORTFOLIO

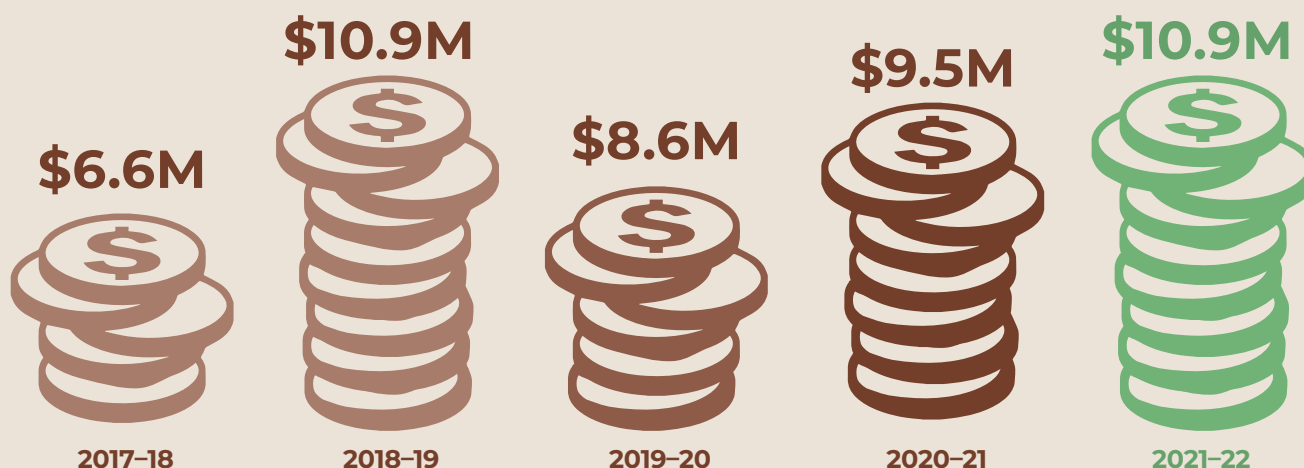
5037
5349
5364
5119
4617*

*The reduction in the value of home loan portfolio for this financial year is due to high levels of customers refinancing into mainstream lending, reduced number of home ownership outcomes approved due to unexpected rises in property pricing impacting affordability as well as COVID-19 impacts on financial stability of customers and the supply chain issues for construction.

HOME LOANS TO FIRST HOME BUYERS



ABORIGINAL AND TORRES STRAIT ISLANDER PROCUREMENT*



* Inclusive of IBA and its subsidiaries' Aboriginal and Torres Strait Islander procurement

APPROVED BUSINESS FINANCE
OVER FIVE YEARS

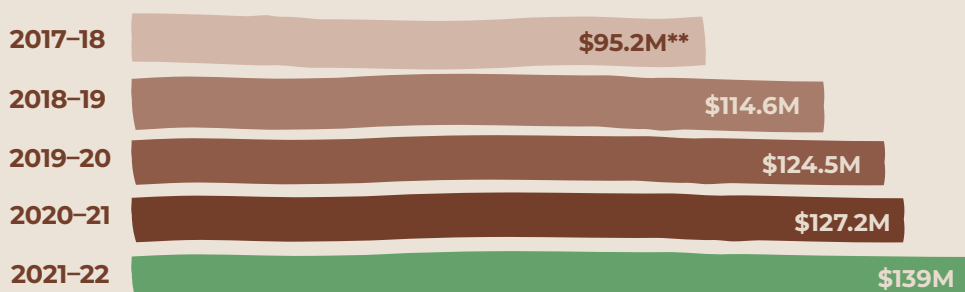
**\$280
MILLION**



1002 TOTAL BUSINESS
FINANCE CUSTOMERS
OVER FIVE YEARS



VALUE OF BUSINESS FINANCE PORTFOLIO*



* As at 30 June of each financial year.

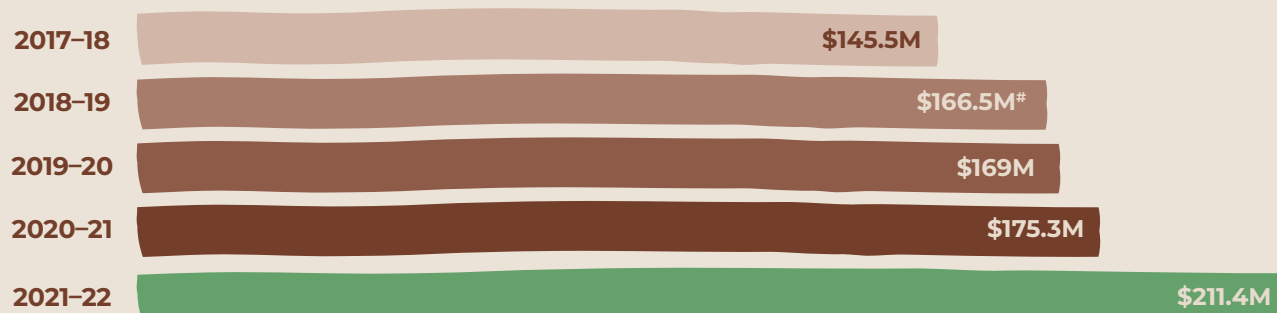
** Cash flow finance products were introduced in the 2017-18 financial year.

ABORIGINAL AND TORRES STRAIT ISLANDER EMPLOYMENT ACROSS THE IBA GROUP*



* IBA Group includes Aboriginal and Torres Strait Islander employees engaged by IBA, our subsidiaries and Business Solutions customers' businesses.

ABORIGINAL AND TORRES STRAIT ISLANDER EQUITY



Adjusted figure following review of calculation method.

OUR STRATEGY

In 2017, IBA commenced development of our current strategy 2018–23.

Launched in 2018, it guided us towards delivering more positive impacts across the economic, social and cultural aspects of our customers' lives while learning, and adapting the way we delivered our products and services.

In 2020, the disruption to business as usual and the impacts of the pandemic were unavoidable. Though delivering on our strategy was challenging, we are proud of the progress made in an evolving operating environment.

During 2020, our Board and Executive completed the mid-point review which resulted in the addition of our Purposeful Partnerships pillar. Against the backdrop of the pandemic, multiple natural disasters, geopolitical instability, and stressed markets and economies, IBA implemented several initiatives to ensure our customers and communities survived.

In the 2021–22 financial year, we continued to support our customers to stabilise, manage and recover from the economic impacts of COVID-19.

Overall, we remained on track to meet most of our ten strategic goals, noting the disruption caused by the pandemic and the impacts of economic and market changes.

As set out in the 2021–22 portfolio budget statements (PBS) under IBA's strategic direction statement, key areas of focus included:

- strict financial management to meet demand, given that demand has exceeded available capital over the long term
- ensuring customers' finance needs are met in an appropriate way
- identifying innovative ways to increase the amount of capital IBA can draw on to increase its lending capacity and therefore meet customer demand into the future
- establishing purposeful partnerships that improve customer and partner impacts
- continuing to roll out lending to support Aboriginal and Torres Strait Islander peoples to build new houses in regional Australia under the three-year, \$150 million equity injection announced in 2020–21
- understanding structural shifts in the economy and the impact of regional house prices on IBA's home lending customer base and what IBA can do to support these customers
- supporting our business customers who continue to be affected by the economic impacts of the COVID-19 pandemic, particularly those in the tourism, accommodation and hospitality sectors
- finding opportunities to co-invest with organisations in a rebounding economy, to further grow the Indigenous Estate and generate wealth for customers
- continuing to monitor the impact of IBA's activities and using this information to further amplify the positive cultural, social and economic impacts confirmed in our inaugural 2020 Impact Report
- providing improved customer experiences via the roll out of IBA's new core business information technology system, customer facing portal and data warehouse; and developing staff capability to use these new systems.



Yorta Yorta and Boonwurrung woman, Corina Muir, founded fashion label Amber Days - an ethical clothing brand that is a collaborative effort with other Aboriginal women. Image credit: Scott Cardwell/SBS.

OUR 5 PILLARS & PERFORMANCE AGAINST IBA'S 2018-23 STRATEGY

PERFORMANCE AS OF 30 JUNE 2022



CUSTOMER SUCCESS

We are a go-to agency for Aboriginal and Torres Strait Islander peoples, providing them with products and solutions designed for their success. We make ourselves available to support our customers and celebrate their success.

GOAL 1



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

CURRENT: 4,616

2023 TARGET: 5,000 CUSTOMERS

GOAL 2



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

CURRENT: 66,778

2023 TARGET: 70,000 PEOPLE

Assisting 70,000 people into safe and stable housing across IBA's lifetime.



DEADLY PEOPLE

IBA's employees are culturally capable, technically capable and deliver results. Our customers trust that our staff have the right skills and are the best people for the job.

GOAL 3



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

CURRENT: 27%

2023 TARGET: 40% INDIGENOUS EMPLOYMENT

CURRENT: 12.9%

2023 TARGET: 20% IN INDIGENOUS PROCUREMENT



SMART MONEY

Invest with our customers so their dreams become a reality. We will reinvest and build long-term wealth for Aboriginal and Torres Strait Islander communities.



GOAL 4

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



CURRENT: \$212M

2023 TARGET:
\$250M CO-INVESTMENT



GOAL 5

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



CURRENT: 67

2023 TARGET:
100 PARTNERSHIPS



STRONG SYSTEMS

Our customers' experience at IBA are positive and consistent.



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

GOAL 6

CORE BUSINESS SYSTEM SOLUTION IMPLEMENTED FOR HOUSING AND BUSINESS PROGRAMS, CLOUD INFRASTRUCTURE TRANSITION COMPLETED.



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

GOAL 7

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



PURPOSEFUL PARTNERSHIPS

GOAL 8

Partnership Framework implemented



GOAL 9

Partnership Strategy developed



GOAL 10

10+ Purposeful Partnerships in place



OUR PERFORMANCE

RESPONDING TO CUSTOMER NEEDS IN A NEW OPERATING ENVIRONMENT

During the 2021–22 reporting period, the world continued to face the ongoing effects of COVID-19 and Aboriginal and Torres Strait Islander peoples were no exception. Added to those challenges was Russia's invasion of Ukraine in February 2022 which, beyond the humanitarian challenges, has resulted in economic consequences – putting additional pressure on product shortages particularly in raw materials, energy and agricultural products. In addition, the ongoing effects of climate change affected weather patterns in Australia, with severe flooding in the first half of 2022 impacting many parts of the south east, bringing further supply chain issues. The scarcity of resources meant rising prices, with inflation soaring internationally and domestically. There was also significant property price growth across Australia throughout 2021, particularly in regional areas. Raw material shortages resulted in higher housing costs. To curb inflation, central banks around the world – including the Reserve Bank of Australia – raised interest rates for the first time in a decade.

IBA's customers were affected by these conditions and this impacted our ability to achieve what we planned in the fourth year of our current five-year strategy (2018–23). However, in line with our values, IBA implemented a number of urgent initiatives to minimise the negative impacts of these events on our customers which included:

COVID-19 Business Relief Package: Customers continued to make use of the COVID-19 Business Relief Package. It provided working capital assistance of up to \$200,000 via loan, grant or a combination of both. We expanded the eligibility criteria and provided a free Business Impact Assessment. Since inception of the package, 779 customers have directly benefited from this support.

Flood relief: Recognising the devastating consequences of successive flooding events in southern and eastern Australia, in 2022, IBA offered \$2,000 emergency flood relief grants to affected home loan customers and \$5,000 grants to business finance customers. By 30 June 2022, 144 households and businesses had accessed this support.

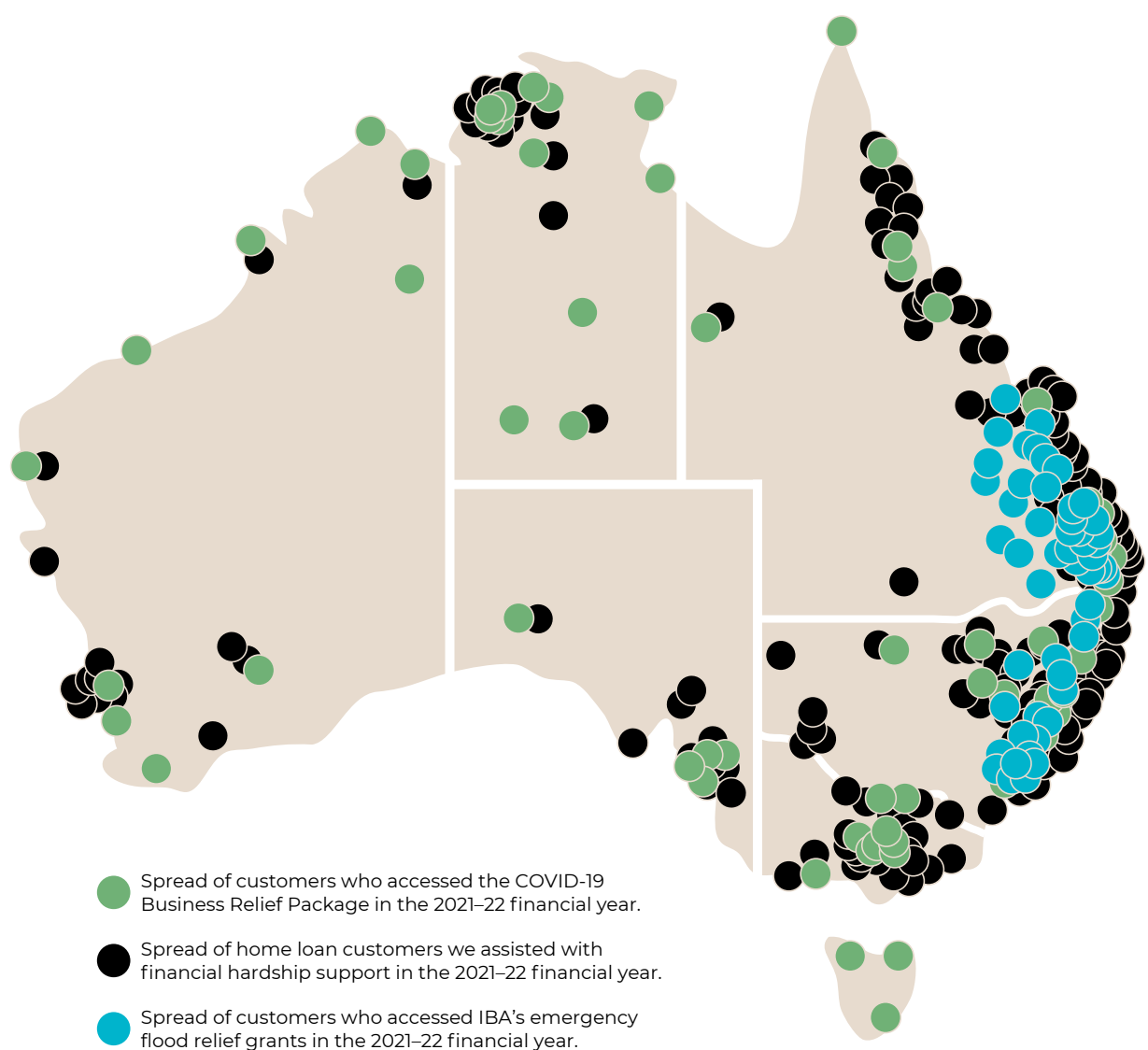
Financial hardship support: When the pandemic began in early 2020, IBA provided a temporary home loan interest rate reduction and freeze. Housing Solutions staff were also deeply engaged and connected with customers, supporting them with online tools and systems. Over the course of 2021–22, staff assisted 527 home loan customers with financial hardship support.

In addition to these initiatives, IBA progressed a number of projects designed to improve our understanding of customer experiences, community engagement, governance and decision making, digital readiness and continuous improvement. Highlights for the year included:

Community and Customer Experience: This was the first year of operation of the new Community and Customer Experience team. The team was formed in July 2021, consolidating Customer Complaints and Quality Assurance functions. It was designed to ensure the communities and customers we serve, felt heard and reflected in our work. It was also established to make sure their experiences with us were timely, respectful and consistently positive.

Analysis of feedback from complaints, customer satisfaction and social impact surveys, supported IBA to adopt a robust continuous improvement framework and ensure staff have the most up-to-date tools to deliver our suite of product and services. The application of these has led to significant improvements in how we manage and respond to customer complaints and feedback and improved resolution times. It helped us stay connected to our customers, promoting and fostering their economic empowerment and safety.

FIGURE 02: CUSTOMERS ACCESSING ADDITIONAL IBA SUPPORT



IBA makes continued efforts to improve service, seeking customer feedback via a confidential survey. We are proud of the most recent survey results where, across all three programs, we have exceeded our customer satisfaction targets. This highlights that our customers are feeling supported to achieve their goals.

We have adapted existing programs and introduced new initiatives.

Three key examples of this work include:

1. **Small business development** – The flagship, five-month *Accelerate with IBA* program assists Aboriginal and Torres Strait Islander businesses and entrepreneurs to establish their 'Mission', validate their target markets and establish a financial and operating model. In October 2021, having adapted this program for a virtual platform, we delivered it for the first time since COVID-19 struck in 2020. Nine First Nations business owners were able to connect, grow, harness resources and define their value proposition.
2. **Strong Women Strong Business (SWSB)** – Established in 2018, SWSB provides Aboriginal and Torres Strait Islander businesswomen and aspiring entrepreneurs access to formal and informal mentoring, capability development resources, business forums, and an online community network of over 2,000 First Nations women. In October 2021, in partnership with the Northern Territory Indigenous Business Network (NTIBN), we hosted the first in-person event since the pandemic began. The Alice Springs networking breakfast saw more than 60 NT-based First Nations businesswomen connect, share stories and strengthen their connections. We will continue driving and delivering face-to-face events this year to reconnect, expand and support SWSB.

3. **Domestic and family violence initiative** – IBA acknowledges the resilience of families and communities impacted by family violence and the importance of financial safety. We created a suite of training resources so our staff can support affected home lending and business customers. Tailored products, services and tools can assist customers who are impacted by, and/or moving on from, family violence situations.

Impact and continuous improvement: In 2021, IBA completed its second impact study while implementing actions in response to the 2020 recommendations from the first Impact Report (see Appendix E). IBA has finalised its Impact Report 2021–22 and will launch the report in partnership with the Minister in October 2022.

IBA developed a continuous improvement and business intelligence framework, as highlighted in our 2021–22 Corporate Plan. The framework combined impact, performance measurement and evaluation to efficiently gather extensive research to better serve First Nations communities. We are proud to be leading the way on how to achieve customer success. Insights from the framework help IBA continuously adapt the way we meet customers' needs and expectations, in particular by informing the next five-year strategy and corresponding corporate plans.

In 2022, we enter the final year of our current strategy, with our Board and Executive reviewing and evaluating our overall performance since 2018. We will continue to partner with customers – adjusting to living and working in the 'new normal', while meeting our mandate in a culturally informed way.

OUR OPERATING ENVIRONMENT

IBA's budget is communicated in the Commonwealth Portfolio Budget Statements (PBS) and Portfolio Additional Estimates statements process under the Prime Minister and Cabinet (PM&C) portfolio. Once approved by IBA's Board, it is incorporated in the PBS. However, most of IBA's operations are funded by self-generated revenue from home and business loan interest and returns from IBA's investment portfolios.

IBA receives Commonwealth appropriations to assist with the operations of our Housing Solutions division and receives an annual capital injection to use for lending. The capital injection covers only a small portion of the total amount we lend.

The Business Solutions program is funded via grant through the Indigenous Advancement Strategy and delivered under contract from the NIAA, also part of the PM&C portfolio. Up until 2015, IBA received a Commonwealth appropriation to deliver the Business Development and Assistance Program (BDAP).

Between the budget years 2011–12 and 2019–20, IBA received an average of \$36 million a year in Commonwealth funding for home and business loans. In 2021–22, we received \$89 million, which included \$56 million (of \$150 million over three years) to fund the new Regional Construction Lending program.

IBA's most recent Impact Report evaluated all three IBA programs and concluded they generate significant positive economic, social and cultural impacts with Aboriginal and Torres Strait Islander peoples, their families and the wider communities they serve. As a largely self-funded agency, our reinvestment model is a big driver of this success.

KEY CHALLENGES

IBA operates in a dynamic and rapidly evolving environment. As we live with the 'new-normal' created by the pandemic and begin to understand the impacts of global health measures for controlling its spread, the Australian and global economies are experiencing shifts, driven by modern technology and changing demographics. Volatile geopolitical crises are yet another influence.

In the year ahead, IBA's ability to support customers into home ownership will be directly impacted by internal and external factors. Internally, IBA will continue to monitor, review and make updates to policies, systems and processes that aim to improve efficiencies and deliver home ownership outcomes. Externally, our customers' ability to enter the housing market will be affected by changing economic and market conditions, rising interest rates and increasing cost of living pressures along with uncertain geopolitical situations.

As a result of this uncertainty, IBA has reviewed the past three years of home loans performance targets. From 2022–23 forward, IBA will set more realistic targets in response to those factors outside of our control. Each year, IBA is required to review our planned performance targets and will continue to monitor our progress.

IBA is not alone in facing such difficulties so, as part of our strategic plan review, we will assess and update our approach to partnerships as well as our core business. Equipped with valuable feedback from our staff, customers, partners and stakeholders, IBA will evaluate the way we approach, value and invest in First Nations-led and co-designed solutions. We will continue to demonstrate the power of action rather than reaction and focus on enhancing our thought leadership and advocacy in partnership with more Aboriginal and Torres Strait Islander organisations, businesses and individuals.

Our efforts are constrained by legislation although we continue to evolve, seek to support, and invest in more customers and their aspirations. Our inability to borrow and raise money is a strategic challenge and has a direct and restrictive impact on the customers and communities we serve. We manage legislative restrictions by working strategically across sectors to innovate and grow our networks, partnerships and collaborations. Evidence and experience inform our responses to economic challenges as we develop our stakeholder relationships for the benefit of customers.

While we have 'opened the door' for thousands of Aboriginal and Torres Strait Islander people, who want to own their own future, significant capacity constraints mean tens of thousands of potentially eligible First Nations Australians cannot access IBA products and services:

- At the 2016 Census, the First Nations home ownership rate was 33%, compared with 66% for the rest of Australia. Preliminary data from the 2021 Census is promising, revealing that the rate of home ownership for Aboriginal and Torres Strait Islander people has grown to 38%.
- First Nations business ownership rates are less than half those of non-First Nations Australians. This is not due to a lack of entrepreneurial talent, but because of the presence of discriminatory barriers and a resulting absence of viable pathways, resources and opportunities to activate great ideas into sustainable businesses.

CO-OPERATION: HOW IBA AND THE AUSTRALIAN GOVERNMENT CAN WORK TOGETHER

The August 2021 tabled report of the House of Representatives Standing Committee on Indigenous Affairs, recommended that:

the Australian Government remove legislative and other barriers that could impede Indigenous Business Australia from expanding its operations.

We expect the gap between demand and IBA's capacity to deliver will get even wider over the next decade unless change comes. IBA can expand opportunity for Aboriginal and Torres Strait Islander peoples to achieve their vision and goals, and grow their impact, if our capacity is expanded.

Our unique strength compared with other Government agencies, or indeed other commercial lenders, is our people – the wealth of experience we have in understanding and consistently delivering on the aspirations of First Nations Australians. We look forward to working collaboratively with Government to unlock IBA's potential.

An example of working with Government is through the proposed Help to Buy scheme, a shared equity model where the government will co-purchase a home with an eligible buyer, reducing the amount needed for a deposit.


This proposed scheme will invite 10,000 applicants per year who have at least 2% of the purchase price saved to borrow up to 40% of the purchase price of a new home and up to 30% for an existing home.

Shared equity loans are already operating in South Australia, Western Australia and Victoria through the Victorian Homebuyer Fund, to help would-be buyers get into the market. IBA believes that a partnered approach with Government could increase the number of eligible Aboriginal and Torres Strait Islander peoples.

OPPORTUNITIES

While IBA focuses on the final year of delivery under our current strategic plan, we are also turning our eye to 2023 and beyond so we can better understand the needs of our customers.

We aim to refresh our approach to identifying and responding to customer needs in a way that enhances our impact on their overall wellbeing and places First Nations economic self-determination and empowerment at the centre. We will continue to make meaningful and timely updates to organisational and operational strategies.

An aerial photograph of the Fitzroy River Lodge, a large complex of buildings with light-colored roofs, nestled within a dense, lush green forest. The sky above is a mix of orange, yellow, and blue, indicating a sunset or sunrise. The lodge's architecture features multiple gabled roofs and several solar panels are visible on the main building's roof. A swimming pool is partially visible on the right side of the lodge complex.

Leedal now 100% owns and
operates Fitzroy River Lodge after
20 years in partnership with IBA.



PART 03 ANNUAL PERFORMANCE STATEMENTS

STATEMENT OF PREPARATION	26
OUR PERFORMANCE FRAMEWORK AND PURPOSE	27
2021-22 PERFORMANCE SUMMARY AND ANALYSIS	28
HOUSING SOLUTIONS.....	28
BUSINESS SOLUTIONS	39
INVESTMENTS AND ASSET MANAGEMENT	52
IMPACT RELATED PERFORMANCE MEASURES.....	61

STATEMENT OF PREPARATION

On behalf of the Board of Indigenous Business Australia (the accountable authority), I present the 2021–22 Annual Performance Statements for Indigenous Business Australia (IBA). They have been prepared as required under section 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). In the Board's opinion, at the date of these statements and based on the material provided, the Annual Performance

Statements accurately present the performance of the entity for the 2021–22 reporting period and comply with subsection 39(2) of the PGPA Act.



Eddie Fry
Chair of IBA Board



Sharon Brindley (right) founded Coeee Cafe & Catering, then pivoted her business during Covid to launch Jala Jala Chocolates with an Indigenous twist.

OUR PERFORMANCE FRAMEWORK AND PURPOSE

IBA's budget and performance is managed through the annual PBS of the Department of the PM&C. Our purpose, planned outcomes, performance measures and targets are set out in the PBS and further described in our Corporate Plan. Our Business Solutions program has a funding agreement with the NIAA which further supplements our budget and performance framework.

IBA was established under the ATSI Act, which sets out our purpose:

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

This purpose was achieved through IBA's single portfolio outcome presented in our 2021–22 Corporate Plan and PBS.

Outcome 1: Improved wealth acquisition to support the economic independence of Aboriginal and Torres Strait Islander peoples through commercial enterprise, asset acquisition and access to concessional business and home finance.

To meet our purpose, we continued to deliver products and services for the benefit of Aboriginal and Torres Strait Islander peoples through:

1. **Housing Solutions** – to support Aboriginal and Torres Strait Islander peoples to own a home and build home equity
2. **Business Solutions** – to support Aboriginal and Torres Strait Islander peoples to start and grow a business that supports income, employment and economic independence
3. **Investments and Asset Management** – to support Aboriginal and Torres Strait Islander organisations to invest, grow their capital and build commercial capability.

Each division has a set of performance targets that measure how IBA is delivering outcomes against its purpose. They cover:

- the quantum of services and products delivered for customers (outputs)
- how well those outputs were delivered (quality and efficiency)
- what the benefits have been (outcomes and impacts).

Our approach is guided by targets set in IBA's PBS.

IBA's first Impact Report (refer Appendix E) increased our understanding of the social, cultural and economic impacts experienced by customers. We continued to support customers as we adjusted to living and working through global security, economic and pandemic challenges – meeting our mandate in a culturally informed and proficient way.

2021–22 PERFORMANCE SUMMARY AND ANALYSIS

Our performance results are outlined by IBA divisions (Housing Solutions, Business Solutions and Investments and Asset Management) and for IBA overall. They are summarised in tables and, where past data exists, trend analysis is provided.

HOUSING SOLUTIONS

Safe and secure housing is a key step in establishing economic independence and building inter-generational wealth. The Housing Solutions division contributes to IBA's purpose by supporting First Nations Australians to become homeowners. It educates customers preparing for their home ownership journey, provides home loans with low deposit requirements and flexible repayment terms and offers tailored customer support.

When the pandemic began in early 2020, IBA provided a temporary home loan interest rate reduction and freeze. Housing Solutions staff were also deeply engaged and connected with customers, supporting them with online tools and systems. Over the course of 2021–22, staff assisted 527 home loan customers with financial hardship support.

IBA customers were resilient and weathered the challenges of COVID-19. When faced with economic uncertainty, they made prudent decisions to protect and safeguard their financial wellbeing and continued providing stable environments for themselves and their families.

Consistent with recovery trends and 'bounce back' seen in the wider Australian economy, 2021–22 saw pandemic-related requests reduce significantly. By 30 June 2022, 86 per cent of customers were ahead on their home loan repayments. This buffer provides security for many Aboriginal and Torres Strait Islander families, as Australia finds its way through rising interest rates.

After the Queensland and New South Wales floods in 2022, IBA responded urgently to help impacted home loan customers, offering one-off \$2,000 flood relief grants and tailored financial hardship support. By 30 June 2022, Housing Solutions division had assisted 144 households.

It was another year of unprecedented demand from Aboriginal and Torres Strait Islander peoples wanting to become homeowners. Housing Solutions received 7,278 Expressions of Interest. We successfully pre-approved 616 customers, enabling them to start looking in the housing market. However:

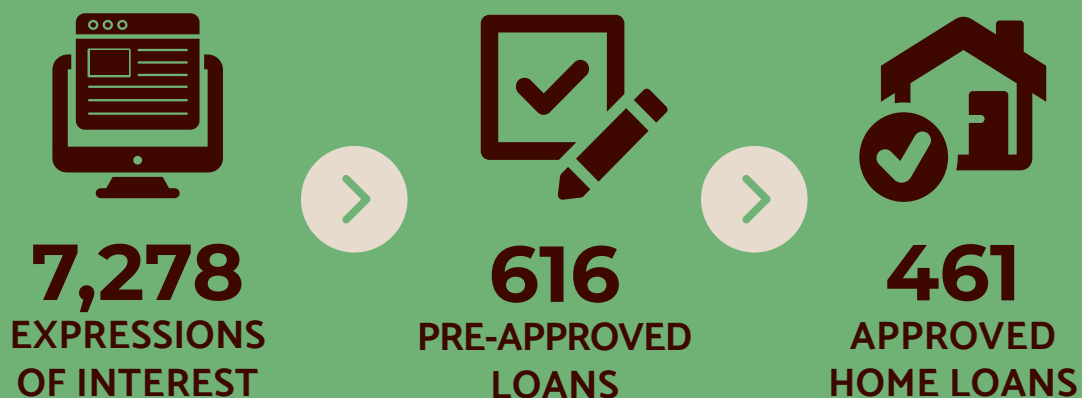
- Property prices continued to rise in 2021–22, particularly in regional areas where over 68 per cent of our new customers work and live. Some locations saw increases of up to 40 per cent, with many Australians relocating from cities to regional areas as more-flexible work arrangements opened up as a result of COVID-19.
- Home building was significantly delayed in all areas due to high demand for builders and tradespeople and shortages in building materials caused by pandemic-related and global supply chain issues.

These two factors challenged the ability of many of IBA's predominantly low to middle income, first home buyer customers to secure a suitable property.

Despite strong early demand for construction loans to buy land and build, customers often settled for an established home due to affordability and availability. These challenges were reflected in Housing Solutions' loan approvals. We approved 461 loans to buy a home, against a target of 560. The ongoing housing affordability crisis is having an acute impact. IBA continues exploring innovative ways to address barriers faced by our customers.

For First Nations families who did secure home ownership, there are measurable social impacts – generating a sense of pride, control in life, better quality living, ability to dream bigger for the future, confidence in their financial future and greater motivation at work. We invested in our customers, focusing on improving financial education and delivering capacity building workshops to help them along the journey. Workshop content included how to get ready to apply for a home loan, the responsibilities of home ownership and budgeting towards goals. This year, Housing Solutions delivered 73 online and face-to-face workshops, attended by 565 participants.

FIGURE 03: HOME LOAN CUSTOMERS



For existing customers, booming property prices created new home equity. This meant some homeowners refinanced with a mainstream bank to take advantage of competitive interest rates – we see this as a great success. In May 2021, IBA announced a strategic partnership with Australian Unity and Bank Australia, to help create accessible and simple pathways for customers looking to refinance. During 2021–22, 78 customers were referred to our banking partners to discuss their options, with IBA recording record levels of discharges.

In 2021–22, the following measures were used to assess IBA's housing performance against its purpose:

- number of home ownership outcomes approved
- percentage of approved customers that are first home buyers
- percentage of home customers who transition, or are supported, into mainstream lending
- number of people attending housing capability workshops
- percentage of home customers satisfied or very satisfied with IBA's service
- cost per dollar lent efficiency ratio for the home loan portfolio.

Pages 31–34 show IBA's achievements against the Housing Solutions targets set in the PBS. These measure delivery against our purpose in 2021–22.



Proud IBA home owners,
Keilan and Ryan.

Measure 1 Number of home ownership outcomes approved				
Source	2021-22 Corporate Plan p. 37, 2021-22 PBS p. 172			
Performance	Year	Target	Results	Achieved
	2021-22	560	461	x
	2020-21	N/A	448	-
	2019-20	N/A	454	-
	2018-19	N/A	688	-
Analysis	<p>The performance measure for home ownership outcomes in number (461) fell short of the annual target by 99 (17.68 per cent).</p> <p>While we received a significant number of Expressions of Interest, the conversion of enquiries to approvals was severely hampered by three factors.</p> <ol style="list-style-type: none"> 1. the decision to focus on the financial stability of our customers during COVID-19 lockdowns 2. unexpected rises in regional property prices that severely impacted affordability for our clients 3. scarcity of materials and qualified builders and tradespeople to carry out home constructions, caused by COVID-19 and related supply chain issues. <p>Despite difficult market conditions caused by COVID-19, we continued making home ownership a reality for many Aboriginal and Torres Strait Islander peoples this year, assisting 461 families to buy homes. This exceeds the previous year's results (448 in 2020-21). With pre-approvals of 616 for 2021-22, Measure 1 would have been exceeded without the challenging market conditions throughout the period. Over the life of the program, IBA has helped more than 20,800 families to own a home.</p> <p>Demand from Aboriginal and Torres Strait Islander peoples wanting to become home owners continued during 2021-22 with 7,278 Expressions of Interest received (8,490 in 2020-21).</p> <p>Note: In the 2021-22 Corporate Plan, IBA changed the metric for measurement for measure from a dollar value to a numerical number for the number of loans issued. The change ensures that IBA can report the direct impact of its activities on the number of First Nations households that it supports. Continuing to report a dollar value for measure one would not account for the effects of asset price inflation over recent years.</p>			

Measure 2 Percentage of approved customers that are first home buyers				
Source	2021–22 Corporate Plan p. 37, 2021–22 PBS p. 172			
Performance	Year	Target	Results	Achieved
	2021–22	90%	95.44%	✓
	2020–21	90%	95.80%	✓
	2019–20	90%	95.20%	✓
	2018–19	90%	95.10%	✓
Analysis	By owning their own home, Aboriginal and Torres Strait Islander families have access to secure and stable housing and build critical inter-generational wealth. Often, our customers are not just first home buyers but also the first in their family to ever own a home. This is a catalyst for a greater social impact through economic participation and inter-generational wealth building. This year, we assisted 440 first home buyers (95.44 per cent of total approvals) into home ownership. We have consistently met this performance target, with over 95.39 per cent of our customers being first home owners in the past four years.			

Measure 3 Percentage of Indigenous home customers who transition, or are supported, into mainstream lending				
Source	2021–22 Corporate Plan p. 37, 2021–22 PBS p. 172			
Performance	Year	Target	Results	Achieved
	2021–22	4.5%	13.1%	✓
	2020–21	4.5%	7.4%	✓
	2019–20	4.5%	4.8%	✓
	2018–19	4.5%	6.4%	✓
Analysis	We have exceeded the target for transitioning customers to mainstream lenders, supporting 13.1 per cent (732 customers) in this journey either at the outset through a split lending arrangement with another lender or through customers refinancing their IBA home loan with a mainstream lender. When a customer discharges their IBA home loan early, we can re-lend the released loan capital to support more Aboriginal and Torres Strait Islander families into home ownership. Rising property prices have had a positive effect by raising the equity value of existing home loan customers' properties. Our loan discharges for the year were at a historically high level of 973 loans, compared to 629 in 2020–21 and 467 in 2019–20. To further smooth the pathway for refinancing customers, IBA announced a strategic banking partnership with Australian Unity and Bank Australia last financial year.			

Measure 4 Number of people attending housing capability workshops				
Source	2021-22 Corporate Plan p. 38, 2021-22 PBS p. 172			
Performance	Year	Target	Results	Achieved
	2021-22	500	565	✓
	2020-21	500	611	✓
	2019-20	-	-	-
	2018-19	-	-	-
Analysis	<p>IBA's Homes capability workshops are aimed at better preparing customers for the costs of home ownership through, for example, learning how to navigate financial matters to make informed financial decisions and to prepare for financial commitments once they own a home. This aligns directly with our purpose to assist customers in gaining economic self-sufficiency. Whilst the target was exceeded, workshop activities remained online only with interest in the online workshop format by Homes customers diminishing in FY 2021-22 from the previous FY. We delivered 73 workshops to 565 customers against the target of 500 customers attending the workshops.</p>			

Measure 5 Percentage of home customers satisfied or very satisfied with IBA's service				
Source	2021-22 Corporate Plan p. 38, 2021-22 PBS p. 172			
Performance	Year	Target	Results	Achieved
	2021-22	80%	92%	✓
	2020-21	80%	89%	✓
	2019-20	-	94%	-
	2018-19	-	92%	-
Analysis	<p>IBA continuously makes efforts to improve our service by seeking feedback via a confidential customer satisfaction survey. A survey was conducted in September 2021 for customers who interacted with IBA between October 2020 and June 2021. We achieved our customer satisfaction target with 92 per cent of customers indicating they were either satisfied (12 per cent) or very satisfied (80 per cent) with IBA's service.</p> <p>Note: Refer to Appendix C for IBA's customer satisfaction survey methodology.</p>			

Measure 6 Cost per dollar lent efficiency ratio for the home loan portfolio				
Source	2021-22 Corporate Plan p. 38, 2021-22 PBS p. 172			
Performance	Year	Target	Results	Achieved
	2021-22	Less than 1.11%	0.96%	✓
	2020-21	Measure to be piloted and target to be developed	Target was developed and piloted	✓
	2019-20	-	-	-
	2018-19	-	-	-
Analysis	For 2021-22, we introduced a new performance measure for determining the cost efficiency of our program delivery. We met the target.			



IBA staff connecting at the Australian Housing and Urban Research Institute (AHURI) National Housing Conference 2022.

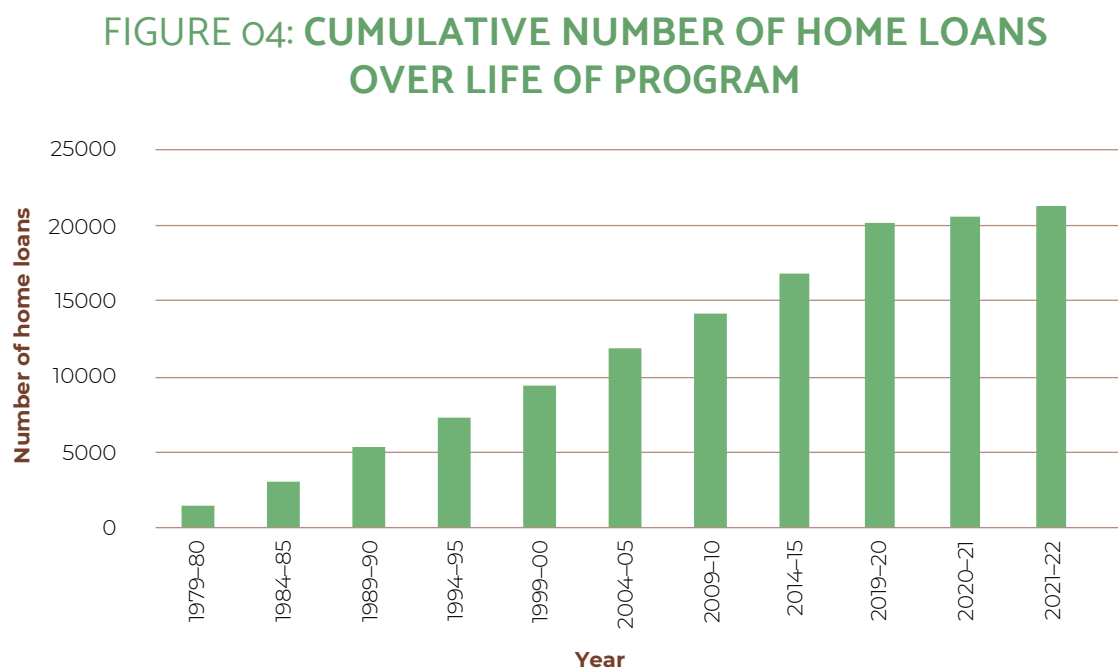


FIGURE 05: HOUSING LOAN APPROVALS BY ACCESSIBILITY AND REMOTENESS INDEX OF AUSTRALIA (ARIA) FOR FY2021-22

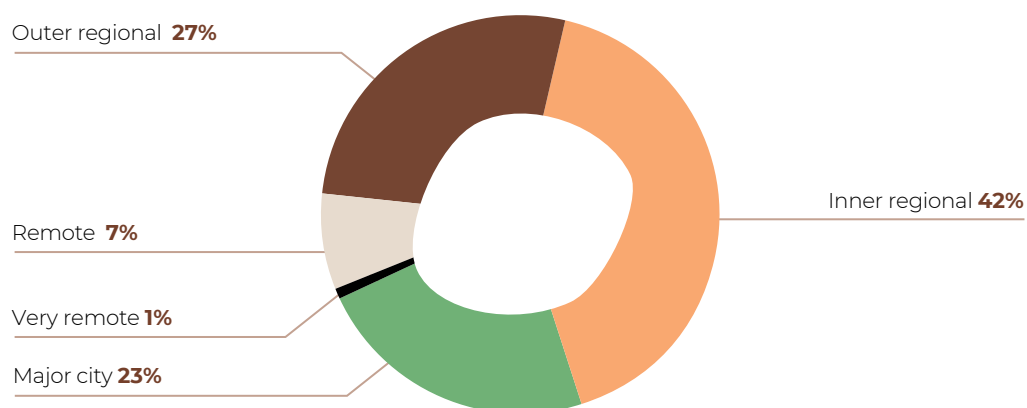


FIGURE 06: ACTIVE HOUSING LOANS, VALUE AND NUMBERS

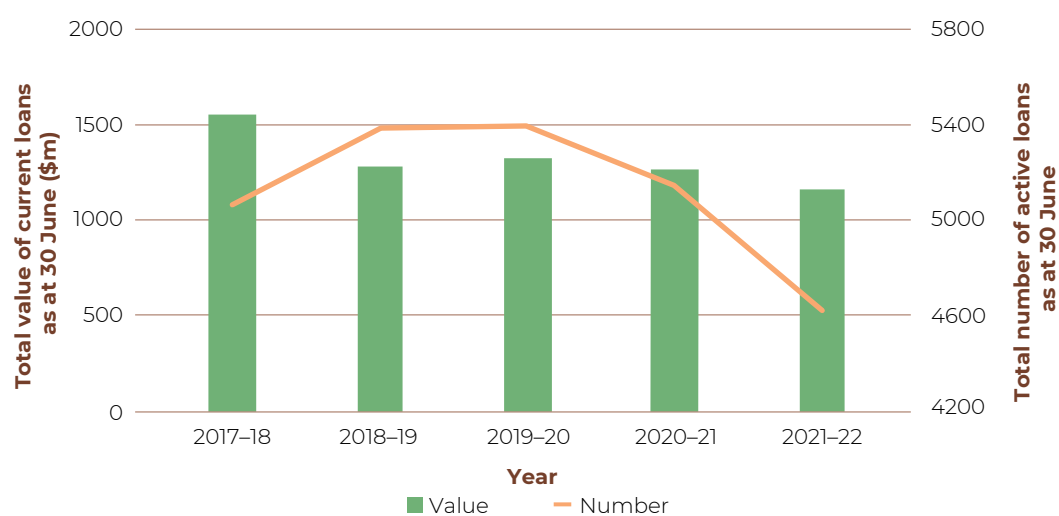


FIGURE 07: CUSTOMERS' SATISFACTION ABOUT IBA HOME LOAN PROCESS



HOUSING SOLUTIONS: BRIANNA AND JAMES

The thought of buying a stable home for their blended family of seven seemed like a distant dream for Palawa couple, Brianna and James. James owned property in the past. Brianna left her previous relationship with mountains of debt and a bad credit rating. The couple assumed that getting their own place was out of reach. That was until a family member introduced them to IBA. With their goal in mind and IBA's support, they started their journey to home ownership. Now they are proof that anything is possible with the right plan.

Once they learned about IBA, Brianna and James jumped onto our website to explore the requirements. They worked out what areas they needed to improve on before applying for a home loan then laid out the steps they'd need to get there.

IBA's workshops on budgeting and preparing for home ownership encouraged them to create a two-year plan. Cutting expenses and sticking to a budget were top priorities. They started by paying down their smaller debts and then moved on to tackling the bigger ones.

'We buckled down and started saving money and cutting costs everywhere we could,' says Brianna.

'We would call our utility providers regularly to make sure we were getting the best rate. We'd do up and sell old furniture; wherever we could make or save money we would.'

Within two years, their finances were back on track and the couple's dream.

'The day we were approved, we found the perfect block of land. We rang the agent to enquire the next day and we bought. Everything just fell into place perfectly.'

Brianna says that cutting costs and living on a strict budget was worth it.

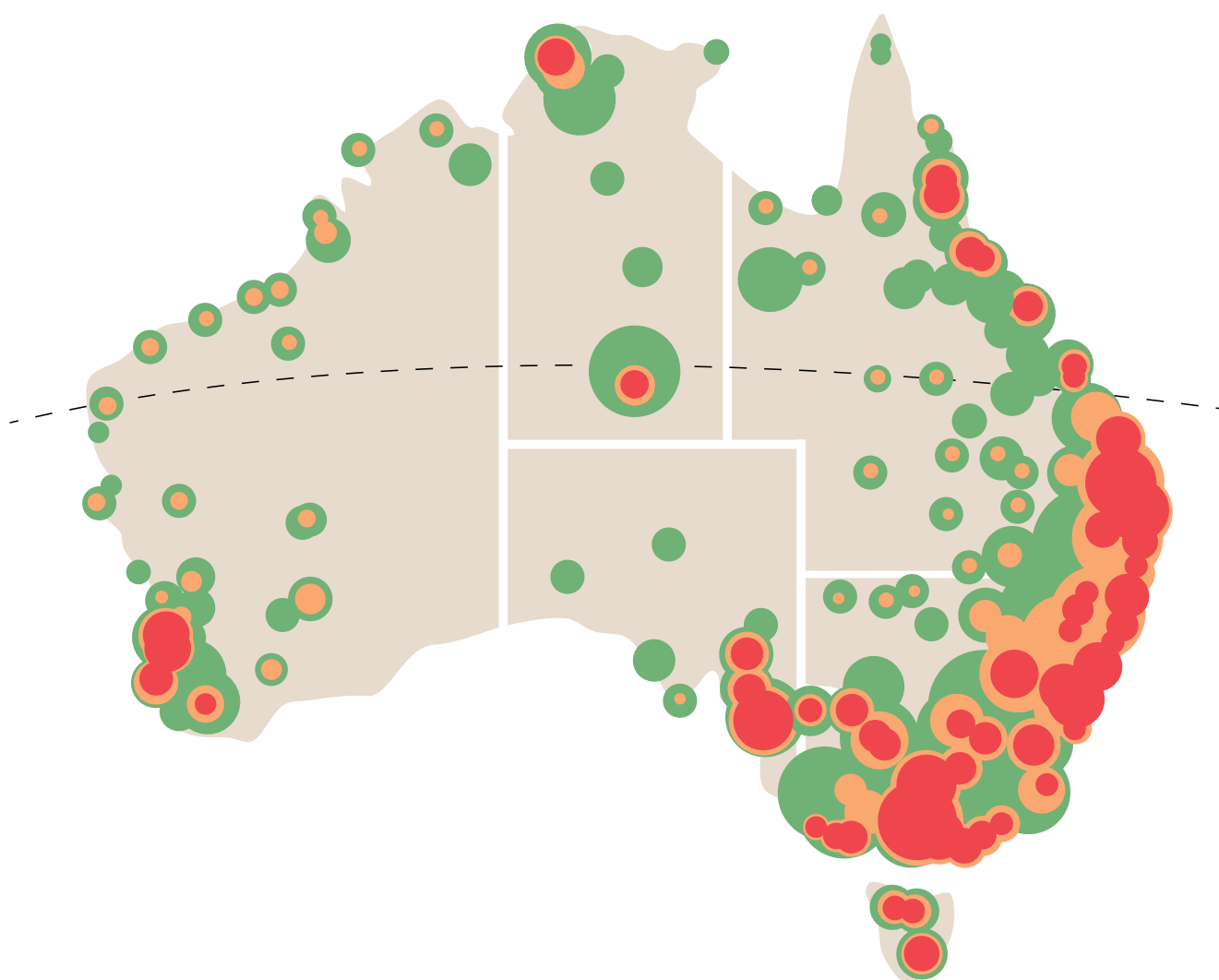
'Owning our own home brings a new chapter. It provides a stable roof over our kids' heads and somewhere they know they can always call home. It also teaches them that anything is possible if you put your mind to it.'

'With everything that has happened in our past, we never thought this would be possible. We thought we'd be renting for the next six years. We wouldn't be here without the help of IBA.'

June didn't come quickly enough for the family of seven. They finally got the keys to their brand new, freshly built home – with room for everyone.



FIGURE 08: GEOGRAPHICAL DISTRIBUTION OF
ACTIVE HOUSING LOAN PORTFOLIO AS AT 30 JUNE 2022



BUSINESS SOLUTIONS

The Business Solutions program contributes to IBA's purpose by delivering a range of finance products – including loans, equipment finance and cash flow finance products – as well as business support services and initiatives to assist First Nations Australians to start, develop or grow their own successful businesses. These owner-operated businesses play a significant role in improving employment outcomes, financial independence, self-determination and resilience, along with building inter-generational wealth.

The ongoing economic challenges of the COVID-19 pandemic continued to impact the First Nations business sector over the year. The Business Solutions program stayed focused on connecting with and supporting new and existing Aboriginal and Torres Strait Islander customers to review and stabilise their operations or to adapt, re-imagine, and grow their businesses in new directions as economic conditions and opportunities emerged.

In addition to providing COVID-19 relief, grant support was provided to customers navigating the impacts of catastrophic floods in northern New South Wales and south east Queensland. Business Solutions also helped customers weather the increasing uncertainty of Australia's economic forecast. Despite an annual inflation increase (5.1 percent in March 2022) and the Reserve Bank of Australia's cash rate increases (reaching 0.85 per cent by the end of the 2021–22), IBA did not pass on extra costs.

Business Solutions ensured that customers continued building their capability and expertise, regardless of circumstances or customer location – offering training and skill development opportunities online, as well as through business workshops and partnerships. (See Business Solutions Partnerships on page 51 for more details.)

These measures were used to assess IBA's Business Solutions program performance against its purpose in 2021–22:

- four-year survivability of IBA supported business loan customers
- value of business finance approved
- number of people attending business capability workshops
- percentage of business customers satisfied or very satisfied with IBA's service
- efficiency measures in delivering loan portfolio outcomes.

Pages 40–43 show IBA's achievements against the Business Solutions targets set in the PBS. These measure delivery against our purpose in 2021–22.

Measure 7 Four-year survivability of IBA supported business loan customers					
Source	2021–22 Corporate Plan p. 39, 2021–22 PBS p. 172				
Performance	Year		Target*	Result	Achieved
	2021–22	0–4 employees	63%	85%	✓
		5–19 employees	78%	88%	✓
		20–199 employees	83%	100%	✓
		200+ employees**	88%	-	-
	2020–21	0–4 employees	63%	75%	✓
		5–19 employees	78%	95%	✓
		20–199 employees	83%	100%	✓
		200+ employees**	88%	-	-
	2019–20	0–4 employees	63%	69%	✓
		5–19 employees	78%	94%	✓
		20–199 employees	82%	100%	✓
		200+ employees**	87%	-	-
	2018–19	0–4 employees	69%	46%	✗
		5–19 employees	78%	89%	✓
		20–199 employees	82%	100%	✓
		200+ employees**	86%	-	-
Analysis	<p>IBA has continued to achieve this performance target as its products and services are utilised to sustain our customers' businesses. This indicator measures the survivability of business customers who took out an IBA business loan and maintained their business for a four-year period to 30 June 2022. The results are calculated for four categories using employee numbers and are compared to the Australian average.</p> <p>The results demonstrate that our business loan customers in each category have remained viable, stable and committed to their businesses. Positive results for all categories also reflect IBA's responsible approach to lending and additional tailored customer support compared to other lenders.</p> <p>*Australian average business survivability by employment category, as reported by the Australian Bureau of Statistics over four years to 28 February 2022 (the most recent estimate).</p> <p>**IBA had no business customers with 200 or more employees over the reporting period.</p>				

Measure 8 Number of business customers financed				
Source	2021-22 Corporate Plan p. 39, 2021-22 PBS p. 172			
Performance	Year	Target	Results	Achieved
	2021-22	193	250	✓
	2020-21	N/A	316	-
	2019-20	N/A	249	-
	2018-19	N/A	206	-
Analysis	<p>IBA was able to maintain its performance on business finance approvals despite the impacts of COVID-19 and the recent floods in northern NSW and QLD. The result was achieved through the provision of various business finance products. Details below:</p> <ul style="list-style-type: none"> • 100 standard business loans • 9 invoice finance • 13 performance bonds • 6 producer offset loans • 13 leasing finance • 109 COVID-19 Business Relief Packages. <p>In the 2021-22 Corporate Plan, IBA changed the metric for measurement for measure from a dollar value to a numerical number for the number of loans issued. The change ensures that IBA can report the direct impact of its activities on the number of First Nations businesses that it supports. Continuing to report a dollar value for measure eight would not account for the effects of asset price inflation over recent years.</p> <p>The target for 2022-23 will see a decline to reflect the practical impact of the cessation of the COVID-19 Business Relief Package.</p>			

Measure 9 Number of people attending business capability workshops				
Source	2021–22 Corporate Plan p. 39, 2021–22 PBS p. 172			
Performance	Year	Target	Results	Achieved
	2021–22	500	702	✓
	2020–21	500	502	✓
	2019–20	-		-
	2018–19	-		-
Analysis	<p>Due to COVID-19, this year we moved the majority of our workshops online so we could continue providing training and skills development opportunities to our customers. Some of the workshops we delivered included:</p> <ul style="list-style-type: none"> • 'Business Essentials' – a series that builds business acumen and prepares start-up customers for business • Xero program – developed in partnership with a third-party subject matter expert to build financial management and bookkeeping skills • Procurement workshops – provides customers with an overview of the Indigenous procurement policy (IPP) and how to respond to procurement opportunities. <p>Despite the ongoing environmental difficulties, we were able to reach our target following a successful promotional strategy that increased attendance and met the ongoing demand for IBA's capability development workshops, supporting 702 business entrepreneur participants to attend workshops. This is a significant increase of 40 per cent from last year when we assisted 502 people.</p>			

Measure 10 Percentage of customers satisfied or very satisfied with IBA's service				
Source	2021-22 Corporate Plan p. 40, 2021-22 PBS p. 173			
Performance	Year	Target	Results	Achieved
	2021-22	80%	86%	✓
	2020-21	80%	85%	✓
	2019-20	-	-	-
	2018-19	-	-	-
Analysis	<p>This performance target measures the overall satisfaction of customers who went through the end-to-end business finance application process, including those affected by the COVID-19 pandemic who received our Business Relief Package. 86 per cent of customers indicated they were either satisfied or very satisfied with IBA's service, 6 per cent above target:</p> <ul style="list-style-type: none"> • 90 per cent of Business Relief Package customers were satisfied or very satisfied with IBA's services • 84 per cent of customers in the broader Business Solutions program were satisfied or very satisfied with IBA. <p>Note: Refer to Appendix C for IBA's customer satisfaction survey methodology.</p>			

Measure 11 Cost per dollar lent efficiency ratio for the business finance portfolio				
Source	2021-22 Corporate Plan p. 40, 2021-22 PBS p. 173			
Performance	Year	Target	Results	Achieved
	2021-22	Less than 10%	8.5%	✓
	2020-21	Measure to be piloted and target to be developed	Target was developed and piloted	✓
	2019-20	-	-	-
	2018-19	-	-	-
Analysis	For 2021-22, IBA introduced a new performance measure for gauging program delivery efficiency, with a positive efficiency measure being delivered.			

BUSINESS SOLUTIONS: NGARGA WARENDJ



Mick started his family business because he wanted to create authentic quality artwork that shares his culture with the world.

Taungwurrung Kulin man, Mick Harding, is on a life-long journey to connect with his Aboriginal heritage and culture. He and his family produce authentic Aboriginal art products at their home studio in Gippsland. Their business is called Ngarga Warendj which means 'dancing wombat'.

Mick started the family business creating quality wooden pieces like clapsticks, boomerangs and shields. He was inspired by his passion for creating artwork that express his connection to Country, and sharing this with others.

'I started by making Aboriginal artefacts, like boomerangs and shields. And then it grew to drawing and applying the artwork on all kinds of different items as giftware. It is all based around our traditional symbols and the stories behind those traditional symbols, but I'm just doing it in a current day setting.'

IBA supported Mick and his family in making their vision a reality by working with them to produce a business plan and also providing start-up loan and grant funding. The money helped the business in general, but specifically, made it possible for Mick to buy a high-tech laser cutter. It meant his family could be directly involved in the manufacturing process. This helped reduce production costs and expand Ngarga Warendj's market reach.

Family is of foremost importance to Mick. And now he can work with them, while also using his art to help heal Country, himself and his community.

BUSINESS SOLUTIONS, PERFORMANCE INDICATORS UNDER CONTRACTUAL AGREEMENTS WITH NIAA

Business Solutions' performance framework contains key performance indicators (KPIs) as set out under the Business Solutions Program agreement and the COVID-19 Indigenous Business Relief Package (IBRP) agreement with NIAA. Performance against these KPIs is presented on the following pages.

To assist our business customers with managing the impact of COVID-19, in 2019–20, IBA developed a \$50 million COVID-19 IBRP with NIAA.

The purpose of the IBRP was to complement the Australian Government's economic response to COVID-19. The IBRP focuses on assisting small to medium First Nations businesses and the numerous jobs of Aboriginal and Torres Strait Islander people that these businesses create and support. The package continued to support our customers throughout 2021–22.

While these KPIs are not part of the performance measures in the PBS or Corporate Plan, we are reporting them to provide additional information.

**TABLE 01: BUSINESS SOLUTIONS, CONTRACTUAL AGREEMENT
PERFORMANCE INDICATORS FOR 2021–22**

No.	Key performance and indicator target	Annual target	Result	
M1	Number and proportion of Indigenous people employed in delivery of the project (KPI is mandatory under the Indigenous Advancement Strategy)	The number of Indigenous people employed in the delivery of this project should reflect the overall proportion of Indigenous staff employed by the provider	32%	✓
D106.01	Number of Individual businesses and organisations (customers) who receive IBA capability development or other support (Internal Support)	450	529*	✓
	Number of individual businesses and organisations (customers) who receive IBA capability development or other support (External Support)			
P106.07	Regional/remote participation in service at least 30 per cent of financed businesses are classified as regional/remote	30%	57%	✓
D105.01	Number of Individual financed businesses and organisations (customers in the reporting period)	80	105	✓
	Regional/remote participation in service at least 30 per cent of supported businesses are classified as regional/remote	30%	70%	✓
* Count of customers does not remove duplicate customers that occur across quarters or across internal and external customer segments, consistent with NIAA reporting requirements.				

No.	Key performance and indicator target	Annual target	Result	
D105.2	Total capital provided to financed businesses and organisations (customers) in the reporting period	\$9.180M	\$17.70m	✓
D106.04	Number of third parties with whom a collaborative partnership has been formed	6	7	✓
A6	Business survival rates of IBA loan recipients: Meets or exceeds Australian survival rates for businesses with **	Survivability Target	Result	
		0–4 employees 63%	85%	✓
		5–19 employees 78%	88%	✓
		20–199 employees 83%	100%	✓
		200+ employees 88%	N/A***	N/A
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 (1600)	2298	✓
		Quarterly reporting will include female registered users of SWSB platform (150)	747	✓
	Maintain the Strong Women Strong Business (SWSB) Facebook group and platform and establish two partnerships designed to support women in business on Country	2	2	✓
P106.08	Quality of support****	80% of supported customers are satisfied with the level of support received	84%	✓
P106.06	Participation in services	80% of customers are defined as early-stage customers or pre-bank customers	96%	✓
<p>** The results are calculated for four categories using employee numbers and compared to the Australian average. Australian average business survivability by employment category, as reported by the Australian Bureau of Statistics over four years to 28 February 2021 (the most recent estimate).</p> <p>*** IBA had no business customers with 200 or more employees over the reporting period.</p> <p>**** The customer satisfaction rating is the overall satisfaction of customers who went through the end-to-end business finance application process.</p> <p>Note: Refer to Appendix C for IBA's customer satisfaction survey methodology.</p>				

**TABLE 02: BUSINESS SOLUTIONS, BUSINESS RELIEF PACKAGE
PERFORMANCE MEASURES AS AT 30 JUNE 2022**

No.	Performance measures	Since inception to: (30 June 2022)
1	Total number of enquiries received to date from existing IBA customers	665
2	Total number of enquiries received to date from new to IBA customers	1408
2	Total value of working capital support approved to date	\$32.0m
3	The average monetary value of working capital support provided	\$89,690 (Loan/grant mix) \$50,708 (Grant)
4	Total number of services provided to customers	
4a	External support	113
4b	Loans only	0
4c	Grants only	54
4d	Loan and grant mix	302
5	The number of Indigenous jobs that have been supported to date	1,552

No.	Key performance indicators	Target	Results since inception to 30 June 2022	Achieved
A	Number of rapid business situation assessments conducted to date	850	779	✗
B	Average time taken from referral for rapid business situation assessment to its delivery	7 days	23 days *	✗
C	Average time taken to assess and process applications for working capital support	10 days	11 days	✗
D	Customer satisfaction	80%	90%	✓
E	The percentage of customers that have received business support or working capital support, and are still operating as at the project end date. (Meets or exceeds the Australian survival rates for businesses of a comparable size.)	1–4 employees	90%	✓
		5–19 employees	100%	✓
		20–199 employees	100%	✓
		200+ employees	N/A	N/A

* Getting customers through the impact assessment process was a challenge, due to the level of information required by the program's assessment partners. From 1 December improvements were made to the way customer engagement is tracked, which cut the process down to seven days. However, due to historical reporting constraints, the target was not met.

Throughout 2021–22 we continued to offer the Indigenous Business Relief Package (IBRP), committing \$13.8 million, assisting 225 customers to access 296 services across working capital, Business Impact Assessments, and tailored focused business supports. These support services were designed to enable Indigenous businesses to access emergency funding and build capability to understand pandemic impacts and/or identify new opportunities and business models.

Since the IBRP's inception in April 2020, IBA has delivered 356 loan and grant packages valued at \$32 million and assisted 779 Indigenous businesses that IBA had not worked with previously. In addition to this special assistance, we continued 'business as usual' service delivery, providing 280 finance products valued at \$68 million and 529 different forms of business support and skills development.

FIGURE 09 : VALUE OF BUSINESS FINANCE APPROVED DURING THE FINANCIAL YEAR

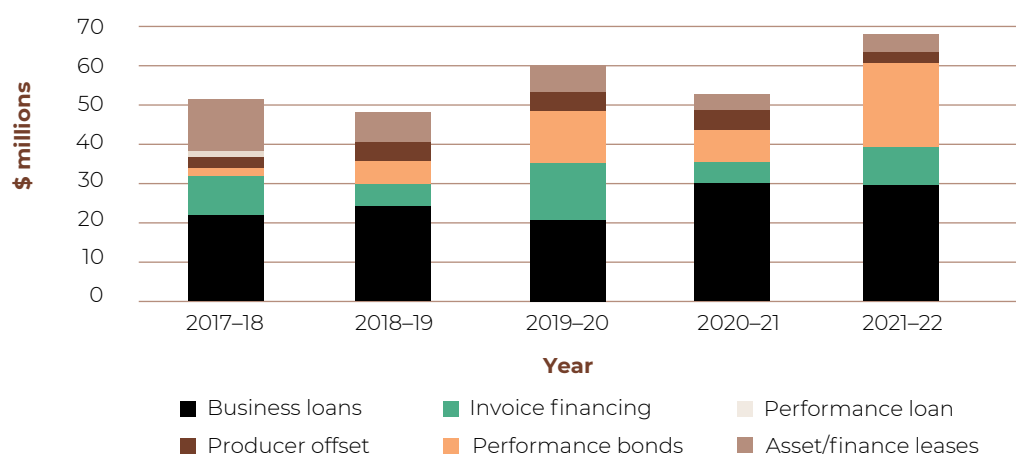


FIGURE 10: BUSINESS LENDING PORTFOLIO

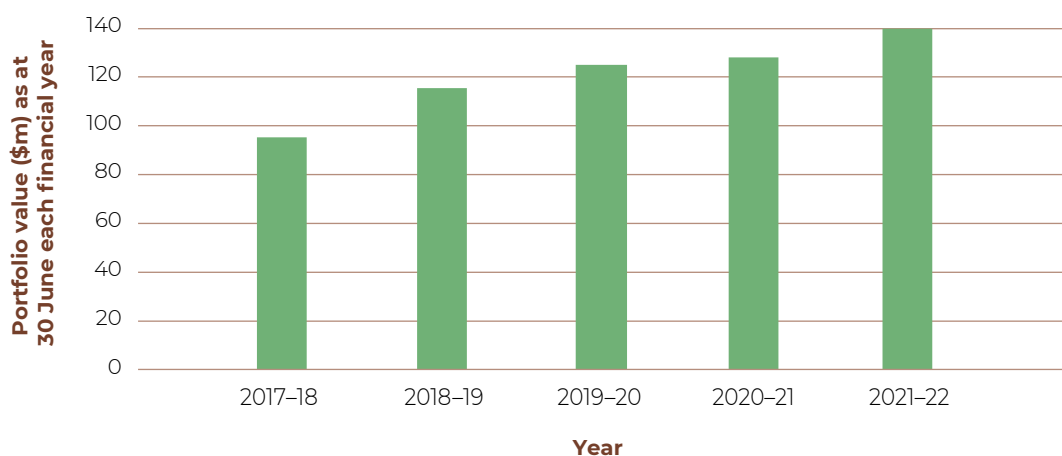


FIGURE 11: GEOGRAPHICAL DISTRIBUTION OF
APPROVED BUSINESS FINANCE CUSTOMERS FOR FY2021-22

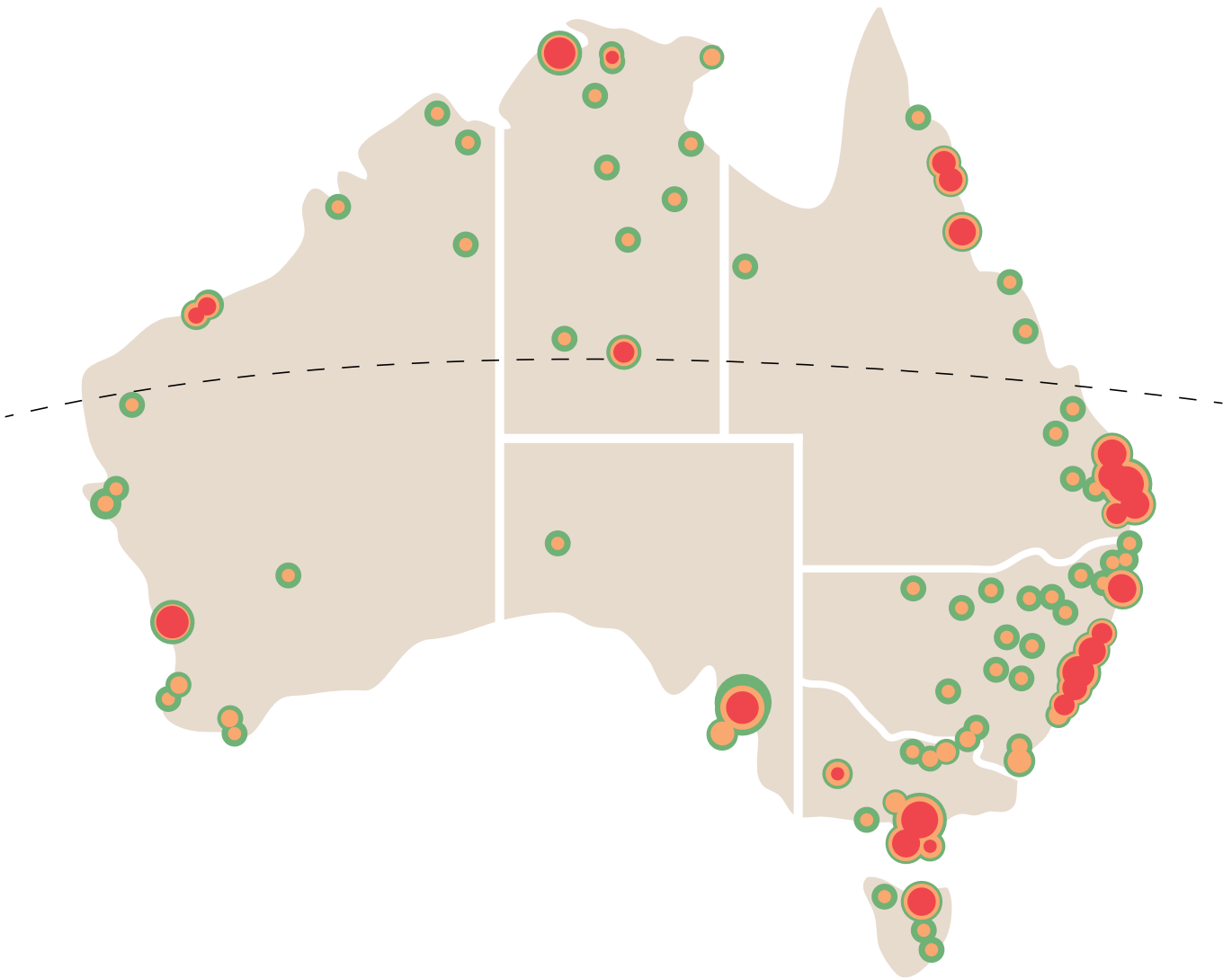


TABLE 03: NUMBER OF CUSTOMERS FINANCED BY PRODUCT

Number of customers financed by product					
Product	2017-18	2018-19	2019-20	2020-21	2021-22
Business loans ¹	155	164	215	283	209
Invoice financing	11	8	12	4	9
Performance bonds	7	6	12	6	13
Producer offset	4	4	7	6	6
Performance loan	2	0	0	0	0
Asset/finance leases ²	49	44	35	17	13
Total customers financed ³	221	206	249	316	250

¹ Includes business relief loan/grant package, NT loans/grant component and start-up grant.

² Leasing customers in 2017-18 and 2018-19 were identified by the date that IBA approved the lease. Customer numbers for 2017-18 were previously incorrectly reported but have been updated here.

³ Some customers use multiple IBA products, so the total will not equal the sum of customers financed across products.

BUSINESS SOLUTIONS, PARTNERSHIPS

At the heart of Business Solution's partnership program is to align service delivery and strategic partnerships to generate impact for Aboriginal and Torres Strait Islander peoples and communities. A key goal of our partnerships is to support or enhance the customer's journey and activate strategic relationships to leverage our partner's resources and/or capital to achieve greater outcomes and impact for First Nations Australians.

The breadth of the partnerships established during the 2021–22 period ranged from assisting First Nations entrepreneurs and businesses to prepare for growth, participate in supply chains, be a catalyst for leadership in business and to develop their online capabilities.

Our partnership with the Melbourne Business School supports Aboriginal and Torres Strait Islander entrepreneurs, executives, and managers from across Australia to develop business opportunities for the benefit of their communities through the MURRA Indigenous Business Master Class program. Working with peak bodies enables IBA to achieve greater impact amongst business communities.

Through our partnership with Kinaway Chamber of Commerce, IBA's support has enabled the building of virtual profiles and a presence for service and product-based businesses, provided new trading opportunities and improved access to the businesses' customers.

Highlighting and celebrating First Nations success is important and our partnership with influencer Mundanara Bayles provides a platform to share inspiring stories on her Black Magic Woman podcast series. The podcast features conversations with our unique customers who have realised their dreams of owning a home or building self-sufficiency through their own business ventures.

Expanding on our SWSB initiative, IBA also places a strong focus on supporting First Nations women in business to build sustainable networks and capability to achieve economic independence. In 2022, IBA partnered with Blak Wattle, a female-led coaching consultancy firm to provide access to mentoring and business coaching to women, creating a sense of community in business that will last into the future.

INVESTMENTS AND ASSET MANAGEMENT

Our Investments and Asset Management program and customers continued to be impacted by ongoing COVID-19 related challenges, as well as opportunities. The program has been resilient, creating economic development, growth and independence outcomes for our Aboriginal and Torres Strait Islander partners.

Five-year average returns to IBA's Indigenous co-investors were 5.9 per cent, impacted by significant volatility in global financial markets and offset by a strong recovery in domestic tourism and retail. Our co-investors' investment in commercial property continued to generate a stable return.

Across our subsidiaries and partnerships, we continued to meet employment targets. Our investment activities employed 607 people, 25.3 per cent being Aboriginal and Torres Strait Islander. Over \$11.8 million in income was paid to First Nations employees, and many had significant career development opportunities.

IBA continued to stabilise and reposition the existing portfolio of direct investments, while seeking new opportunities. The direct investment model aims to identify and invest in sustainable economic development opportunities, alongside Aboriginal and Torres Strait Islander partner organisations. They grow wealth; create jobs, training and procurement; and support partner organisations' capability development in governance, management and business acumen. When the time is right, IBA seeks to sell its interest to the partners, supporting self-management and self-sufficiency for First Nations Australians, businesses and communities. In 2021–22 we divested our interests in:

- Fitzroy River Lodge – an iconic tourism destination in Fitzroy Crossing in the East Kimberley region of WA. Leedal now owns and operates 100 per cent, after 20 years in partnership with IBA
- Li Ar Yalug, a collection of mixed use retail property in Halls Gap which is at the entrance to the Grampians National Park in Victoria. IBA's co-investment partner Martang Pty Ltd now owns 100 per cent of the entity, after 10 years in partnership with IBA.

IBA partnered with Yamatji Enterprises Limited – part of Yamatji Southern Regional Corporation Ltd, which manages the benefits from native title claims for Southern Yamatji, Hutt River, Mullewa Wadjari and Widi Mob claim groups. Alongside capability partner 4Ways Fresh Produce, the new partnership will develop and operate a horticulture business on Yamatji land in Geraldton, WA. It is expected to generate strong long-term benefits, including employment, training and equity outcomes as well as providing exposure to a key regional growth sector with strong expansion potential.

IBA continues to partner with 14 First Nations organisations across 12 direct investments in the retail, tourism, new economy and industrial sectors.

The Indigenous Real Estate Investment Trust (I-REIT) is a diversified portfolio of commercial Australian properties, providing rental income and capital growth for IBA and Indigenous co-investors. Resilient throughout COVID-19, it generated a total return of 5.9 per cent for the 2021–22 financial year due to steady net income performance, and continued to pay solid cash distributions to its Indigenous investors.

Two major milestones were:

- the acquisition in August 2021 of a large format retail property with a long-term lease to furniture retailer Amart Furniture, bringing the number of properties in the portfolio to 10
- a successful investment offer in October 2021 which raised net \$23.4 million from new and existing investors. It was the largest effort in the I-REIT's nine year history and brings the total number of First Nations investors to 30.

The extensive refurbishment of the I-REIT owned Katherine Government Centre is nearing completion. It has created more than \$10 million in procurement spending for First Nations contractors.

The Growth and Income Indigenous Prosperity Funds (IPF), which provide Aboriginal and Torres Strait Islander organisations the opportunity to invest in an actively managed and diversified investment portfolio, have 42 co-investors. Over the twelve months to 30 June 2022, the Growth fund returned -8.4 per cent and the Income fund -4.6 per cent. Both were impacted by investment market volatility in 2022 – equity markets underwent a large price correction, while rising interest rates and bond yields caused fixed income investments to fall sharply. The Funds' manager continues to actively monitor and adjust asset allocations to mitigate risk from continuing volatility and be in a position to take advantage of future opportunities.

The division's performance against IBA's purpose focuses on the financial growth and returns of assets and investments, as well as jobs and procurement, through the following performance measures:

- total value of Aboriginal and Torres Strait Islander co-investments with IBA (cumulative since 1 July 2015)
- five-year average annual portfolio return to co-investors
- number of co-investor partnerships (cumulative since 1 July 2015)
- value of goods and services procured from Aboriginal and Torres Strait Islander suppliers by IBA's subsidiaries and associates
- percentage of jobs supported by IBA's subsidiaries and associates held by Aboriginal and Torres Strait Islander Australians
- percentage of investors satisfied or very satisfied with IBA's service
- asset management expense ratio.

Pages 55–58 show IBA's achievements against the Investments and Asset Management targets set in the PBS. These measure delivery against our purpose in 2021–22.

INVESTMENTS: TENNANT CREEK IGA REDEVELOPMENT

The Tennant Creek IGA re-opened its doors to the community in March this year after an extensive reconstruction and fit-out of the original supermarket.

In 2008, IBA entered into partnership to purchase the supermarket – the only major supermarket servicing the entire Barkly region – with Julalikari Council Aboriginal Corporation. The store plays an important role in ensuring food security for surrounding communities. This partnership was extended through the acquisition of the BP service station in 2019, deepening the relationship between IBA and Julalikari and extending service provision to the region.

The latter purchase proved to be very fortunate when the IGA was destroyed by fire in July 2020. A temporary supermarket was able to be established on the petrol station site within days, ensuring consistent food supply.

The IGA redevelopment faced many challenges and delays, particularly with COVID-19 related border closures and travel restrictions, supply constraints in the building industry and floods that washed away the only transport routes.

All the struggles were forgotten at the grand opening celebration, which included a Welcome to Country, smoking ceremony, ribbon cutting and a free afternoon tea with a local band and activities for kids.

It was an opportunity to thank the community for its patience over the previous 20 months and showcase the new, modernised store.

Chair of Julalikari, Linda Turner, said the reopening of the store was an exciting day and a long-awaited one. 'This building, this business and the services and goods to be provided, represent our future as a town,' she stated.

The community is proud and more and more locals are seeking employment at the IGA, increasing the local impact of the business. Travellers to the NT continue to be surprised as they walk through the door to be met with extensive variety and major city prices.

Partnerships with local Aboriginal corporations like Julalikari are part of IBA's commitment to deliver beneficial economic outcomes for local communities, particularly in regional and remote locations.



Photo credit: Tennant and District Times

IBA'S INVESTMENT AND ASSET MANAGEMENT PERFORMANCE AGAINST ITS 2021-22 PERFORMANCE MEASURE TARGETS

Measure 12 Total value of Indigenous co-investments with IBA				
Source	2021-22 Corporate Plan p. 41, 2021-22 PBS p. 173			
Performance	Year	Target	Results	Achieved
	2021-22	\$167.0m	\$211.9m	✓
	2020-21	\$152.0m	\$150.9m	✗
	2019-20	-	-	-
	2018-19	-	-	-
Analysis	<p>The result measures the value of funds invested by Indigenous entities in:</p> <ul style="list-style-type: none"> the Indigenous Prosperity Funds (IPF) the Indigenous Real Estate Investment Trust (I-REIT) IBA's direct investments. <p>Following a year of COVID-19 induced uncertain economic conditions, confidence in investing returned this year, which is reflected in the strong FY22 result which is well above target. Indigenous organisations invested over \$32m into the IPF, and there was an I-REIT trading window during the period, which saw a record investment of over \$23m from Indigenous investors.</p>			

Measure 13 Five-year average annual portfolio returns to Indigenous co-investors				
Source	2021–22 Corporate Plan p. 41, 2021–22 PBS p. 173			
Performance	Year	Target	Results	Achieved
	2021–22	5.66%	5.90%	✓
	2020–21	5.30%	7.20%	✓
	2019–20*	3.20%	0.60%	✗
	2018–19*	5.60%	7.70%	✓
Analysis	<p>Return on equity to Indigenous co-investors measures financial returns across the IPF, I-REIT and IBA's Direct Investments. The early parts of 2021–22 saw a strong rebound in global financial markets and domestic tourism, while commercial property continued to generate a stable return. However, in the latter half of the year global financial markets suffered due to various factors such as higher than expected inflation, increasing interest rates and geopolitical uncertainty. Despite this, IBA was able to maintain a strong average return of 5.9 per cent over five years for IBA's Indigenous co-investors and exceeded its target. This demonstrates our commitment to effectively support our Indigenous co-investors to accumulate a capital asset and become economically self-sufficient.</p> <p>*The targets for FY2017–18 to FY2019–20 were on an annual calculation methodology rather than a five-year average which was introduced in FY2020–21. We are of the view that the annual-based targets and results still provide a reasonable trend demonstration of this performance measure.</p>			

Measure 14 Number of Indigenous co-investor partnerships (cumulative since 1 July 2015)				
Source	2021–22 Corporate Plan p. 42, 2021–22 PBS p. 173			
Performance	Year	Target	Results	Achieved
	2021–22	65	65	✓
	2020–21	60	56	✗
	2019–20	-	-	-
	2018–19	-	-	-
Analysis	<p>The number of co-investor partnerships demonstrates that more Indigenous entities are benefiting from IBA's investment and asset management services and enhancing their economic self-sufficiency. Despite ongoing environmental difficulties, we were more successful at meeting our targets this year than last.</p>			

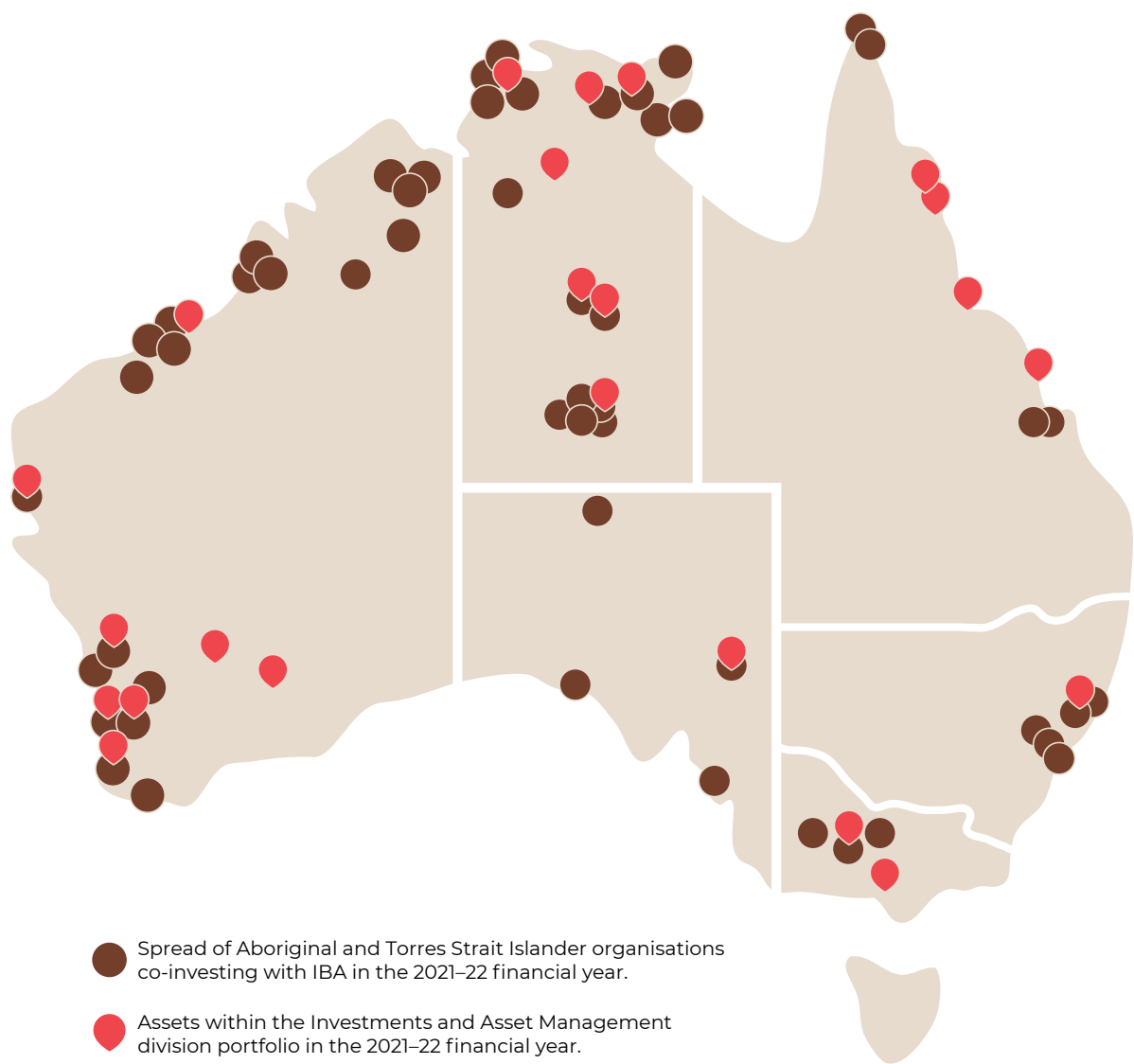
Measure 15 Value of goods and services procured from Indigenous suppliers by IBA's subsidiaries and associates				
Source	2021-22 Corporate Plan p. 42, 2021-22 PBS p. 173			
Performance	Year	Target	Results	Achieved
	2021-22	\$3.0m	\$6.7m	✓
	2020-21	\$2.0m	\$4.4m	✓
	2019-20	-	\$3.9m	-
	2018-19	-	\$1.9m	-
Analysis	<p>Through our subsidiaries and associates, we were able to generate \$6.7 million in Indigenous procurement, well above target. We delivered more income for Aboriginal and Torres Strait Islander businesses, supporting them to grow and enhance economic self-sufficiency.</p> <p>Note: The target increases from \$3.0m in 2021-22 to \$3.5m in 2022-23 but in forward years will decrease due to the assumed divestments.</p>			

Measure 16 Percentage of jobs supported by IBA's subsidiaries and associates held by Indigenous Australians				
Source	2021-22 Corporate Plan p. 42, 2021-22 PBS p. 173			
Performance	Year	Target	Results	Achieved
	2021-22	23%	25.30%	✓
	2020-21	22%	26.30%	✓
	2019-20	-	-	-
	2018-19	-	-	-
Analysis	<p>Across our subsidiaries and associates, we continued to meet Indigenous employment targets. This year our investment activities employed 607 people, 154 (or 25.3 per cent) of them Indigenous. This represents over \$11.5 million in income paid to Indigenous employees, in addition to important career development opportunities. These employment opportunities have important flow-on effects, not only to the person employed, but also their family and wider community.</p> <p>Note: The target decreases from 23 per cent to 21 per cent in 2022-23 and from 21 per cent to 20 per cent in 2023-24 but in forward years will increase due to the assumption of divestments.</p>			

Measure 17 Percentage of investors satisfied or very satisfied with IBA's service				
Source	2021-22 Corporate Plan p. 43, 2021-22 PBS p. 173			
Performance	Year	Target	Results	Achieved
	2021-22	80%	89%	✓
	2020-21	70%	96%	✓
	2019-20	-	-	-
	2018-19	-	-	-
Analysis	IBA makes continued efforts to improve service, seeking customer feedback via a confidential survey. This survey was provided to all our co-investors in September 2021. We are pleased to report that 89 per cent of respondents indicated they were 'very satisfied' or 'satisfied' with IBA's service.			

Measure 18 Asset management expense ratio				
Source	2021-22 Corporate Plan p. 43, 2021-22 PBS p. 173			
Performance	Year	Target	Results	Achieved
	2021-22	Less than 3%	1.50%	✓
	2020-21	Less than 3%	1.60%	✓
	2019-20	-	-	-
	2018-19	-	-	-
Analysis	This performance measure demonstrates our efficiency in undertaking investment activities that contribute to IBA's purpose. It considers the cost of running the Investments program in relation to the value of the portfolio. We were able to demonstrate this efficiency by achieving 1.50 per cent, well within the target.			

FIGURE 12: INVESTMENT AND
ASSET MANAGEMENT ACTIVITY



PARTNERSHIPS: FOLLOW THE FLOWERS

Outback Academy Australia's (OAA) lead initiative, Follow the Flowers, is well underway with scaling up national production of honey and Australian native wildflowers with First Nations farmers across the country including NSW, VIC, SA, WA and the ACT.

Follow the Flowers connects First Nations and other regenerative farmers that share the same values, to expand their national and international supply opportunities. The initiative commenced with honey, food – including bush foods, and Australian native wildflowers, for known buyers.

In partnership with OAA and Follow the Flowers farmers, honey and wildflowers producers, IBA is working to further develop farmers, and the supply chain opportunity under the national brand.

Neville Atkinson, OAA National Business Development Lead said, 'Follow the Flowers farmers are committed to working together as an ethical, authentic and connected supply group, similar to Fairtrade. They are focused on viable supply chain business that will return economic, social and environmental benefits to the communities and regions where they are located.'

Also supported by the Murray Darling Basin Economic Development program (MDBEDP) for Murray Corridor farmers, and the Department of Primary Industries and Regional Development (DPIRD) in WA, these farmers are being fast-tracked for capability building and business opportunities in agriculture, horticulture and linked industries such as tourism and environmental management.

Skills development includes shoulder to shoulder learning on farms with industry leaders in agriculture, environmental management, climate change and new technologies for waste, water and energy management.

There are currently 22 farms in the process of scaling up for this business opportunity with some scheduled as capability building bases for youth and others needing a hand-up into this sector.

Kelly Flugge, Western Australia OAA Business Development Lead noted, 'Capability building needs to reflect knowledge, including place-based traditional ecological knowledge, skills and technologies for now and a future where the impacts of climate change and extreme weather events are impacting on food sustainability and food security. Past agricultural practices have contributed to the state of the environment now. Our farmers are committed to repairing Country while doing business on their lands.'



Indigenous Apiarist and Mentor, Mal Clifford.

IMPACT RELATED PERFORMANCE MEASURES

IBA continued to evolve our understanding of impacts across the economic, social and cultural aspects of our customers lives. Through performance measures related to procurement and impact, IBA monitors and reports on activities related to business across both corporate (parent company) and subsidiary entities.

For the purposes of reporting against performance for Measure 19, it must be noted that the results relate only to the performance of IBA in its capacity as a parent company and does not include the results of IBA subsidiaries.

For Measure 20, the performance results do include the total impact of both IBA as a parent company and its related subsidiary entities for the relevant reporting period.

Pages 61-62 show IBA's achievements against targets set in the PBS. These measure delivery against our purpose in 2021-22.

Measure 19 Value of goods and services procured from Indigenous suppliers				
Source	2021-22 Corporate Plan p. 44, 2021-22 PBS p. 173			
Performance	Year	Target	Results	Achieved
	2021-22	\$4.75m	\$4.2m	x
	2020-21	\$4.50m	\$5.2m	✓
	2019-20	-	\$4.7m	-
	2018-19	-	\$8.2m	-
Analysis	<p>During 2021-22, IBA procured \$4.2 million (over 12.9 percent) of goods and services from First Nations suppliers defined as having 50 percent or more owned by Aboriginal and Torres Strait Islander peoples. This represented a 2.8 percent decrease from last year and approximately 11.6 percent below target. The result was largely due to an unforeseen substantial reduction in planned procurement through consultancy services which resulted in IBA identifying additional areas for improvement. This reflects a faster than expected reduction in customer demand for the product offering due to the broad improvement in business and economic conditions experienced when the COVID 19 pandemic emerged.</p> <p>Inputs to 2021-22 source data were updated which affect its contribution to the performance result. These inputs will be consistently applied from 2021-22 onwards.</p>			

Measure 20 Implementation of IBA's Impact Framework				
Source	2021–22 Corporate Plan p. 44, 2021–22 PBS p. 173			
Performance	Year	Target	Results	Achieved
	2021–22	Impact Report 2021–22 to be published in the first half of 2022. IBA has considered all recommendations made in the 2020 report and is responding with continuous improvement across operations.	The Impact Report 2021–22 has been published and is attached to this year's annual report. All recommendations were responded to from the previous Impact Report and is making continuous improvement to its operations.	✓
	2020–21	Annual Impact Report published	Impact Report published February 2021	✓
	2019–20	-	-	-
	2018–19	-	-	-
Analysis	IBA undertook its second Impact Report, covering 2021–22. The findings indicated that IBA customers overall achieved significant positive impacts. As a result of their interactions with IBA products and services, those impacts were demonstrated across economic, social and cultural perspectives.			

PART 04 GOVERNANCE

GOVERNANCE	64
IBA BOARD	66
ACCOUNTABILITY	76
EXTERNAL SCRUTINY	81
ENVIRONMENTAL PERFORMANCE	82

Angkerle Atwatye
(Standley Chasm)
outside of Alice Springs
on Arrernte Country.
Image credit: Scott
Cardwell/SBS.

GOVERNANCE

GOVERNANCE FRAMEWORK

IBA's corporate governance framework (Figure 13) is designed so our objectives are achieved in a transparent, accountable and efficient way.

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 can make general written directions that IBA must comply with. No such directions were made in 2021–22.

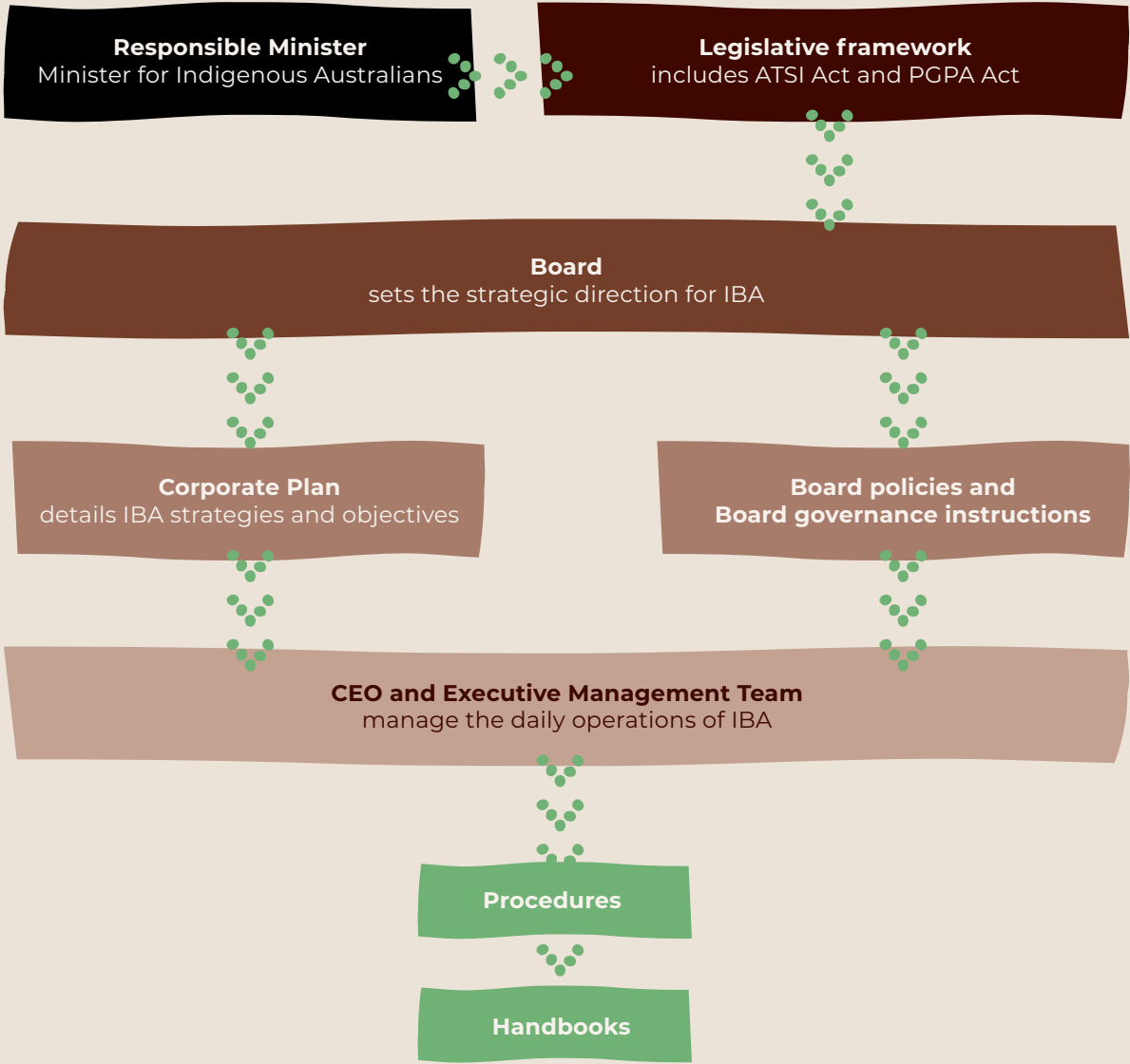
IBA must also comply with applicable Government policies. No policy orders were issued to IBA under the PGPA Act in 2021–22.

PORTFOLIO BUDGET STATEMENTS (PBS) AND CORPORATE PLAN

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

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

FIGURE 13: IBA GOVERNANCE FRAMEWORK



IBA BOARD

IBA's Board is responsible for seeing that IBA performs efficiently and effectively. It determines policy, ensures IBA comply with all legal and policy obligations and sets the risk appetite, tolerance levels and culture of the organisation.

The Board keeps the Minister informed of IBA's activities and significant decisions in accordance with the PGPA Act.

The Board appoints and reviews the performance of IBA's CEO.

APPOINTMENTS

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

MEMBERS

IBA's Board members 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 2021–22 financial year; six identified as Aboriginal or Torres Strait Islander and four were female. All were 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
- specialist in Indigenous and native title issues as Executive Director, Gimbulki Resources Ltd, a native title land access company; Chair of the Indigenous Advisory Board for Ventia Services Pty Ltd (formerly Broadspectrum/ Transfield); Deputy Chair, Aboriginal Foundation of South Australia
- extensive experience in the Australian resource sector, including previous senior executive roles with Normandy Mining Ltd – establishing the company's Traditional Owner policy, managing international logistics and marketing of Normandy's base and strategic metal portfolio, and 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 the National Centre of Indigenous Excellence committee
- 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
- Member of ICT Sub Committee



**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
- Chair of the Kaitijan Mia Aboriginal Foundation
- Director, Western Australian Biodiversity Science Institute
- former group manager of Indigenous Strategy and Business with Leighton Contractors Pty Ltd; former consultant to the mining industry, negotiating land use agreements in Western Australia
- former member of the Australian Government delegation to the United Nations Permanent Forum on Indigenous Issues
- Member of ICT Sub Committee



**RICHARD
(RICK)
ALLERT AO**

**IBA DIRECTOR; AUDIT, RISK AND
PERFORMANCE COMMITTEE
CHAIR; FINANCE, INVESTMENT AND
PERFORMANCE COMMITTEE MEMBER**

- chartered accountant with many years' experience in the corporate sector
- Chair, Voyages Indigenous Tourism Australia Pty Ltd; Chair, Kakadu Tourism (GLC) Pty Ltd and Kakadu Tourism (GCH) Pty Ltd; Chair, Cavpower Pty Ltd (Group)
- 2011 recipient of Ernst & Young Champion of Entrepreneurship Award, Central Region, for outstanding entrepreneurial achievement and community contribution
- 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; officer of the Order of Australia (2008) for leadership in corporate social responsibility
- Member of ICT Sub Committee



**CLAIRE
WOODLEY**

**IBA DIRECTOR; FINANCE, INVESTMENT
AND PRODUCTS COMMITTEE MEMBER;
REMUNERATION AND NOMINATION
COMMITTEE MEMBER**

- tertiary qualifications in occupational therapy, psychology and project management; graduate, Australian Institute of Company Directors
- former General Manager, Business Banking Victoria, Commonwealth Bank of Australia
- experience in business banking, governance, risk management, strategic planning, policy development, business re-engineering, project and program management



**DR
VALERIE
COOMS**

**IBA DIRECTOR
(*RESIGNED 4 FEBRUARY 2022)**

- 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 PhD from Australian National University
- Adjunct Professor at Griffith University; Indigenous Research Fellow at the School of Historical and Philosophical Inquiry, University of Queensland
- Deputy Chair of Aboriginal Hostels Ltd
- former member of the National Native Title Tribunal
- previously Manager, Native Title Unit, Western Australian State Office of Aboriginal and Torres Strait Islander Commission; CEO of Queensland South Representative Body Aboriginal Corporation and Queensland South Native Title Services
- worked with Social Ventures Australia
- 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
(*RESIGNED 9 JULY 2021)**

- 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 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; REMUNERATION AND
NOMINATION COMMITTEE MEMBER**

- Jaru woman from the Kimberley region of Western Australia with cultural connections into the Central and Western Desert
- Principal of Vanessa Elliott and Associates
- 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; Chair, Kent Street Public Independent School Board, Perth
- Graduate Certificate of Business, University of Western Australia and Bachelor of Arts, Communications and Cultural Studies, Curtin University



**ROSEMARY
ADDIS AM**

**IBA DIRECTOR; FINANCE, INVESTMENT
AND PRODUCTS COMMITTEE MEMBER**

- internationally recognised director and strategist in impact, sustainability and innovation.
- global legal career including as an equity partner of Allens-Linklaters, Social Innovation Strategist for the Australian Government, member of the G8 Social Impact Investment Taskforce and Founding Chair of Impact Investing Australia (Market Builder of the Year 2018 & 2020)
- Enterprise Professor of impact, sustainability and innovation in the Faculty of Business & Economics at the University of Melbourne
- Holds a portfolio of Chair, Board and advisory roles including Managing Partner of Mondiale Impact, Chair of the Board of Advisors for investment firm Sweef Capital
- has advised leading private sector organisations, governments and multi-laterals including the OECD, United Nations Development Programme, World Bank, Harvard Kennedy School and Oxford Said Business School and represented Australia on the G8 Social Investment Taskforce (2013-15)
- an inaugural Sorenson Global Impact Leader (2022), for lifetime contributions to impact (2020), Member of the Order of Australia (2020), Global Ambassador of the Global Steering Group on Impact Investment spanning 40+ countries (2020), ranked among top thought leaders by Women in Finance (2017) and Australia's 100 Women of Influence for contributions to innovation (2015) and was ranked by Chambers Global among the world's leading lawyers (2002-3)



**RICHARD
CALLAGHAN**

**IBA DIRECTOR
(*APPOINTED 18 DECEMBER 2021)**

- Potaruwutj man whose Aboriginal family originate from the Padthaway region in south-eastern South Australia
- extensive experience within the Australian resource, community and business sector; specialist in business and heritage issues
- Bachelor of Business Management from the University of South Australia and Graduate Diploma of Government (Fraud Investigation) Charles Sturt University
- founding Chairman and director of the Yaran Group of businesses, including JLB-Yaran Pty Ltd – a business working with Aboriginal and non-Aboriginal defence force veterans, defence primes and the Australian Government on defence related projects – and TQCSI Yaran Pty Ltd – an ISO accreditation business operating across Australia, alongside some of Australasia's largest defence primes
- member of the SA State Aboriginal Advisory Committee and the SA Industry Advisory Committee to the Premier; independent non-executive director of several Aboriginal corporations and not-for-profit Rural Remote Mental Health Pty Ltd – promoting Aboriginal-specific mental health 'Deadly Thinking and Deadly Thinking Youth' programs and the 'Resource Minds' and 'Rural Minds' programs
- fellow of the South Australian Governors Leadership Foundation; certified management consultant with the Australian Institute of Management Consultants; member of the Australian Institute of Company Directors
- Member of ICT Sub Committee



**JOSHUA
GILBERT**

**IBA DIRECTOR
(*APPOINTED 1 APRIL 2022)**

- Worimi man, farmer and academic, who shares the narration of First Nations identity via agricultural truths in modern contexts. His work seeks to connect traditional Aboriginal knowledge and history with what is happening today, translating past wisdom and learning to future opportunities. Josh combines the old and the new, weaving them together to develop new insights
- undertaking higher degree research at Charles Sturt University
- Indigenous Co-chair of Reconciliation NSW
- recently recognised within the world's top 50 young gastronomers
- entrepreneur and business advisor, working predominantly in the Aboriginal cultural, agricultural and environmental spheres
- has worked with many not-for-profits, businesses and the government to develop, and bring people on a journey of, change

MEETINGS

In 2021–22, the Board held six scheduled meetings and two out-of-session meetings. Details of directors' attendance are in Table 4.

TABLE 04: BOARD MEETING ATTENDANCE

Name	Position	Attendance
Mr Eddie Fry	Chair	8/8
Mr Anthony Ashby	Deputy Chair	7/8
Mr Richard Allert AO	Director	8/8
Ms Claire Woodley	Director	8/8
Ms Shirley McPherson	Director	8/8
Mr Scott Young*	Director	0/1
Dr Valerie Cooms*	Director	3/4
Ms Vanessa Elliott	Director	8/8
Ms Rosemary Addis AM	Director	8/8
Richard Callaghan	Director	4/4
Joshua Gilbert	Director	1/1

Note: Figures represent meetings a director attended out of their total possible.

* Resigned during the financial year.

BOARD CHARTER AND CORPORATE GOVERNANCE

The Board Charter includes a code of conduct for directors and rules and processes for dealing with conflicts of interest and related party transactions. The Board Charter must be continuously kept up to date with best practices in corporate governance, and in response to internal and external reviews and variations in IBA's operating environment.

The Board Charter also provides for reviews to foster ongoing development and enhancement in the Board's performance. These include triennial assessments of the Board's performance overall and its individual members.

The best practice corporate governance culture and standard in the Board Charter is continued in the Board's governance instructions. IBA's CEO and employees must comply with these instructions, and also:

- Board policies
- chief executive instructions and procedures
- authorisations and delegations
- other lawful and reasonable directions.

Read more about IBA's corporate governance approach in the Internal Governance section of this report (page 76).

COMMITTEES

Three ongoing committees assist the Board in discharging its functions:

- Audit, Risk and Performance Committee
- Finance, Investment and Products Committee
- Remuneration and Nomination Committee.

AUDIT, RISK AND PERFORMANCE COMMITTEE

Provides independent assurance and advice to the Board on IBA's risk and compliance framework, financial statements, performance reporting responsibilities and systems of internal control. It monitors actions against budget and key performance indicators.

The committee is chaired by Richard Allert and has two members who are IBA Directors, plus an independent member, Maria Storti. Ms Storti has been an independent member of the committee since September 2014. She is an experienced senior executive and was a partner in a professional services firm. She has held other senior management and consulting roles across the private and public sectors. The Audit, Risk and Performance Committee Charter is available at iba.gov.au/charter. See all Directors' committee memberships in 2021–22 from page 66.

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.

FINANCE, INVESTMENT AND PRODUCTS COMMITTEE

Monitors and reviews IBA's Housing Solutions, Business Solutions and Investments and Asset Management portfolios. The committee regularly reviews IBA's financial policies; providing advice and recommendations to the Board in relation to major new business, products, investments and other financial transactions. It is chaired by Anthony Ashby.

BOARD AND EXECUTIVE REMUNERATION

Details of remuneration of key management personnel for the reporting period can be found in Tables 5, 6, 7 and 8.

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

Member name	Qualifications, knowledge, skills or experience (include formal and informal as relevant)	Meetings attended/ Total meetings	Remuneration
Richard Allert AO	Chartered accountant with many years' experience in the corporate sector	6/6	\$16,267.94
Shirley McPherson	Chartered accountant with experience in program delivery and business development at all levels of government	3/6	\$8,133.84
Maria Storti	Independent member since September 2014 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	6/6	\$18,342.00
Vanessa Elliott	Experienced government and not-for-profit board director More than 20 years' experience in strategic management, business, governance, economic development and community services	5/6	\$8,133.84

**TABLE 06: REMUNERATION OF KEY MANAGEMENT PERSONNEL
FOR THE REPORTING PERIOD**

Name	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		
Edward Fry	Board - Chair	\$77,372			\$11,915			\$89,287
Anthony Ashby	Board - Deputy Chair	\$58,034			\$8,937			\$66,971
Rick Allert AO	Board	\$38,686		\$22,358	\$9,401			\$70,445
Shirley McPherson	Board	\$38,686		\$8,134	\$7,233			\$54,053
Claire Woodley	Board	\$38,686		\$6,091	\$7,633			\$52,409
Valerie Cooms	Board	\$24,104			\$3,712			\$27,816
Scott Young	Board	\$1,786		\$281	\$318			\$2,385
Vanessa Elliott	Board	\$38,686		\$8,134	\$7,210			\$54,030
Rosemary Addis AM	Board	\$38,686		\$6,091	\$6,895			\$51,672
Richard Callaghan	Board	\$19,789			\$3,048			\$22,837
Joshua Gilbert	Board	\$8,779			\$1,352			\$10,131
Kirsty Moore	Chief Executive Officer	\$340,159		\$25,099	\$27,500	\$8,505		\$401,263
Tom Hure	Chief Financial Officer	\$117,760		\$5,061	\$13,913		\$47,677	\$184,411
Anthony Unwin ¹	Acting Chief Financial Officer	\$109,202		\$15,194	\$10,801	\$5,455		\$140,653
Faysal Fassi	Executive Director, Products & Markets	\$189,171		\$42,850	\$29,313	\$5,795		\$267,130
TOTAL		\$1,139,586	\$0	\$139,292	\$149,183	\$19,755	\$47,677	\$1,495,493

¹ Anthony Unwin's role as Deputy CFO is not considered a KMP role. Accordingly Mr Unwin's remuneration details are only disclosed for the period he was Acting CFO which was for a period of 6 months.

TABLE 07: REMUNERATION OF SENIOR EXECUTIVES FOR THE REPORTING PERIOD

Short-term benefits					Post employment benefits	Other long-term benefits	Termination benefits	Total remuneration
Total remuneration bands	Number of senior executives	Average base salary	Average bonuses	Average other benefits and allowances	Average superannuation contributions	Average long service leave	Average termination benefits	Average total remuneration
\$0 - \$220,000	1	\$116,856			\$19,362	\$3,503		\$139,721
\$220,001 - \$245,000	0							
\$245,001 - \$270,000	0							
\$270,001 - \$295,000	2	\$239,533			\$34,363	\$5,578		\$279,475

TABLE 08: REMUNERATION OF HIGHLY PAID STAFF FOR THE REPORTING PERIOD

Short-term benefits					Post employment benefits	Other long-term benefits	Termination benefits	Total remuneration
Total remuneration bands	Number of senior executives	Average base salary	Average bonuses	Average other benefits and allowances	Average superannuation contributions	Average long service leave	Average termination benefits	Average total remuneration
\$235,000 - \$245,000	2	\$191,306		\$15,566	\$29,912	\$4,807		\$241,592
\$245,001 - \$270,000	1	\$225,485		\$10,570	\$27,568	\$5,312		\$268,936

ACCOUNTABILITY

IBA was established under the ATSI Act, which sets out its purposes, functions and powers. IBA is a corporate Commonwealth entity and its Board is the accountable authority under the PGPA Act.

INDEMNITY AND INSURANCE

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

INTERNAL GOVERNANCE

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

The organisational structure of IBA at 30 June 2022 is set out in Figure 14 on page 77.

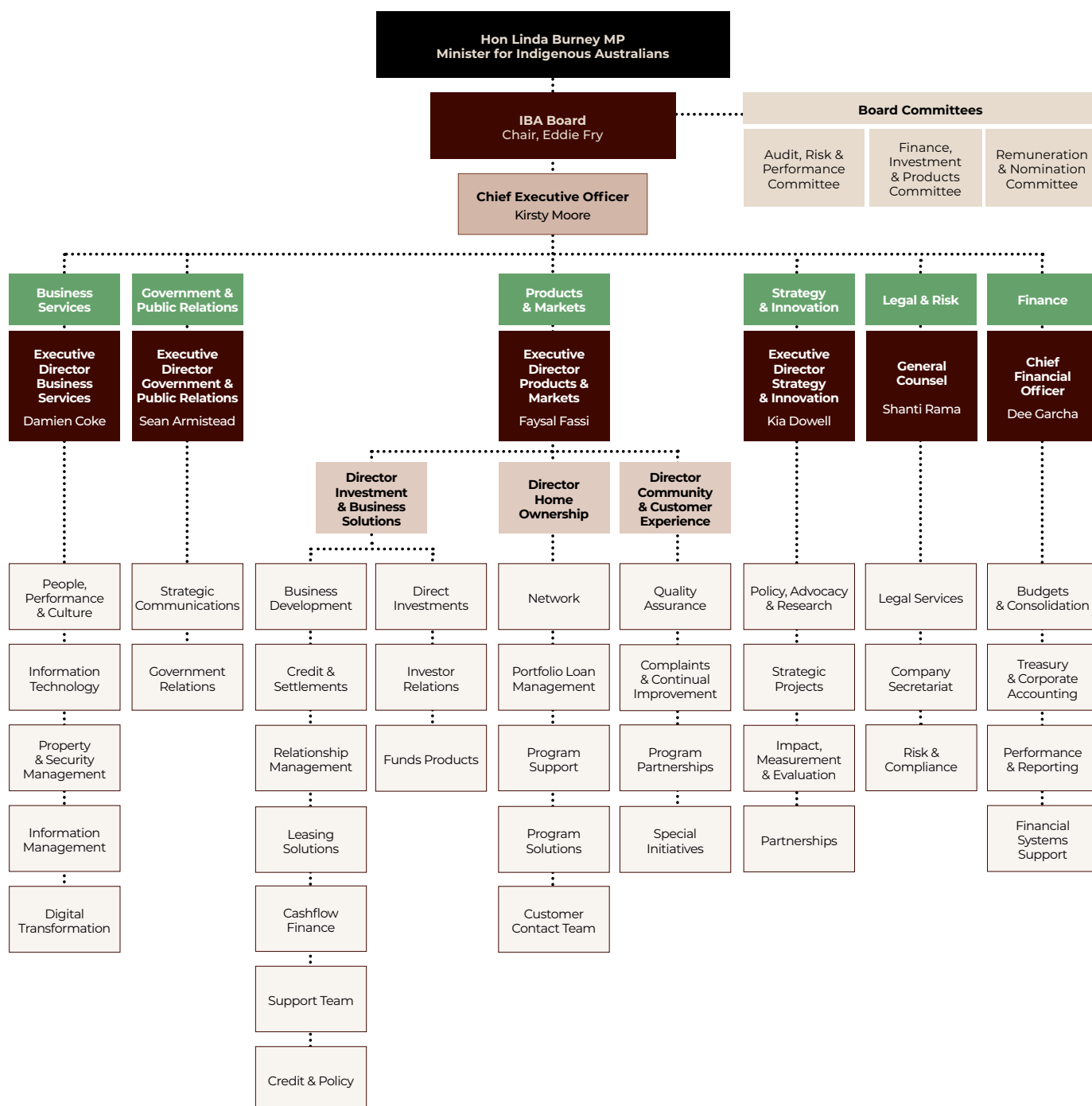
SIGNIFICANT ACTIVITIES AND CHANGES

The Board implemented the Information, Communication and Technology (ICT) sub-committee, on an interim basis, in April 2022 to assist the Board in discharging its duties under the PGPA Act and the ATSI Act. The sub-committee will enhance the governance of, and contribute to the monitoring and oversight of, the Core Business Systems (CBS) project. It is chaired by Richard Allert, has three members who are IBA Directors and receives independent advice from Intelligent Business Research Services.

The Community and Customer Experience team was created to inform, drive and support operational excellence, continuous improvement and quality customer experiences. The team works with IBA's programs and key stakeholders to expand product and services delivery – creating long term impact for customers and communities.

IBA undertook an extensive recruitment process to fill the positions of Chief Executive Officer; Chief Financial Officer; Executive Director, Products and Markets; and Executive Director, Business Services. These positions, finalised by 30 June 2022, are critical to IBA's functioning.

FIGURE 14: IBA ORGANISATIONAL CHART AS AT 30 JUNE 2022



ETHICAL BEHAVIOUR AND FRAUD CONTROL

Standards of behaviour for employees are specified in IBA's Code of Conduct, the Values and Behaviours Framework and the Governance Procedure – which includes guidance on managing conflicts of interest. The IBA enterprise agreement 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* (PID Act) 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, including former staff and contractors. IBA has systems and processes in place to ensure they can make public interest disclosures about IBA.

INTERNAL AUDIT

The Audit, Risk and Performance Committee oversaw the 2021–22 Strategic Internal Audit program which was delivered by an outsourced internal audit service provider.

RELATED ENTITY 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 Charter sets out the decision-making processes for identifying and subsequently managing related party transactions, including conflicts of interest for IBA directors. It restricts IBA from entering into prohibited transactions – including the provision of loans or business support to IBA directors, their spouses or dependent family members, as well as entities where directors hold a significant interest.

The Board governance instruction details 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 2021–22, there were no decisions made by the IBA Board regarding related entities that are captured by PGPA Rule 17BE(n).

COMPLIANCE

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

In 2021–22, there were no significant issues reported to the Minister under section 19 of the PGPA Act regarding non-compliance with finance law.

COMPLAINTS HANDLING

IBA's commitment to quality service is outlined in our customer charter. It has detailed processes for complaints handling.

The complaint management process ensures that, where customers have concerns in relation to IBA's service, decisions, or IBA funded service providers, they are taken seriously and dealt with promptly in a fair and transparent manner. IBA maintains a detailed complaint register, regularly reviewed by management. Complaints rated as significant or higher are reported to the Audit, Risk and Performance Committee and Board. This helps us to continuously refine our practices, ultimately improving customer experience.

Following an internal audit of its complaints management process, IBA implemented significant improvements to how we manage and respond to customer complaints and feedback and improve resolution timelines so IBA can deliver quality customer service. Analysis of feedback from our complaints and customer satisfaction and social impact surveys, informed the creation of a robust framework for continuous improvement. We are ensuring that staff have the necessary, most up-to-date tools to deliver our products and services.

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. Section 189(1)(b) requires IBA to list these in our annual report. IBA follows Department of Finance guidance in determining whether an arrangement should be classified as a consultancy for this purpose.

Appendix A lists consultants engaged by IBA over the reporting period.



IBA's direct investment in Fitzroy River Lodge provided outcomes such as employment and training for the local community.

EXTERNAL SCRUTINY

IBA is subject to scrutiny by the Australian National Audit Office, the Commonwealth Ombudsman, courts, administrative tribunals and Parliamentary and Ministerial oversight. IBA is also required to comply with legislation such as the PGPA Act, *Freedom of Information Act 1982* (FOI Act), the PID Act 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 between the Auditor-General and IBA. There were no judicial or administrative tribunal decisions made during the reporting period that had a significant effect on IBA's operations this year.

PARLIAMENTARY AND MINISTERIAL OVERSIGHT

Under section 19 of the PGPA Act, IBA must inform the Minister of any significant decisions or issues. This year, IBA advised the Minister 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 certain information for the public. In accordance with IBA's Information Publication Scheme plan. This information is available on our website.

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

We recognise Aboriginal and Torres Strait Islander people's immemorial and continued connection to the land, sea and waterways and seek to adopt innovative approaches that help safeguard the welfare of Country, culture and the environment for future generations.

IBA's main impact on the environment arises from its corporate administration, air travel and property management (see Table 9).

IBA's sustainability committee, established in 2019, continues to drive and influence IBA's impact on the environment. They meet regularly to discuss ways we can decrease our environmental footprint and encourage staff to take a sustainable approach in the work environment.

Climate risk forms part of IBA's Risk Management Framework. Work to address and implement recommendations of IBA's 2020 Climate Risk Materiality Review continues. In the interim, all staff are required to consider climate risk where appropriate, as part of any business risk assessments.

TABLE 09: IMPACT ON THE ENVIRONMENT

Energy	IBA's four major tenancies – Canberra, Sydney, Perth and Brisbane – are in buildings with 3.5 to 5 star energy ratings. The Canberra building is certified as a 5 star, Green Star Building and registered with the Green Building Council of Australia. These buildings use energy efficient technology including sensor lighting, and T5 fluorescent lighting tubes.
Water	Where possible, IBA tenancies use water efficient fixtures such as motion sensor taps, urinals and dual flush toilets. Dishwashers remained unused this year.
Waste	<p>IBA is committed to sustainability and a reduction in waste production.</p> <p>We have reduced landfill-bound waste by:</p> <ul style="list-style-type: none"> ensuring separation of waste types where possible – recyclables are collected separate to nonrecyclables using recycling programs for printer cartridges, wastepaper/cardboard waste, batteries and mobile phones. <p>IBA continues to minimise waste paper generation by:</p> <ul style="list-style-type: none"> focusing on paperless operations supported by appropriate technology and record management systems, such as multi-function printers that enable deletion of unwanted documents in job queues engaging a provider who can measure future waste paper generation, enabling analysis of paper waste generation and reductions year to year.
Greenhouse emissions	Video conferencing and training are used to minimise travel.

IBA staff Eric Kalolo, Myra Faletau and Mishalia Birch at the AIATSIS Summit.

PART 05 OUR PEOPLE

WORKFORCE PROFILE AND DIVERSITY 84

EMPLOYEE WELLBEING AND DEVELOPMENT 88

WORKFORCE PROFILE AND DIVERSITY

While IBA's overall workforce characteristics have been relatively stable over the last five years, there have been some important changes:

- a steady representation of Aboriginal and Torres Strait Islander peoples – now 27.1 per cent
- an increase in the representation of women – now 59 per cent
- staff moving to locations more reflective of our changing customer base and demand.

This reflects our ongoing commitment to investing in the strategic pillars of customer success, smart money, strong systems and deadly people.



IBA staff member,
Gemma Lloyd, on
Cubi Gubi/Kabi Kabi
Country, QLD.

TABLE 10: ALL ONGOING EMPLOYEES AS AT 30 JUNE 2022

	Male			Female			Indeterminate			Total
	Full time	Part time	Total Male	Full time	Part time	Total Female	Full time	Part time	Total indeterminate	
NSW	15	-	15	16	7	23	-	-	-	38
Qld	27	-	27	33	1	34	-	-	-	61
SA	3	-	3	3	-	3	-	-	-	6
Tas	-	-	-	-	-	-	-	-	-	-
Vic	10	-	10	3	-	3	-	-	-	13
WA	3	-	3	8	2	10	-	-	-	13
ACT	10	-	10	19	4	23	-	-	-	33
NT	1	-	1	6	1	7	-	-	-	8
External territories	-	-	-	-	-	-	-	-	-	-
Overseas	-	-	-	-	-	-	-	-	-	-
Total	69	-	69	88	15	103	-	-	-	172

TABLE 11: ALL NON-ONGOING EMPLOYEES AS AT 30 JUNE 2022

	Male			Female			Indeterminate			Total
	Full time	Part time	Total male	Full time	Part time	Total female	Full time	Part time	Total indeterminate	
NSW	8	-	8	1	1*	2	-	-	-	10
Qld	4	-	4	7	1*	8	-	-	-	12
SA	-	-	-	-	-	-	-	-	-	-
Tas	-	-	-	-	-	-	-	-	-	-
Vic	1	-	1	-	-	-	-	-	-	1
WA	1	1*	2	2	-	2	-	-	-	4
ACT	2	-	2	1	-	1	-	-	-	3
NT	-	-	-	1	-	1	-	-	-	1
External territories	-	-	-	-	-	-	-	-	-	-
Overseas	-	-	-	-	-	-	-	-	-	-
Total	16	1	17	12	2	14	-	-	-	31

* First Nations People casual interns

TABLE 12: STAFF NUMBERS BY CLASSIFICATION AS AT 30 JUNE 2022

Classification	Quantity
CEO	1
ED/CFO/GC	6
DIR/DCFO	4
IBA 7	26
IBA 6	30
IBA 5	67
IBA 4	39
IBA 3	23
IBA 2	4
IBA 1	3
Total	203

CEO = Chief Executive Officer

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

DIR = Director, DCFO = Deputy Chief Financial Officer

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

DIVERSITY

IBA is committed to being an organisation where our staff reflect the community. Workforce representation of Aboriginal and Torres Strait Islander peoples sat consistently at around 30 per cent throughout 2016–21. In 2021–22, it was 27.1 per cent. In 2021–22, IBA:

- continued to work on embedding strategies to improve outcomes in First Nations employment, engagement, and procurement – in consultation with IBA's Galambany Staff Network
- became a member of the Australian Public Service Commission's Affirmative Measures Indigenous Recruitment Project
- celebrated days of cultural significance and supported staff to participate in National Aborigines and Islanders Day Observance Committee (NAIDOC) and National Reconciliation Week events
- celebrated Harmony Week by creating an IBA cookbook
- continued to support to IBA's Galambany First Nations Staff Network.

IBA continued to partner with CareerTrackers, to create career pathways for Indigenous university students, via their structured internship program. Three people participated over the year. One, who also held a graduate position with us, now has an ongoing job at IBA.

IBA is proud of the diversity of skills and backgrounds all our staff bring to the organisation. We embrace diversity and value-add it brings to the organisation in terms of the work we do and how its done. Over 50% of positions held at IBA are represented by females. Our Executive team comprises of many different cultural and religious backgrounds, with a majority female representation and 50% of the Executive being First Nations Australians. The people of IBA bring together their varied experiences, knowledge and passion to IBA:

- celebrating cultural and culinary diversity through IBA's cookbook which was created to recognise Harmony Week
- fostering a positive LGBTQ+ culture by raising awareness on important events including Pride Month
- raising awareness for Cerebral Palsy and physical health by participating in STEPTember
- raising awareness for men's mental and physical health by participating in Movember
- participating in gender equity reporting for the Workplace Gender Equality Agency.

As IBA grows, we are committed to embracing and empowering our staff through diversity and inclusion.

EMPLOYEE WELLBEING AND DEVELOPMENT

EMPLOYEE WELLBEING

At IBA, we are committed to safe and sustainable workplace practices. We see it as imperative to support a culture of mental and physical wellbeing, maintaining workplaces where staff feel mentally and physically safe and valued for their contributions. Throughout 2021–2022:

- our Employee Assistance Provider continued to provide confidential support services to employees and family members experiencing professional or personal related issues that affected their mental or physical wellbeing
- staff completed mindfulness wellbeing sessions
- we started an IBA Book Club, with books authored by First Nations people.
- IBA's Health and Safety Committee and Workplace Consultative Committee worked together to consult on key issues affecting the workplace, including IBA's COVID-19 approach
- our COVID Safe Plan was embedded in IBA's operations to help combat pandemic challenges and guide a return to the workplace
- flexible working practices continued so staff could maintain work/life balance.

CAPABILITY DEVELOPMENT

IBA supports the continuous development and growth of our people. Staff are expected to engage in regular discussions about this throughout the year, through formal Development Plans and our Performance Management Framework. All staff must undertake cultural capability improvement and training.

Due to COVID-19 and the necessary switch to e-learning, we have increased our partnerships with training providers so staff continue to receive professional development. Our recent training needs analysis survey will guide further tailoring of IBA learning and development opportunities throughout 2022–23.

OUTLOOK

In 2022–23, IBA is well placed to continue our work on supporting staff to deliver their best performance by:

- supporting staff to further develop their cultural competencies
- developing and supporting the leadership capability of our middle and senior managers through Certificate IV in Leadership offerings
- implementing strategies to support employee health and wellbeing
- aligning recruitment approaches with workforce plans
- continuing to draw on staff feedback to inform the way we approach all the above.

A hand is pointing towards the left side of the page, resting on a vibrant, multi-colored fabric with intricate circular and floral patterns in shades of orange, pink, blue, and purple. The hand is positioned in the lower right quadrant of the image.

PART 06 FINANCIAL PERFORMANCE

FINANCIAL PERFORMANCE	90
STATEMENT BY DIRECTORS, CEO & CFO	97
INDEPENDENT AUDITOR'S REPORT	98
COMPREHENSIVE INCOME	100
FINANCIAL POSITION	101
CHANGES IN EQUITY	102
CASH FLOW	104

FINANCIAL PERFORMANCE

ECONOMIC BACKGROUND

The first half of the financial year was impacted by the third wave of the COVID-19 pandemic. Victoria and NSW endured the strictest lockdowns, dampening economic activity, though all regions were impacted by border closures, movement and travel restrictions. This dramatically changed the economic environment both in Australia and abroad. With the overwhelming uptake of the double vaccination rollout and subsequent easing of restrictions, the second half saw an uplift in activity and adjusting to the 'new normal'.

Throughout the pandemic, governments provided subsidies and other measures to support households and businesses and combat the disruptions. The lockdowns and trading restrictions led to record falls in hours worked, as businesses closed or reduced operations, in compliance with health orders. Household spending patterns changed significantly over the pandemic with declines in discretionary spending as movement and trading restrictions severely limited access to travel, dining out, recreational and personal services – resulting in an increase in savings and deposits. The removal of mobility and trading restrictions enabled the release of pent-up consumer demand, resulting in mounting inflationary pressure.

The invasion of Ukraine commenced in February 2022 which, beyond the humanitarian crisis that has resulted, fuelled significant global inflationary pressures particularly on energy supplies. Adverse domestic factors exacerbated the situation, including a tightening labour market, COVID-related disruptions to supply chains, shortages of raw materials and La Nina related weather events such as floods, which placed significant upward pressure on prices.

With inflation well above the Reserve Bank of Australia's (RBA) target range of 2–3 per cent, the RBA commenced tightening of monetary policy in May 2022 with a 0.25 per cent increase in the cash rate, followed by a further 0.5 per cent increase in June 2022. Although wages growth has shown some signs of improvement, it remains well below the inflation rate, so real wage declines – along with interest rate rises – have exacerbated cost-of-living pressures on Australian households. IBA customers and other Aboriginal and Torres Strait Islander family households are some of the most affected by cost-of-living pressures.

Throughout this period, IBA kept proactively implementing strong relief measures to support existing customers, while maintaining commitment to organisational long-term goals. We have continued to respond to hardship requests, implemented ongoing Business Relief Package funding and secured extra government funding targeting new home lending initiatives that promote regional construction.

FINANCIAL RESULTS

IBA's financial statements are presented on a consolidated basis with its subsidiaries, which operate businesses across:

- tourism
- mining services
- renewables
- retail
- technology
- investment property.

IBA's consolidated statutory surplus is \$81.7 million, compared to last year's \$105.1 million.

This decline is broadly attributable to the impact of macroeconomic effects driving rising interest rates to curtail inflation, supply chain issues stemming from COVID and the war in Ukraine, and the flow-on effect of these events to the Australian stock market. These macroeconomic issues are driving declines in:

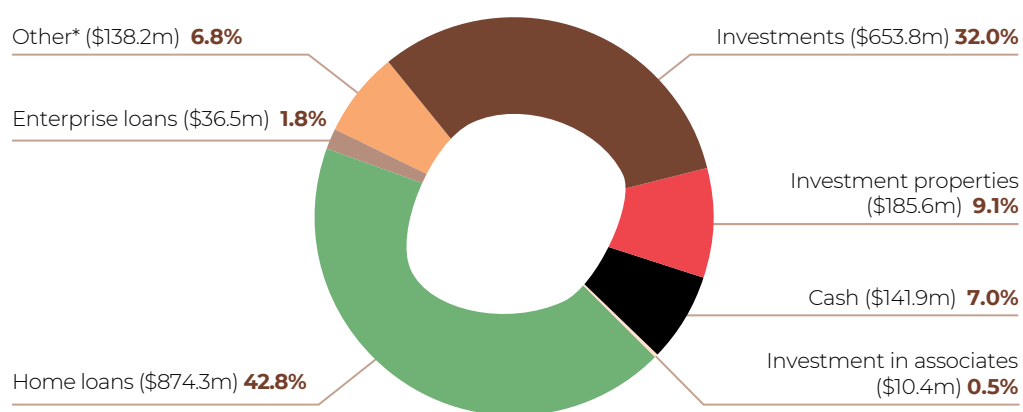
- investment portfolio – market decline resulting in a loss of \$32.7 million, compared to market recovery gain of \$23.8 million last year
- financial assets – rising forecast interest rates driving significant write-down on the nominal or face value of loans advanced at inception.

Total income increased from \$344.1 million to \$370.8 million, driven by revenue from the unwinding of concessional discounts on record repayments and discharges as customers refinanced in commercial market, freeing up capital for future First Nations borrowers.

Total expenses of \$288.1 million increased from last year's \$238.9 million, chiefly due to higher finance costs – from greater levels of housing advances coupled with rising forecast interest rates driving significant write-down on the carrying value of loans at inception.

IBA's total consolidated assets at 30 June 2022 are \$2.0 billion, an increase of \$181 million, primarily due to increased financial asset investments. IBA's net assets of \$1.9 billion are \$202 million higher than last year, driven by retained earnings, equity appropriation from government and a net increase in First Nations investor participation.

FIGURE 15: CONSOLIDATED TOTAL ASSETS



*includes business finance products such as performance bonds, invoice finance and asset leasing.

FIGURE 16: STATUTORY AND OPERATING PERFORMANCE

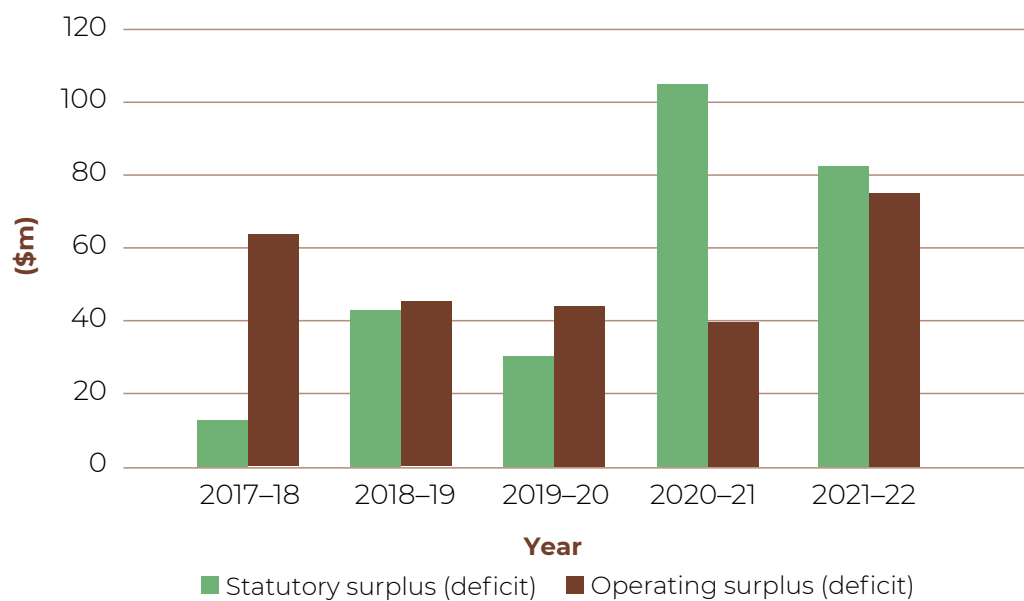


FIGURE 17: NET ASSET GROWTH

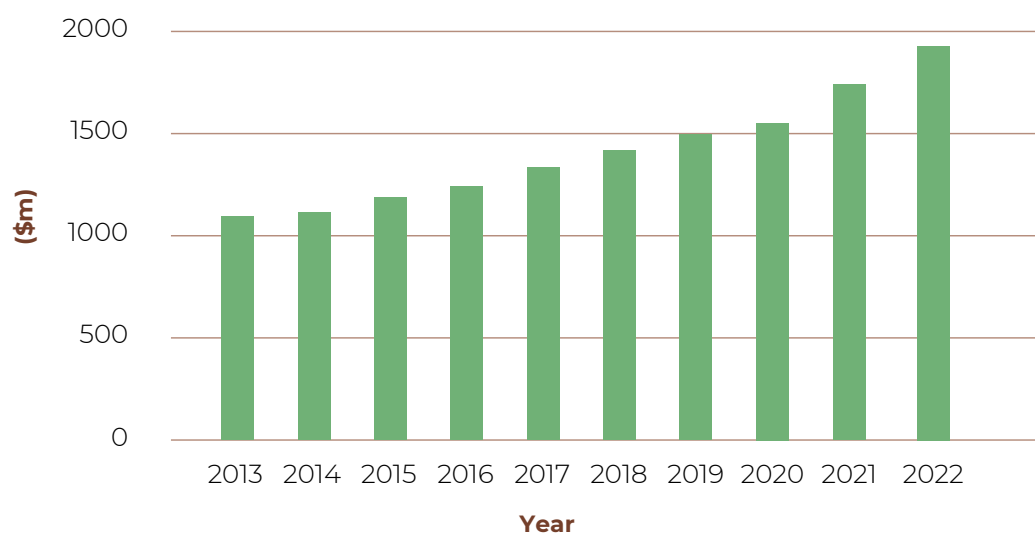
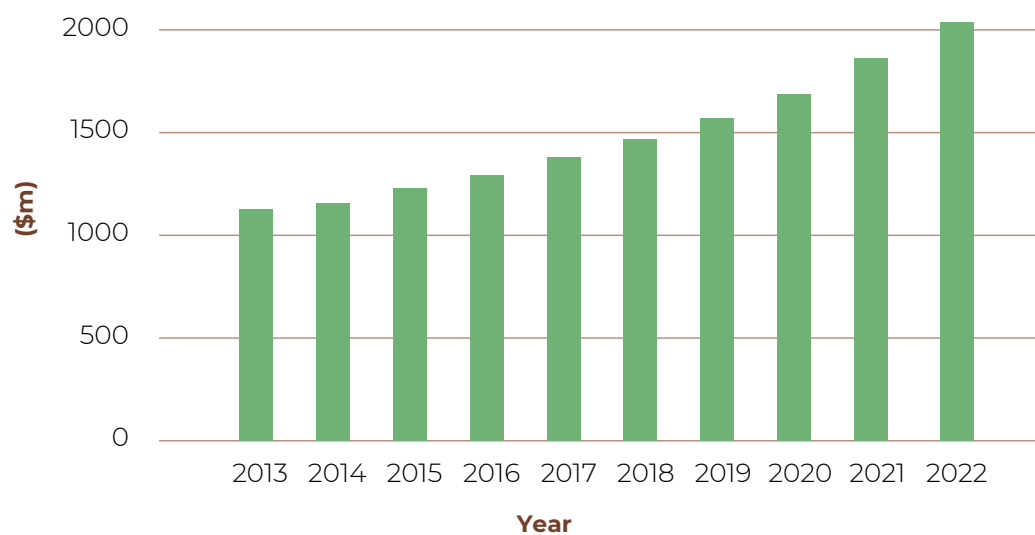


FIGURE 18: GROSS ASSET GROWTH



FUNDING

The income base of the consolidated IBA group is made up of:

- Commonwealth grant and appropriation revenue
- First Nations investor participation
- self-generated revenue.

In 2021–22, IBA received:

- \$27.5 million in grant receipts
- \$79.1 million in Commonwealth capital injections:
 - \$56.2 million of \$150 million to fund regional construction home lending – announced in the 2020 Federal Budget and receivable over 3 years
 - \$22.9 million equity injection for providing other home loans
- \$56.3 million in First Nations investor participation
- \$9.5 million in appropriations
- \$185.2 million from self-generated revenue – mostly interest earnings, dividends from investments, rental receipts from investment properties and subsidiaries' customer contracts.

LEGAL AND FINANCIAL FRAMEWORK

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

The ATSI Act requires that money in the New Housing Fund must be used only for housing loans, loans to enable the provision of housing, or grants to enable persons to obtain housing loans. It requires that all interest and repayments of those loans go back into the New Housing Fund. Financial statements for the New Housing Fund are provided separately under Note 14.

The Australian Accounting Standards require that IBA's financial assets be recorded at their fair value:

- loans relating to the housing and business loan portfolios are issued at concessional interest rates and 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 discount expenditure at inception
 - unwinding of concessional discount, as the loan is repaid during its expected term to discharge.

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

OUTLOOK

IBA continues to monitor global and domestic economic conditions, particularly in relation to interest rates and cost-of-living pressures. Further developments in the economic environment impact IBA's asset valuations and operating results. To ensure continuing support for new and existing customers IBA must balance prudent lending and investment practices – preserving limited available capital so we can proactively respond to unexpected changes, set-backs and deterioration in market conditions, and the risk of customer defaults due to rising cost-of-living pressures.

The total value of 2021-22 home loans decreased compared to previous periods on record repayments and discharges as borrowers refinanced their loans with commercial providers, recycling much needed capital for future First Nations borrowers to access IBA's services. Overall, demand for our products continues to grow and, as a predominantly self-funded agency, resources and capital are finite. New and innovative funding solutions are required, to sustain increased performance and keep pace with demand.

IBA continues to invest in improving customer support activities and our core business system. We are always looking to reduce the cost of services that support the Housing Solutions, Business Solutions and Investments and Asset Management programs.

IBA's net asset base is expected to continue its steady growth, with net assets budgeted to increase \$67.9 million to 30 June 2023. Total consolidated revenue is budgeted to be \$209.6 million including:

- the unwinding of concessional discount
- grant receipts of \$27.5 million
- appropriations of \$9.5 million.

FIGURE 19: CAPITAL DEPLOYED VS CAPITAL INJECTIONS

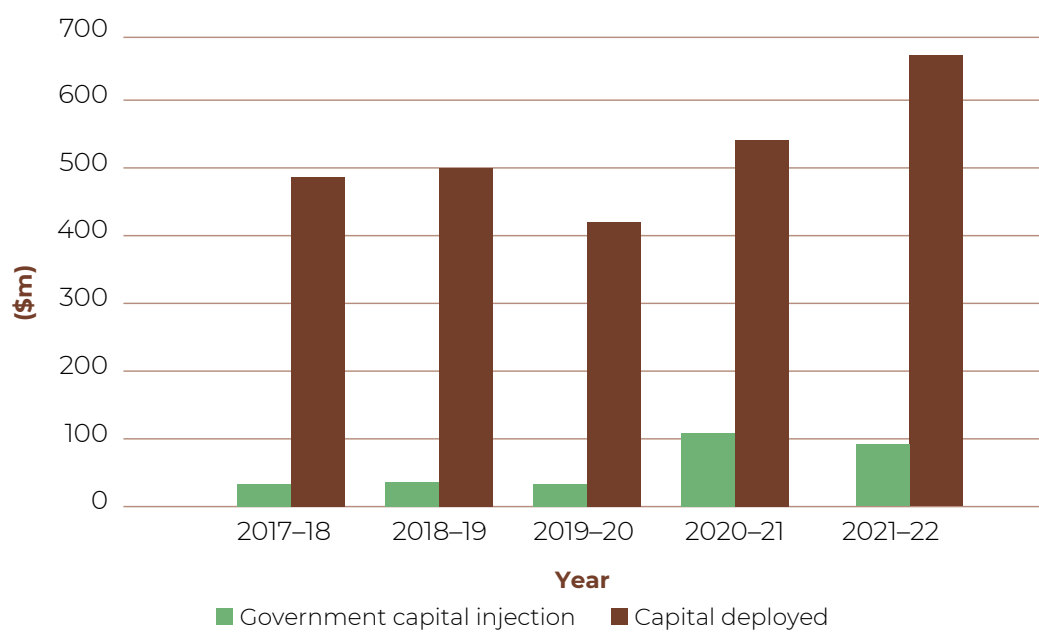
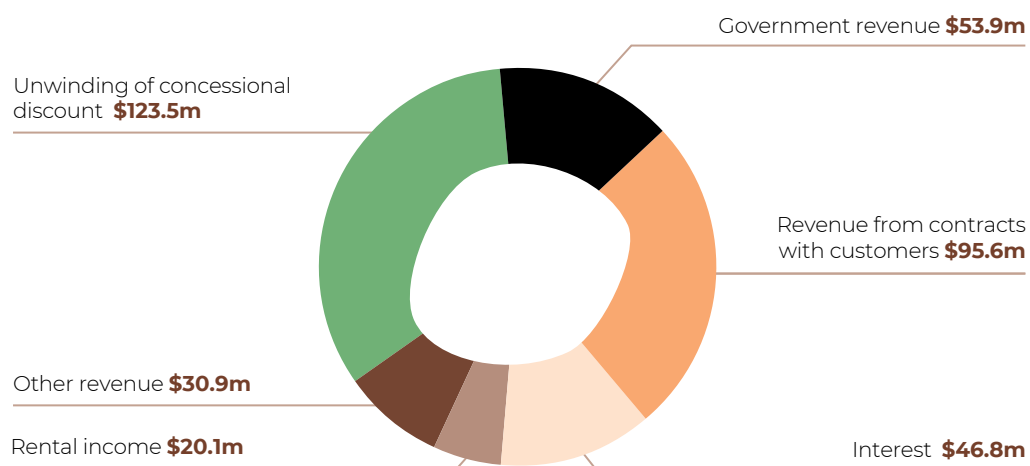


FIGURE 20: CONSOLIDATED INCOME





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 2022 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
27 September 2022



Anthony Ashby
Deputy Chair
27 September 2022



Kirsty Moore
Chief Executive Officer
27 September 2022



Dee Garcha
Chief Financial Officer
27 September 2022



INDEPENDENT AUDITOR'S REPORT

To the Minister for Indigenous Australians

Opinion

In my opinion, the financial statements of the Indigenous Business Australia and controlled entities (together the 'Consolidated Entity') for the year ended 30 June 2022:

- (a) comply with Australian Accounting Standards – Simplified Disclosures 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 2022 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 2022 and for the year then ended:

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

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.

Directors' 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 – Simplified Disclosures and the rules made under the Act. The directors are also responsible for such internal control as the directors determines 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 directors;
- conclude on the appropriateness of the directors 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 directors 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



Colin Bienke
Audit Principal

Delegate of the Auditor-General

Canberra
28 September 2022

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2022

		Consolidated 2022 \$'000	Consolidated 2021 \$'000	Consolidated Original budget \$'000
NET COST OF SERVICES	Notes			
Expenses				
Employee benefits	2A	47,325	45,053	48,794
Supplier expenses	2B	94,128	89,113	91,477
Grants		13,537	16,350	20,144
Depreciation and amortisation	2C	8,663	10,666	13,470
Finance costs	2D	89,503	56,212	64,534
Write-down and impairment of assets	2E	34,102	15,134	7,015
Losses from asset sales		246	288	-
Other expenses	2F	588	6,057	1,125
Total expenses		288,092	238,873	246,559
Own-source income				
Own-source revenue				
Revenue from contracts with customers	3A	95,590	81,585	86,401
Interest	3B	46,844	45,205	49,179
Unwinding of concessional loan discount	3C	123,495	100,138	80,400
Dividends		16,200	15,399	4,716
Rental income	3D	20,089	19,855	20,184
Other revenue	3E	51,776	47,972	50,500
Total own-source revenue		353,994	310,154	291,380
Gains				
Gains from sale of assets		3,140	626	-
Other gains	3F	4,175	23,802	-
Total gains		7,315	24,428	-
Total own-source revenue		361,309	334,582	291,380
Net contribution by services		73,217	95,709	44,821
Revenue from Government	3G	9,452	9,546	9,452
Surplus before income tax on continuing operations		82,669	105,255	54,273
Income tax expense		981	183	-
Surplus after income tax on continuing operations		81,688	105,072	54,273
Surplus attributable to non-controlling interests		2,359	24,452	7,353
Surplus attributable to the Australian Government		79,329	80,620	46,920
Other comprehensive income				
Items not subject to subsequent reclassification to net cost of services				
Investments in associates and joint ventures at fair value through other comprehensive income		(1,249)	(711)	-
Total other comprehensive income / (loss) after income tax		(1,249)	(711)	-
Total comprehensive income		80,439	104,361	54,273
Total comprehensive income attributable to non-controlling interests		2,359	24,452	7,353
Total comprehensive income attributable to Australian Government		78,080	79,909	46,920

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

STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

		Consolidated 2022 \$'000	Consolidated 2021 \$'000	Consolidated Original budget \$'000
	Notes			
Assets				
Cash and cash equivalents	5A	141,940	110,068	124,998
Trade and other receivables	5B	43,372	42,886	-
Loan receivables	5C	910,847	983,394	1,166,743
Investments in associates and joint ventures	5D	10,434	12,682	11,373
Other investments	5E	653,752	452,050	364,582
Deferred tax assets		415	556	744
Total financial assets		1,760,760	1,601,636	1,668,440
Land and buildings	6A	49,686	42,676	37,481
Property, plant and equipment	6A	19,475	20,013	26,434
Investment properties	6C	185,583	174,203	175,767
Operating lease assets	6A	2,645	6,084	-
Intangible assets	6B	8,653	12,472	12,034
Inventories		3,686	2,281	2,518
Prepayments		1,182	828	869
Total non-financial assets		270,910	258,557	255,103
Assets held for sale	6D	9,034	-	-
Total assets		2,040,704	1,860,193	1,923,543
Liabilities				
Suppliers	7A	12,778	15,139	15,090
Tax liabilities		324	80	70
Other payables	7B	21,752	34,733	4,436
Total payables		34,854	49,952	19,596
Interest bearing liabilities	8	36,505	36,505	36,558
Leases	8	7,578	9,598	9,060
Total interest bearing liabilities		44,083	46,103	45,618
Employee provisions	9A	8,853	8,770	8,616
Other provisions	9B	11,429	15,712	10,927
Total provisions		20,282	24,482	19,543
Total liabilities		99,219	120,537	84,757
Net assets		1,941,485	1,739,656	1,838,786
Equity				
Contributed equity		1,257,884	1,178,784	1,262,332
Reserves		3,056	4,135	4,846
Retained earnings		474,316	396,637	417,224
Total parent entity interest		1,735,256	1,579,556	1,684,402
Contributed equity		186,659	130,333	128,974
Reserves		1,276	1,446	1,446
Retained earnings		18,294	28,321	23,964
Total non-controlling interests		206,229	160,100	154,384
Total equity		1,941,485	1,739,656	1,838,786

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

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2022

	Consolidated 2022 \$'000	Consolidated 2021 \$'000	Consolidated Original budget \$'000
Notes			
CONTRIBUTED EQUITY			
Opening balance			
Balance carried forward from previous period	1,309,117	1,219,330	1,307,206
Transactions with owners			
Contributions by owners			
Equity injection – Appropriations	79,100	97,850	79,100
Equity injection / (Redemption) – Non-controlling interests	56,326	(7,459)	5,000
Equity issue costs	-	(604)	-
Total transactions with owners	135,426	89,787	84,100
Closing balance as at 30 June	1,444,543	1,309,117	1,391,306
Less: Non-controlling interests	(186,659)	(130,333)	(128,974)
Closing balance attributable to the Australian Government	1,257,884	1,178,784	1,262,332
RETAINED EARNINGS			
Opening balance			
Balance carried forward from previous period	424,958	326,845	386,915
Acquisition of non-controlling interest	1,645	-	-
Reclassification	-	(275)	-
Adjusted opening balance	426,603	326,570	386,915
Comprehensive income			
Surplus for the year	81,688	105,072	54,273
Other comprehensive income	-	-	-
Total comprehensive income	81,688	105,072	54,273
Distributions / Dividends provided for or paid	(15,681)	(6,684)	-
Closing balance as at 30 June	492,610	424,958	441,188
Less: Non-controlling interests	(18,294)	(28,321)	(23,964)
Closing balance attributable to the Australian Government	474,316	396,637	417,224
RESERVES			
Opening balance			
Balance carried forward from previous period	5,581	6,292	6,292
Comprehensive income			
Other comprehensive income	(1,249)	(711)	-
Total comprehensive income	(1,249)	(711)	-
Closing balance as at 30 June	4,332	5,581	6,292
Less: Non-controlling interests	(1,276)	(1,446)	(1,446)
Closing balance attributable to the Australian Government	3,056	4,135	4,846

STATEMENT OF CHANGES IN EQUITY (continued)

For the year ended 30 June 2022

	Consolidated 2022 \$'000	Consolidated 2021 \$'000	Consolidated Original budget \$'000
Notes			
TOTAL EQUITY			
Opening balance			
Balance carried forward from previous period	1,739,656	1,552,467	1,700,413
Acquisition of non-controlling interest	1,645	-	-
Reclassification	-	(275)	-
Adjusted opening balance	1,741,301	1,552,192	1,700,413
Comprehensive income			
Surplus for the year	81,688	105,072	54,273
Other comprehensive income	(1,249)	(711)	-
Total comprehensive income	80,439	104,361	54,273
Transactions with owners			
Distributions to owners			
Returns on capital			
Distributions / Dividends provided for or paid	(15,681)	(6,684)	-
Contributions by owners			
Equity injection – Appropriations	79,100	97,850	79,100
Equity injection / (Redemption) – Non-controlling interests	56,326	(7,459)	5,000
Equity issue costs	-	(604)	-
Total transactions with owners	119,745	83,103	84,100
Closing balance as at 30 June	1,941,485	1,739,656	1,838,786
Less: Non-controlling interests	(206,229)	(160,100)	(154,384)
Closing balance attributable to the Australian Government	1,735,256	1,579,556	1,684,402

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

CASH FLOW STATEMENT

For the year ended 30 June 2022

	Consolidated 2022 \$'000	Consolidated 2021 \$'000	Consolidated Original budget \$'000
Notes			
Operating activities			
Cash received			
Receipts from Government	9,452	9,546	9,452
Grants	27,500	27,315	27,500
Sale of goods and rendering of services	94,639	80,080	86,345
Interest	45,570	45,474	49,179
Dividends	17,084	9,468	4,717
Other revenue	27,942	24,291	21,702
Total cash received	222,187	196,174	198,895
Cash used			
Employees	(46,825)	(44,480)	(49,394)
Suppliers	(99,877)	(90,302)	(75,152)
Borrowing costs	(1,183)	(1,534)	(1,549)
Other expenses	(9,934)	(8,413)	(23,093)
Total cash used	(157,819)	(144,729)	(149,188)
Net cash from operating activities	64,368	51,445	49,707
Investing activities			
Cash received			
Proceeds from sale of property, plant and equipment	9,057	923	54
Investments redeemed	22,958	34,207	16,287
Other – repayment of loans receivable	488,870	352,842	266,514
Total cash received	520,885	387,972	282,855
Cash used			
Purchase of property, plant and equipment	(25,951)	(6,241)	(12,550)
Purchase of other non-financial assets, including intangible assets	(14,478)	(6,803)	-
Investments	(251,408)	(219,460)	(34,243)
Other – loans and advances made	(380,407)	(308,218)	(366,200)
Total cash used	(672,244)	(540,722)	(412,993)
Net cash used by investing activities	(151,359)	(152,750)	(130,138)
Financing activities			
Cash received			
Contributed equity	135,426	97,850	84,100
New borrowing	13,339	-	-
Total cash received	148,765	97,850	84,100
Cash used			
Repayment of borrowings	(13,339)	-	-
Dividends paid	(14,544)	(7,087)	-
Redemption of equity	-	(8,063)	-
Principal repayments of lease liability	(2,019)	(3,102)	(2,085)
Total cash used	(29,902)	(18,252)	(2,085)
Net cash from financing activities	118,863	79,598	82,015

CASH FLOW STATEMENT (continued)

For the year ended 30 June 2022

	Consolidated	Consolidated	Consolidated
	2022	2021	Original
Notes	\$'000	\$'000	budget
			\$'000
Net (decrease) / increase in cash held	31,872	(21,707)	1,584
Cash and cash equivalents at the beginning of the year	110,068	131,775	123,414
Cash and cash equivalents at the end of the year	141,940	110,068	124,998

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

Note 1. Basis of preparation

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 in 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-Profits 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:

- a) *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* ('FRR'); and
- b) Australian Accounting Standards - Simplified 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.

Note 1. Basis of preparation (continued)

1.3 Impact of Coronavirus ('COVID-19')

In March 2020, the World Health Organisation declared a global pandemic as a result of COVID-19. As reported last year, this caused higher than usual volatility in financial markets, and an uncertain outlook for the global economy. IBA has carefully considered the impact of COVID-19 in preparing the financial statements for the year ended 30 June 2022.

As a result of the pandemic, results for the comparative financial year ending 30 June 2021 are impacted by support measures IBA provided to its customers, including:

- For all home loan customers, a reduction in the interest rate applicable to a maximum of 2.99% for a period of 5 months, to 30 November 2020, and
- For approved business leasing and loan customers, relief for up to 12 months in the form of deferral of loan or lease payments, waiver of interest, and extension of loan terms (to accommodate the deferral period).

Further, for approved applicants, IBA's Indigenous Business Relief Package, which commenced in June 2020, included access to specialist advice to navigate the COVID-19 crisis, and working capital assistance of up to \$200,000 via a loan/grant package. This program ceased on 30 June 2022.

The COVID-19 pandemic has not had a material impact on IBA's financial position, performance or cash flows in the current financial year, nor has it resulted in any major variances to Budget (refer to Explanation of major variances to Budget in Note 1 to the Financial Statements).

1.4 Changes in Australian Accounting Standards

IBA has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. None of the new or amended Accounting Standards and Interpretations materially affect IBA's accounting policies or any of the amounts recognised in the financial statements.

No accounting standard has been adopted earlier than the application date stated in the standard.

Furthermore, none of the Accounting Standards and Interpretations issued by the AASB but not yet mandatory have been adopted earlier than the application date stated in the standard. None of these Standards or Interpretations are expected to materially affect the financial statements upon application.

1.5 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 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.

1.6 Transactions with the Government as owner

Equity injections

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

1.7 Events after the reporting date

Except for the following event, there are no other potential significant events that will affect the ongoing structure and financial activities of the Group after 30 June 2022.

IBA initiated an off-market direct approach sale process to divest its interest in the Wilpena Pound Resort on 4 July 2022.

Note 1. Basis of preparation (continued)

1.8 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.

Cost 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.

1.9 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, assets and liabilities are recognised net of GST except:

- where the amount of GST incurred is not recovered 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 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 tax 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.

Note 1. Basis of preparation (continued)

1.10 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 2021-22 Portfolio Budget Statements, and the actual expenses, own-source revenue, assets, and liabilities for the year.

Affected line item	Variance reporting
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Statement of Comprehensive Income

Unwinding of concessional discount	Favourable compared to budget due to higher-than-expected loan repayments and discharges from existing housing loan customers refinancing their loan with mainstream lenders, resulting in a greater than expected unwind of concessional loan discount.
Finance costs	Finance costs represent the concessional loan discount taken up on advance of home and business loans, and interest expense. Whilst loan advances are lower than expected, the concessional loan discount at inception is greater than expected due to the steep rise in the forward interest rate yield curve leading to an unfavourable variance.
Dividends & Other gains	Favourable variances to budget due to the performance of IBA's investment portfolio.
Write down & Impairment of assets	Primarily reflects the mark to market decline of investments not budgeted, held by the Indigenous Prosperity Funds.

Statement of Financial Position

Investments	Investments are above budget due to additional Government funding for regional construction instalment lending which has been invested until the program is completed. The increase over budget also reflects current refinancing rates.
Loan receivables	Lower than budget as mainstream lender appetite resulted in customers successfully refinancing ahead of budget and the lower net movement in carrying discount. Budget also includes trade and other receivables.
Other payables	The increase over budget primarily reflects grant funds held to support the Business Support Relief Package remaining unspent at year end.

Statement of Cash Flow

Loans and advances made	Whilst demand for housing loans remained strong, the ability of potential borrowers to draw on pre-approved funding was curtailed by significant price growth in available housing stock effectively pricing those borrowers out of the market.
Investments purchased	Investments exceeded budget as capital management initiatives resulted in the investment of additional Government funding for regional construction lending, and investment of recycled cash arising as a result of unexpected levels of loan repayments and lower levels of loan advances.
Repayment of loans receivable	Significantly greater levels of loan discharges as borrowers took advantage of lower rates of interest and incentives offered by the commercial banks, resulting in recycling of available funds to support future indigenous Australians.

Note 2. Expenses

	Consolidated 2022 \$'000	Consolidated 2021 \$'000
Note 2A: Employee benefits		
Wages and salaries	37,168	36,806
Superannuation:		
Defined contribution plans	4,826	4,322
Defined benefit plans	394	524
Leave entitlements	2,660	2,754
Other entitlements	2,277	647
Total employee benefits	47,325	45,053
Note 2B: Supplier expenses		
Audit fees	213	229
Cost of goods sold	54,002	45,991
Consultants	5,676	4,111
Investment property management expenses	7,346	13,961
IT expenses	4,877	4,882
Legal expenses	1,093	1,094
Office related expenses	5,511	4,071
Travel expenses	918	1,330
Other suppliers	13,605	12,132
Operating lease rentals – related entities	-	30
Operating lease rentals – external entities	440	905
Workers compensation expenses	447	377
Total supplier expenses	94,128	89,113
Note 2C: Depreciation and amortisation		
Depreciation		
Property, plant and equipment	5,406	7,233
Leasehold improvements	656	715
Depreciation right of use assets	2,526	2,374
Total depreciation	8,588	10,322
Amortisation		
Intangible non-financial assets	75	344
Total amortisation	75	344
Total depreciation and amortisation	8,663	10,666
Note 2D: Finance costs		
Concessional loan discount recognised	88,666	55,329
Interest expense and finance lease charges	837	883
Total finance costs	89,503	56,212

Accounting Policy: Concessional loan discount recognised

Concessional loan assets are recognised at the market-based value of the loan reduced by a concessional discount. The concessional loan discount is immediately recognised as an expense. Refer Note 5C.

Note 2. Expenses (continued)

	Consolidated 2022 \$'000	Consolidated 2021 \$'000
Note 2E: Write-down and impairment of assets		
Asset write-down and impairment of assets		
Write-down of non-financial assets	-	3,135
Impairments on loans	1,354	11,999
Valuation decrements on financial assets held at FVTPL	32,748	-
Total write-down and impairment of assets	34,102	15,134
Note 2F Other expenses		
Lease termination settlement fee	-	5,279
Other expenses	588	778
Total other expenses	588	6,057

Note 3. Income

	Consolidated 2022 \$'000	Consolidated 2021 \$'000
Note 3A: Revenue from contracts with customers		
Sale of goods	94,928	80,230
Rendering of services	662	1,355
Total sale of goods and rendering of services	95,590	81,585

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	45,499	44,719
Deposits	1,345	486
Total interest	46,844	45,205

Note 3C: Unwinding of concessional loan discount

Interest calculated using the effective interest method	167,008	143,348
Interest charged to borrowers	(43,513)	(43,210)
Total unwinding of concessional loan discount	123,495	100,138

Note 3D: Rental income

Operating lease		
Investment properties	16,174	14,209
Plant and equipment	3,915	5,646
Total rental income	20,089	19,855

The undiscounted contracted lease payments receivable in future periods is disclosed below. This lease disclosure should be read in conjunction with the accompanying notes 4 and 6A.

Maturity analysis of operating lease receivables

Within one year	16,152	18,398
One to two years	15,191	14,657
Two to three years	14,299	13,181
Three to four years	12,617	9,567
Four to five years	12,256	7,162
More than five years	61,749	57,787
Total undiscounted lease payments receivable	132,264	120,752

Note 3E: Other revenue

Grant income	44,430	38,885
Insurance recoveries	6,186	6,053
Other	1,160	3,034
Total other income	51,776	47,972

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 3. Income (continued)

	Consolidated 2022 \$'000	Consolidated 2021 \$'000
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Note 3F: Other gains

Change in fair value of non-financial assets	2,485	-
Change in fair value of financial assets	-	16,047
Change in value of investment properties	1,690	7,755
Total other gains	4,175	23,802

Note 3G: Revenue from Government

Department of Prime Minister and Cabinet		
Corporate Commonwealth Entity payment item	9,452	9,546
Total revenue from Government	9,452	9,546

Accounting Policy: Revenue and Income

Revenue from contracts with customers

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

- the parties to the contract have approved the contract, and are committed to perform their respective obligations;
- 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;
- the contract has commercial substance, and
- 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.

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 with 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 to Note 1.6).

Note 3. Income (continued)

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: Revenue from Contracts with Customers* 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 specific 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 be 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: Income of Not-for-Profit Entities*.

Rental Income

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

Sale of Assets

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

Unwinding of concessional loan discount

Under *AASB 9: Financial Instruments*, 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. Refer Note 5C.

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

Fair value measurements at the end of reporting period					
	2022 \$'000	2021 \$'000	Category Level	Valuation Technique(s)	Inputs Used
Financial assets					
Loan receivables - Home	874,345	948,682	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	36,502	34,712	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	296,201	290,882	Level 1	Fund quoted market values	Fund quoted market values
<u>Designated at fair value through other comprehensive income</u>					
Investments in associates and joint ventures	10,434	12,682	Level 2	Future earnings discounted at risk adjusted market rates	Earnings forecast, rates of return on capital
Total financial assets	1,217,482	1,286,958			
Non-financial assets					
Land & Buildings	49,686	42,676	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	185,583	174,203	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	2,645	6,084	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	19,475	20,013	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
Assets held for sale	9,034	-	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
Total non-financial assets	266,423	242,976			

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 2022 \$'000	Consolidated 2021 \$'000
Note 5A: Cash and cash equivalents		
Parent		
Home loan capital	3,644	3,960
New housing fund	13,461	12,211
Other cash held	66,275	47,248
Subsidiaries	58,560	46,649
Total cash and cash equivalents	141,940	110,068
Note 5B: Trade and other receivables		
Goods and services receivable		
Trade receivables from customer contracts	17,430	19,135
Accrued trade receivables from customer contracts	3,176	526
Finance lease receivable	10,143	9,129
Sundry debtors	27	217
Total receivables for goods and services	30,776	29,007
Payment is usually made within 30 days.		
Other receivables		
Accrued distribution receivable	12,596	13,482
Accrued interest receivable	-	397
Total other receivables	12,596	13,879
Total trade and other receivables	43,372	42,886

Credit terms for goods and services were within 30 days.

Note 5. Financial Assets (continued)

	Consolidated 2022 \$'000	Consolidated 2021 \$'000
Note 5C: Loan receivables		
Reconciliation of movements of loans receivable		
Loans – Home Ownership Program		
Opening carrying value	948,682	967,048
Add: Net loans movement at cost	(114,959)	(56,207)
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)	(77,846)	(52,338)
Wind back of discount (or movement in discount of loans on remeasurement at FVTPL)	116,531	94,219
Net movement in carrying discount	38,685	41,881
Add/(less): Movement in provision for expected credit losses	1,937	(4,040)
Closing carrying value	874,345	948,682
Loans – Business Development and Assistance Program		
Opening carrying value	34,712	28,405
Add: Net loans movement at cost	7,248	1,691
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)	(10,820)	(2,991)
Wind back of discount (or movement in discount of loans on remeasurement at FVTPL)	6,964	5,920
Net movement in carrying discount	(3,856)	2,929
Add/(less): Movement in provision for expected credit losses	(1,602)	1,687
Closing carrying value	36,502	34,712
Total home and business loans	910,847	983,394
Total loan receivables expected to be settled in:		
No more than 12 months	225,393	208,268
More than 12 months	685,454	775,126
Total loan receivables	910,847	983,394
Reconciliation of carrying value of loans		
Loans – Home Ownership Program (as shown above)		
Nominal value	1,157,072	1,272,031
Less: Carrying discount in concessional loans at amortised cost	(273,427)	(312,112)
Less: Provision for expected credit losses	(9,300)	(11,237)
Carrying value	874,345	948,682
Loans – Business Development and Assistance Program (as shown above)		
Nominal value	72,716	65,468
Less: Carrying discount in concessional loans at amortised cost	(28,080)	(24,224)
Less: Provision for expected credit losses	(8,134)	(6,532)
Carrying value	36,502	34,712
Total home and business loans	910,847	983,394

Note 5. Financial Assets (continued)

	Consolidated 2022 \$'000	Consolidated 2021 \$'000
Note 5C: Loan receivables		
Reconciliation of movement provision for expected credit losses		
Loans – Home Ownership Program		
Opening balance	11,237	7,197
Movement in provision	(1,937)	4,040
Closing balance	9,300	11,237
Loans – Business Development and Assistance Program		
Opening balance	6,532	8,219
Movement in provision	1,602	(1,687)
Closing balance	8,134	6,532
Total provision for expected credit losses	17,434	17,769

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.

Significant accounting judgements and estimates

In the process of applying the accounting policies, the Group has made the following judgement that has the potential to have significant impact on the amounts recorded in the financial statements.

The valuation of loan receivables is impacted by the credit risk adjustment to the discount rate ('credit risk premium') over the market rate. The credit risk premium is determined by assessing the probability of default and projected losses given default, to determine changes in expected credit losses.

The sensitivity analysis presented in the table below shows the impact of changes in expected credit losses as a result of changes to the credit risk premium on the carrying value of loans receivable.

Assumptions	Carrying value 2022 \$'000	Credit risk premium 2022	Credit risk premium 2021	Change in assumptions	Change in carrying value \$'000
Housing loans	874,345	3.40%	3.80%	0.79% / -0.79%	-37,337 / +39,439
Business loans	36,502	28.75%	30.00%	0.79% / -0.79%	-442 / +453

Whilst management believe 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 judgement and estimates applicable to IBA, and where applicable adjustments to the estimates adopted.

The credit risk premium incorporates macroeconomic factors that may impact on the credit risks for the portfolio and therefore affect default loss rates in the future. The change in credit risk is reflected through adjusting the default loss rates from historical settings and using the adjusted rate to determine changes in expected credit losses.

Note 5. Financial Assets (continued)

Given the continued 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 2021.

Accounting Policy: 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 derecognised 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 derecognised 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 consisting 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.

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 credit risk of the principal outstanding.

Note 5. Financial Assets (continued)

Categorisation and valuation of the Group's financial assets

Fair value through other comprehensive income ("FVTOCI")

- Investments in associates, joint ventures and other related business undertakings, including loans to such entities, are classified as FVTOCI. 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 uses techniques consistent with those of the most recent independent valuation.

Fair value through profit & loss ("FVTPL")

- Investments in subsidiaries are held at FVTPL as at reporting date and distribution income received from them is recognised as a dividend.
- 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 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 amount is calculated based on the balance yet to be repaid. Interest is expensed as it accrues using the effective interest method.

Note 5. Financial Assets (continued)

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 of 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 unwind of the discount

Under *AASB 9: Financial Instruments*, 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.

Accounting Policy: 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*.

Accounting Policy: 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.

Note 5. Financial Assets (continued)

	Consolidated 2022 \$'000	Consolidated 2021 \$'000
Note 5D: Investments in associates and joint ventures		
Investments in associates and joint ventures	10,434	12,682
Total investments in associates and joint ventures at fair value through other comprehensive income	10,434	12,682
Investments in associates and joint ventures that are expected to be recovered in:		
No more than 12 months	-	1,500
More than 12 months	10,434	11,182
Total investments in associates and joint ventures at fair value through other comprehensive income	10,434	12,682
Details of investments:	2022	2021
Name	%	%
Fitzroy River Lodge Partnership	-	26
IBA Yamatji Land Holding Trust*	50	-
MiHaven Social Impact Property Fund No. 1	35	35
Noongar Property Trust	26	26
Port Hedland Investment Trust (Marlba Maya ATF)*	70	70
Yamatji Fresh Produce Pty Ltd	25	-

* IBA shares joint control over the IBA Yamatji Holding Trust with Yamatji Enterprises PL. Neither party is able to demonstrate control, as the power to make decisions and influence returns require unanimous consent. Furthermore, there is no casting vote for either party, but an independent dispute resolution process. Accordingly, the investment in this entity is considered a joint venture.

Notwithstanding IBA owning 70% of the units in this Trust, IBA does not consolidate this entity as it is unable to demonstrate control. The power to make decisions and influence returns requires approval by the trustee (Marlba Maya Pty Ltd) which is jointly held with the Port Hedland Aboriginal Corporation.

Accounting for investments in associates and joint ventures

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.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. A joint venturer is a party to a joint venture that has joint control of that joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in associates and joint ventures are classified as financial instruments measured at fair value through other comprehensive income 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.

Note 5. Financial Assets (continued)

	Consolidated 2022 \$'000	Consolidated 2021 \$'000
Note 5E: Other investments		
Term deposits	357,551	161,168
Other – bonds, managed funds and interest in business undertakings	296,201	290,882
Total other investments	653,752	452,050
Investments expected to be recovered in:		
No more than 12 months	361,918	167,211
More than 12 months	291,834	284,839
Total other investments	653,752	452,050

Note 6. Non-Financial Assets

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

	Consolidated 2022					
	Land & Buildings	Leasehold Improvements	Sub-Total	Plant & Equipment	Operating Lease Assets	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance						
Gross book value	39,683	11,627	51,310	42,156	15,641	109,107
Accumulated depreciation and impairment	(6,441)	(2,193)	(8,634)	(22,143)	(9,557)	(40,334)
Total as at 1 July	33,242	9,434	42,676	20,013	6,084	68,773
Additions						
By purchase	3,841	4,850	8,691	11,886	-	20,577
Change in fair value of non-financial assets	1,504	-	1,504	362	-	1,866
Reclassification - cost	268	(268)	-	-	-	-
Depreciation expense	(1,437)	(1,748)	(3,185)	(3,652)	(1,751)	(8,588)
Disposals – cost	-	-	-	(2,094)	(4,373)	(6,467)
Disposals – accumulated depreciation	-	-	-	1,994	2,685	4,679
Transfer to Asset held for sale - cost	-	-	-	(12,043)	-	(12,043)
Transfer to Asset held for sale – acc. depreciation	-	-	-	3,009	-	3,009
Total as at 30 June	37,418	12,268	49,686	19,475	2,645	71,806
Net book value as at 30 June represented by:						
Gross book value	45,296	16,209	61,505	40,267	11,268	113,040
Accumulated depreciation and impairment	(7,878)	(3,941)	(11,819)	(20,792)	(8,623)	(41,234)
Total as at 30 June	37,418	12,268	49,686	19,475	2,645	71,806

Land & Buildings total value as at 30 June 2022 includes right of use assets totalling \$5,429,086.

The value of land included in land & buildings at 30 June 2022 is approximately \$1,800,000.

Plant & Equipment total value as at 30 June 2022 includes cultural & heritage assets totalling \$95,531.

Accounting Policy: 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 Right of Use ('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 the 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.

Note 6. Non-Financial Assets (continued)

Lessor accounting: finance leases (continued)

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.

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.

Accounting Policy: 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 \$2,000, 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 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 off AASB 16: *Leases* 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 (FY22)	Estimated useful life (FY21)
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.

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.

Derecognition

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

Note 6. Non-Financial Assets (continued)

Heritage and cultural assets

The Group has a collection of artworks, 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.

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

	Consolidated 2022			
	Computer Software \$'000	Goodwill \$'000	Other Intangibles \$'000	Total \$'000
Opening balance				
Gross book value	6,656	3,270	8,283	18,209
Accumulated amortisation and impairment	(6,005)	-	268	(5,737)
Total as at 1 July	651	3,270	8,551	12,472
Additions				
By purchase	-	-	5,786	5,786
Software implementation costs written off ¹	-	-	(9,530)	(9,530)
Amortisation expense	-	-	(75)	(75)
Reclassification - cost	(763)	-	796	33
Reclassification - accumulated depreciation	278	-	(311)	(33)
Disposals - cost	(816)	-	-	(816)
Disposals - accumulated depreciation	816	-	-	816
Total as at 30 June	166	3,270	5,217	8,653
Net book value as at 30 June represented by:				
Gross book value	5,355	3,270	5,335	13,960
Accumulated depreciation and impairment	(5,189)	-	(118)	(5,307)
Total as at 30 June	166	3,270	5,217	8,653

¹ IBA has embarked on a digital transformation, and in particular is transitioning from legacy home and business loan software applications to a new commercial banking solution based on the cloud rather than IBA's servers and provided as Software As A Service ("SAAS"). In accordance with the International Financial Reporting Interpretations Committee ("IFRIC") determination IBA has undertaken an assessment of costs incurred and previously capitalised to date, identifying those costs considered 'distinct' (being costs that do not significantly modify or customise the software solution to be provided under the SAAS arrangement) and has written those costs off.

Accounting Policy: 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.

Accounting Policy: 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.

Note 6. Non-Financial Assets (continued)

	Consolidated 2022 \$'000	Consolidated 2021 \$'000
Note 6C: Investment properties		
Gross book value	174,203	166,448
Disposals	(4,375)	-
Acquisition	14,065	-
Net gain / (loss) from fair value adjustments	1,690	7,755
Total as at 30 June	185,583	174,203

Investment properties were revalued during the year in accordance with the revaluation policy stated below.

Accounting Policy: 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 from change 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.

Significant accounting judgements and estimates

In the process of applying the accounting policies, the Group has made the following judgement that has the potential to have significant impact on the amounts recorded in the financial statements:

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

Whilst management believe the estimates used in preparing the financial report are reasonable, the potential impact of COVID-19 has required additional consideration and analysis of the critical accounting judgement and estimates applicable to IBA, and where applicable adjustments to the estimates adopted.

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 2021.

Note 6. Non-Financial Assets (continued)

	Consolidated 2022 \$'000	Consolidated 2021 \$'000
Note 6D: Assets held for sale		
Gross book value	9,034	-
Total as at 30 June	9,034	-

On 28 March 2022, the Partners of the Northam Solar Project Partnership (a subsidiary of IBA) entered into an agreement for the sale of the business and assets comprising the Northam solar farm with MEG HP1 Pty Ltd, a wholly owned subsidiary of Infinite Blue Energy Ltd (now known as Infinite Green Energy Ltd) for \$8,010,000 subject to the satisfaction of a number of conditions precedent. The last date for the satisfaction of conditions precedent is 27 September 2022.

Under AASB 5: Non-current Assets Held for Sale and Discontinued Operations assets relating to the Northam Solar Farm comprising property, plant and equipment totalling \$9,034,000 have been reclassified to Assets Held for Sale. Liabilities subject to assignment to the purchaser under the sale agreement have not been reclassified including a restoration provision for \$1,080,000 carried in Note 9B: Other provisions.

Note 7. Payables

	Consolidated 2022 \$'000	Consolidated 2021 \$'000
Note 7A: Suppliers		
Trade creditors	1,545	1,956
Accrued liabilities	6,776	9,553
Other creditors	4,457	3,630
Total suppliers	12,778	15,139
Settlement to trade creditors is usually made within 30 days.		
Note 7B: Other payables		
Salaries and wages	1,376	1,066
Superannuation	236	129
Unearned income from contracts with customers	15,495	31,916
Payable to ATO	1,337	-
Security deposits held	3,308	1,622
Total other payables	21,752	34,733
Total other payables expected to be settled in:		
No more than 12 months	18,645	24,622
More than 12 months	3,107	10,111
Total other payables	21,752	34,733

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

Note 8. Interest bearing liabilities

	Consolidated 2022 \$'000	Consolidated 2021 \$'000
Secured loan facilities	36,505	36,505
Unsecured loan facility – lease contract	7,578	9,598
Total loans	44,083	46,103
Maturity schedule		
Less than one year	-	25,000
In one to five years	44,083	21,103
Total loans	44,083	46,103

The secured loan facilities relate to amounts borrowed against investment properties. The facilities comprise the Darwin Hotel Partnership's 50% share of an Australian and New Zealand Banking Group Ltd ('ANZ') facility for \$11.5 million, and a Westpac Banking Corporation ('WBC') facility provided to the Indigenous Real Estate Investment Trust ('IREIT') for \$39 million of which \$25 million has been drawn. The WBC facility comprises two tranches with Tranche one totalling \$25 million and Tranche two totalling \$14 million to provide funding for acquisition of further investment property. The ANZ facility expires on 21 October 2023, whilst the WBC facility will expire on 30 June 2024.

Note 9. Provisions

	Consolidated 2022 \$'000	Consolidated 2021 \$'000
Note 9A: Employee provisions		
Leave entitlements	8,853	8,770
Total employee provisions	8,853	8,770

The classification of current employee provisions includes amounts for which there is not an unconditional right to defer settlement by one year.

Accounting Policy: Employee benefits

Liabilities for short term 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 IBA 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.

IBA 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. IBA 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.

Note 9. Provisions (continued)

	Consolidated					
	2022			2021		
	Restoration obligations \$'000	Distribution / other provisions \$'000	Total \$'000	Restoration obligations \$'000	Distribution / other provisions \$'000	Total \$'000
Note 9B: Other provisions						
Opening balance as at 1 July	1,594	14,118	15,712	1,497	10,284	11,781
Additional provisions made	28	20,035	20,063	105	13,599	13,704
Amount used	(40)	(24,306)	(24,346)	(8)	(9,765)	(9,773)
Total as at 30 June	1,582	9,847	11,429	1,594	14,118	15,712

IBA currently has eleven lease agreements for leasing premises with provisions requiring restoration to their original condition at the conclusion of the lease. These costs are included in the value of leasehold improvements with a corresponding provision for make good recognised.

Accounting Policy: 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 events. Contingent assets are not recognised but are disclosed where an inflow of economic benefits is probable.

Note 10. Contingent liabilities and assets

	Consolidated					
	Indemnities		Claims for damages or costs		Total	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Contingent assets						
Opening balance as at 1 July		-	700	648	700	648
New		-	240	1,988	240	1,988
Assets recognised		-	(952)	(1,933)	(952)	(1,933)
Expired		-	12	(3)	12	(3)
Total as at 30 June		-	-	700	-	700
Contingent liabilities						
Opening balance as at 1 July	10,279	8,962	-	-	10,279	8,962
New	14,271	6,568	-	-	14,271	6,658
Obligations expired	(3,878)	(5,251)	-	-	(3,878)	(5,251)
Total as at 30 June	20,672	10,279	-	-	20,672	10,279
Net balance as at 30 June	(20,672)	(10,279)	-	700	(20,672)	(9,579)

Quantifiable contingencies

Claims for damages/costs (contingent asset)

The claims for damages or costs at 30 June 2022 relate to loans within the Indigenous Home Ownership program. There are no other contingent assets as at 30 June 2022.

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 \$20.7m underwriting performance bonds issued by Performance Bond Trust to Indigenous suppliers as at 30 June 2022.

Unquantifiable contingencies

IBA has no significant unquantifiable contingencies as at 30 June 2022 or 2021.

Accounting Policy: Contingent assets and liabilities

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 events. Contingent assets are not recognised but are disclosed where an inflow of economic benefits is probable.

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.

Note 11. Key management personnel remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. The entity has determined the key management personnel to be the Directors, Chief Executive Officer, Chief Financial Officer, and the Executive Director: Products & Markets, including personnel acting in those roles from time to time. Key management personnel remuneration is reported in the table below:

	Consolidated 2022 \$'000	Consolidated 2021 \$'000
Key management personnel expenses for the reporting period		
Short-term employee benefits		
Salary and other allowances	1,218	1,263
Annual leave	61	57
Total short-term employee benefits	1,279	1,320
Post-employment benefits		
Superannuation	149	156
Total post-employment benefits	149	156
Other long-term employee benefits		
Long service leave	20	19
Total other long-term employee benefits	20	19
Termination benefits		
Termination benefits	48	55
Total termination benefits	48	55
Total senior executive remuneration expenses	1,496	1,550

The total number of key management personnel included in the above table is 15 (2020-21: 14)

Note 12. Related party disclosure

Related Party Relationships

IBA is an Australian Government controlled Entity. IBA's related parties are persons or their close family members who have significant influence over IBA or are Key Management Personnel of IBA and include entities which are associates or Joint Ventures of IBA or an IBA subsidiary, or entities which are controlled by persons who are related parties of IBA.

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, legal, and audit services.

A number of Directors of IBA hold or have held positions in other companies or government related entities.

IBA Director Richard Allert is the Chair and Director of Voyages Indigenous Tourism Australia Pty Ltd (a wholly owned subsidiary of ILSC) and Chair and Director of Kakadu Tourism (GCH) Pty Ltd and Kakadu Tourism (GLC) Pty Ltd (majority owned subsidiaries of IBA). IBA Director Vanessa Elliott is a Director of Desert Knowledge Australia. IBA Director Shirley McPherson is a Director of Yamatji Southern Regional Corporation ("Yamatji").

IBA Director Mr Edward Fry was a Chair and Director of Indigenous Land and Sea Corporation (ILSC) until 30 November 2021.

Former IBA Director Dr Valerie Cooms is Chairperson and a Director of Quandamooka Yoolooburrabee Aboriginal Corporation ("QYAC") and is also a Director of Minjerribah Camping Pty Ltd ("MCPL"), a wholly owned subsidiary of QYAC.

Dr Valerie Cooms resigned as a Director of IBA, effective 4 February 2022.

During the year Scott Young resigned effective 9 July 2021. Richard Callaghan was appointed on 17 December 2021, and Joshua Gilbert was appointed on 31 March 2022.

Related Party Transactions

The Board has determined to disclose all transactions with entities which have common directors with IBA even where such transactions may not technically represent a related party transaction as defined in *AASB 124: Related Party Disclosures*.

On 25 November 2021, the Board approved an investment up to \$2.5 million for the acquisition of land and development of a horticultural business in Geraldton, Western Australia in partnership with a subsidiary of Yamatji, and capability partner, 4 Ways Fresh Pty Ltd. On 14 April 2022, IBA invested \$500,000 in the IBA Yamatji Land Holding Trust ("YLHT") alongside Yamatji who also invested \$500,000. IBA and Yamatji each hold a 50% interest in IYLHT. Director McPherson did not participate in IBA's assessment or approval process.

In March 2022, IBA paid \$4,320 for two IBA employees to attend the Impact Investing Conference which was hosted by the Impact Investment Summit Asia Pacific. IBA Director Rosemary Addis is an Ambassador for the Impact Investment Summit Asia Pacific.

Loans to entities with common directors

The following loan related transactions were made in the ordinary course of business on an arm's length basis to QYAC. QYAC is a community owned entity, being the prescribed body corporate for the Quandamooka people established to hold their native title interests.

- Loan made in September 2018 - \$8,868 in loan repayments were made by QYAC during the financial year. The outstanding balance was \$1,375 at 30 June 2022. The original loan term was for 4 years commencing 18 September 2018, 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 a food van vehicle financed. The loan was 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 MCPL, a wholly owned subsidiary of QYAC.

- Loan made in June 2020 - \$39,454 in loan repayments were made by MCPL during the financial year. The outstanding balance was \$274,414 at 30 June 2022. The loan is for a term of 120 months commencing 30 June 2020, at an interest rate of 5% per annum (interest only for the first 12 months, then principal and interest for the remaining term), and is secured by a negative pledge.

Note 12. Related party disclosure (continued)

- Loan/Grant package approved in June 2020 & drawn down in July 2020 – \$100,000 comprising a loan of \$20,000 and grant of \$80,000 approved in the prior year under IBA's Business Relief Package and paid on 23 July 2020. The loan of \$20,000 is for a term of 36 months commencing 16 July 2020, at an interest rate of 3.5% per annum (with no repayments of principal and interest for the first 12 months) and is unsecured. \$9,845 in loan repayments were made by MCPL during the financial year. The outstanding balance was \$11,402 at 30 June 2022.

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

Leasing and other transactions with entities with common directors

The following leasing related transactions were made in the ordinary course of business at an arm's length basis to QYAC. QYAC is a community owned entity, being the prescribed body corporate for the Quandamooka people established to hold their native title interests.

- Finance leases made this year and prior years - \$70,012 in finance lease payments were made by QYAC during the financial year. The outstanding total balance of all leases was \$215,930 at 30 June 2022. The lease terms range from 3 to 7 years with the interest rate applicable ranging from 4% to 5.5% per annum. The leases were entered into prior to Dr Cooms appointment to the IBA Board.

The following leasing related transactions were made in the ordinary course of business at an arm's length basis to MCPL, a wholly owned subsidiary of QYAC.

- Finance leases made in prior years - \$247,870 in finance lease payments were made by MCPL during the financial year. The outstanding total balance of all leases was \$937,864 at 30 June 2022. The lease terms range from 3 to 7 years with the interest rate applicable ranging from 4% to 5.5% per annum.

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 entities which have common directors with IBA;

Entity	Nature of the transaction	2022 \$'000	2021 \$'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	14	6
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 terms of the sub-lease:		
	Payments made to ILSC	-	65
	Outstanding payments due to ILSC	67	67
Indigenous Land and Sea Corporation	ILSC lease a motor vehicle through IBA Leasing		
	Payments received from ILSC	-	7
Voyages Indigenous Tourism Australia	Voyages lease plant and equipment through IBA Leasing		
	Payments received from Voyages	192	176
Desert Knowledge Australia	IBA leases office space from Desert Knowledge in Alice Springs.		
	Payments made to Desert Knowledge	40	39

Note 13. Financial instruments

	Notes	Consolidated 2022 \$'000	Consolidated 2021 \$'000
Note 13A: Categories of financial instruments			
Financial assets at amortised cost			
Cash and cash equivalents	5A	141,940	110,068
Loan receivables – Home Ownership Program	5C	874,345	948,682
Loans – Business Development and Assistance Program	5C	36,502	34,712
Goods and services receivable	5B	30,776	29,007
Other receivables	5B	12,596	13,879
Term deposits	5E	357,551	161,168
Total financial assets at amortised cost		1,453,710	1,297,516
Investments in equity instruments at fair value through other comprehensive income (designated)			
Investments in associates	5D	10,434	12,682
Investments in equity instruments at fair value through other comprehensive income (designated)		10,434	12,682
Financial assets at fair value through profit or loss			
Other – bonds, managed funds and interest in business undertakings	5E	296,201	290,882
Financial assets at fair value through profit or loss		296,201	290,882
Total financial assets		1,760,345	1,601,080
Financial liabilities measured at amortised cost			
Suppliers	7A	12,778	15,139
Other payables	7B	21,752	34,733
Loans	8	44,083	46,103
Total financial liabilities measured at amortised cost		78,613	95,975
Total financial liabilities		78,613	95,975

Note 13. Financial instruments (continued)

	Notes	Consolidated 2022 \$'000	Consolidated 2021 \$'000
Note 13B: Net gains on financial assets			
Financial assets at amortised cost			
Interest revenue		46,559	44,900
Impairment on loans	2E	(1,354)	(11,999)
Net gain on financial assets at amortised cost		45,205	32,901
Investments in equity instruments at fair value through other comprehensive income (designated)			
Interest revenue		92	71
Loss recognised in equity		(1,249)	(711)
Net (loss) - Investments in equity instruments at fair value through other comprehensive income (designated)		(1,157)	(640)
Financial assets at fair value through profit or loss			
Change in fair value	2E, 3F	(32,748)	16,047
Interest revenue		193	234
Dividend revenue		16,200	15,399
Net gain / (loss) - financial assets at fair value through profit or loss		(16,355)	31,680
Total gains on financial assets		27,693	63,941
Note 13C: Net gains or losses from financial liabilities			
Financial liabilities measured at amortised cost			
Interest expense	2D	837	883
Net losses on financial liabilities measured at amortised cost		837	883
Net losses from financial liabilities		837	883

Note 14. New housing fund

The “New Housing Fund” was established under the Aboriginal and Torres Strait Islander Act 2005 (ATSI Act) as defined in Section 181A. Section 181A (2) & (3) sets out its composition and purpose, including that money held in the “New Housing Fund” may only be applied to make housing loans. Section 189 (2) of the ATSI 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 year ended 30 June 2022

	Notes	2022 \$'000	2021 \$'000
Expenses			
Write down and impairment of assets	14A	(1,183)	4,658
Concessional loan discount recognised		45,912	31,898
Supplier expenses		254	321
Total expenses		44,983	36,877
Less: own-source income			
Revenue			
Interest	14B	25,649	25,559
Unwinding of concessional loan discount		73,134	58,826
Other income		551	499
Total revenue		99,334	84,884
Net contribution by services		54,351	48,007

Note 14. New housing fund (continued)

New Housing Fund Statement of Financial Position As at 30 June 2022

	Notes	2022 \$'000	2021 \$'000
Assets			
Financial assets			
Cash	14C	13,461	15,410
Receivables	14D	540,866	589,986
Term deposits		180,000	75,000
Other		416	23
Total financial assets		734,743	680,419
Total assets		734,743	680,419
Liabilities			
Payables		6	33
Total liabilities		6	33
Net assets		734,737	680,386
Equity			
Parent entity interest			
Contributed equity		429,397	429,397
Accumulated surplus		305,340	250,989
Total parent entity interest		734,737	680,386
Total equity		734,737	680,386

The above statement should be read with the accompanying notes.

Note 14. New housing fund (continued)

New Housing Fund
Cash Flow Statement
For the year ended 30 June 2022

	Notes	2022 \$'000	2021 \$'000
Operating activities			
Cash received			
Interest		25,655	25,506
Total cash received		25,655	25,506
Cash used			
Other		254	324
Total cash used		254	324
Net cash from operating activities	14E	25,401	25,182
Investing activities			
Cash received			
Repayment of loans		190,775	125,337
Total cash received		190,775	125,337
Cash used			
Loans made		113,125	87,154
Investments made		105,000	75,000
Total cash used		218,125	162,154
Net cashflows from investing activities		(27,350)	(36,817)
Net (decrease) in cash held		(1,949)	(11,635)
Cash at beginning of the year		15,410	27,045
Cash at the end of the year		13,461	15,410

The above statement should be read with the accompanying notes.

Note 14. New housing fund (continued)

	2022 \$'000	2021 \$'000
Note 14A: Write-down and impairment of assets		
Impairment of assets	(1,183)	4,658
Total write-down and impairment of assets	(1,183)	4,658
Note 14B: Interest revenue		
Interest on bank account	562	-
Interest on housing loans	25,087	25,559
Total interest revenue	25,649	25,559
Note 14C: Cash		
Cash at bank and on hand	13,461	12,222
Cash at agent	-	3,188
Total cash	13,461	15,410
Note 14D: Receivables		
Loan receivables	540,866	589,986
Total receivables	540,866	589,986
New Housing Fund only		
(a) Reconciliation 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 2021	589,986	601,971
Net loans movement at cost	(77,525)	(34,255)
Net movement in carrying discount measured at amortised cost	27,222	26,928
Impairment movement through profit and loss	1,183	(4,658)
At fair value / cost closing balance	540,866	589,986
New Housing Fund loans (net) expected to be recovered		
Current loans receivable	125,984	116,424
Non-current loans receivable	414,882	473,562
Total receivables	540,866	589,986
Note 14E: Cash flow reconciliation		
Net contribution by services	54,351	48,007
Total write-down and impairment of assets	(1,183)	4,658
Concessional loan discount recognised	45,912	31,898
Unwinding of concessional loan discount	(73,134)	(58,826)
(Increase) in receivables	(545)	(555)
Net cash from operating activities	25,401	25,182

The above statement should be read with the accompanying notes.

Note 15. Parent entity – Indigenous Business Australia

	2022 \$'000	2021 \$'000
Note 15A: Statement of Comprehensive Income		
Profit after tax on continuing operations	53,734	86,552
Other comprehensive income	1,522	(8,762)
Total comprehensive income	55,256	77,790
Note 15B: Statement of Financial Position		
Current assets	337,528	297,472
Non-current assets	1,392,995	1,300,812
Total assets	1,730,523	1,598,284
Current liabilities	53,010	54,894
Non-current liabilities	7,005	7,238
Total liabilities	60,015	62,132
Net assets	1,670,508	1,536,152
Note 15C: Statement of Equity		
Retained earnings	453,076	397,820
Contributed equity	1,217,432	1,138,332
Total equity	1,670,508	1,536,152

Note 15. Parent entity – Indigenous Business Australia (continued)

Note 15D: Statement of IBA's holding in subsidiaries

Name	Country of incorporation	2022 %	2021 %
Carpenteria Shipping Trust	Australia	-	100
CDC Nominees (McArthur River Shipping) Pty Limited *	Australia	-	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
Gagadju Crocodile Hotel Trust	Australia	100	70
Gagadju Lodge Coinda Trust	Australia	52	52
Hotel Enterprises Pty Limited *	Australia	100	100
Ikara Wilpena Enterprises Pty Limited	Australia	89	87
Ikara Wilpena Holdings Trust	Australia	89	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 Economic Development Trust ^	Australia	-	-
Indigenous Prosperity Fund – Growth Fund	Australia	50	54
Indigenous Prosperity Fund – Income Fund	Australia	43	57
Indigenous Real Estate Investment Trust	Australia	47	56
IREIT Sub Trust	Australia	47	56
Kakadu Tourism (GCH) Pty Limited	Australia	100	70
Kakadai Tourism (GLC) Pty Limited	Australia	52	52
Li Ar Yalug Land Holding Trust	Australia	-	86
Marlba Maya Pty Ltd #	Australia	50	50
North Stradbroke Enterprises Trust	Australia	-	100
Northam Solar Partnership	Australia	95	95
Performance Bonds Trust	Australia	100	100
Port Hedland Investment Trust #	Australia	70	70
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	89	87

*Non-trading

^This is a discretionary trust whose beneficiaries are indigenous Australians. Whilst IBA does not hold units in the trust, as trustee all decisions are made by IBA demonstrating control.

Notwithstanding IBA owning 70% of the units in this Trust, IBA does not consolidate this entity as it is unable to demonstrate control. The power to make decisions and influence returns requires approval by the trustee (Marlba Maya Pty Ltd) which is jointly held with the Port Hedland Aboriginal Corporation.

Note 15. Parent entity – Indigenous Business Australia (continued)

Accounting for investments in controlled entities

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 2021 to 30 June 2022 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.



PART 07 APPENDICES

APPENDIX A: CONSULTANTS	146
APPENDIX B: KEY OUTREACH ACTIVITIES	149
APPENDIX C: IBA'S CUSTOMER SATISFACTION SURVEY METHODOLOGY	150
APPENDIX D: COMPLIANCE INDEX.....	152
APPENDIX E: IMPACT REPORT	154

APPENDIX A: CONSULTANTS

Abc Corporate Development	Complete Business Solutions (QLD) Pty Ltd
Aboriginal Tourism Asset Management Pty Ltd	Coolamon Advisors
Acil Allen Consulting (Vic)	Craig Peter Mason t/a Shine Bright Creative
Adaptive Capability Pty Ltd	Crunch Accounting Pty Ltd
Amk Law Pty Ltd	Customer Service Benchmarking Australia Pty Ltd
Andrew Pegler Media Pty Ltd	Dentons Australia Pty Ltd
Armstrong Muller Consulting	Designer Rice Pty Ltd
Astute Accountants Darwin Pty Ltd	Devers List Pty Ltd
Automio Limited	Dream Media Pty Ltd
Banki Haddock Fiora	Edr Accounting and Business Solutions Pty Ltd
Bas Bookkeeping NT Pty Ltd	Elephant In The Room Consulting Pty Ltd
BDO (North QLD)	Empower Digital
BDO Consultants (WA) Pty Ltd	Engelhard Consulting
Beam Advisory Pty Ltd	Ernst & Young Pty Ltd (Mel)
Blax Capital Pty Ltd	Elysian Consulting Pty Ltd
Boardroom Pty Ltd	Fiftyfive5 Pty Ltd
Business Governance Solutions Pty Ltd	Filtrd Pty Ltd
Busara Perth Pty Ltd t/a The Cut Creative	Financial Education Professionals Pty Ltd
Carbon Accountants and Business Consultants External Site	Fortis One
Clarke Hemmerling Pty Ltd t/a Clarke Hemmerling Lawyers	Gabrielle Reid t/a First Class Accounts Cairns
Clayton, Sally t/a Mint Key	Gibbrac Pty Ltd
Clayton Utz Lawyers	Good Foundations Consulting Pty Ltd
Cobalt Consulting Services Pty Limited	Goodwolf Partners Pty Ltd
Colliers International Holdings (Australia) Ltd	Graeme Wovodich t/a Carlton & Partners Co
	Hall Chadwick Partnership

Hall Chadwick (WA) Pty Ltd	Kevin John Dolman t/a Indigenous Evaluation Services
Henry Thomson	Kevin Maurice Shepley
Hopgoodganim Lawyers	Khb Bookkeeping Pty Ltd
Hwl Ebsworth Lawyers	Kimberley Jiyigas
I2i Development Global Pty Ltd	Kml Business Solutions Pty Ltd
Ibbotson & Moscatelli	Kpmg Australia
Igor Kadic t/a Kigorkadic	K R Blacker & Associates
Impact Media	Ksm Advisory
Impact Seed Pty Ltd	Kununurra Accounting Services Pty Ltd
Indigenous Impact Pty Ltd	Kylie Smith Design
Indigenous Management Group Pty Ltd	Lee Green & Co Pty Ltd
Infinance Solutions Pty Ltd	Little Rocket
Influence IT Consulting Pty	Local Web Advisors
Infosys Technologies Limited	Macroplan Holdings Pty Ltd
Innovation Culture	Mangrove Studio Pty Limited
Insync Surveys Pty Ltd	Marphie Pty Ltd
Iscaiot Media Pty Ltd	MBS Digital t/a Marketing & Bsol
Jackson McDonald	MCB Mcburney & Partners Pty Ltd
J.b Abberton & Others t/a Lavan	McCullough Robertson Lawyers (Brisbane)
Jennifer Hovell	McGrathnicol Advisory Partnership
Jill French Consultants	McKinley Plowman
Jnco Pty Ltd	Meg Consultancy
Johnson Winter & Slattery	Mervyn John Fernando t/a Claystone Marketing
J W Horneman Pty Ltd	M.g Bookkeeping Service
Kadar Pearson Partners Pty Ltd	

Michael Robertson Consulting	Rsm Bird Cameron (Wagga Wagga)
MLcs Corporate Pty Ltd	Sam's Websites Pty Ltd
Moore Australia (NT) Pty Ltd	Sellers Muldoon Benton Pty Ltd
Mozaic Management Consultants Pty Ltd	Spark Interact
Mccullough Robertson Lawyers (Brisbane)	Strategic Small Business Solutions
Minter Ellison Lawyers	Success Tax Professionals t/a Cottbeach Pty Ltd
Neon Marketing Pty Ltd t/a The Yellow Balloon Group	Tallagandra Rural Consulting Pty Ltd
Nexia Perth	Tanyah Nasir Consulting
Ngakkan Nyaagu Pty Ltd	Teefy Wolfe Accountants
Opteon Property Group Australia	Terri Janke & Company Pty Ltd
Outsource Management Pty Ltd	Together Business Australia Pty Ltd
Pais Digital Pty Ltd	Tourism And Hospitality Services Australasia
Parry Valuation & Forensic Accounting Pty Ltd	Tourism Tap Pty Ltd
Performent Consulting	True North Training and Development
Pitcher Partners SA Pty Ltd	TT For Ajlh Trust t/a Jacaranda Accounting
Price Waterhouse Coopers (PWC)	TT Now Accounting Trust
Price Waterhouse Coopers Indigenous Consulting	V Cast Pty Ltd t/a Illumium
Protiviti Pty Limited	Web Complete Pty Ltd
QA Taxation and Business Development Pty Ltd	Wendy Davidson Enterprises
Raedar Research Pty Ltd	William Buck QLD Pty Ltd
The Robert Henderson Art Trust	Wise Advisory Pty Ltd
Robinson Nielsen Legal Pty Ltd	Yes Digital Pty Ltd
RP Data Pty Ltd (Corelogic)	1st Online Pty Ltd t/a Affected Growth
Rsm Australia Pty Ltd	

APPENDIX B:

KEY OUTREACH ACTIVITIES

TABLE B1: KEYNOTE SPEECHES AND EVENTS

Date	Event	Details
20–22 October 2021	Aboriginal Economic Development Forum	Faysal Fassi presented as part of a panel on IBA and programs.
26 October 2021	CEDA Series 'Empowering First Nations People'	CEO Kirsty Moore participated in a panel on housing and empowering First Nations people.
11 February 2022	CDU First Nations Pre-Business Program	Jennifer Hartley virtually presented to program participants, giving an overview of IBA, the business solutions program and participated in a panel on getting started in business.
2–4 March 2022	Australian Housing and Urban Research Institute (AHURI) National Housing Conference	Sean Armistead facilitated a panel discussion on meeting the housing needs of Aboriginal and Torres Strait Islander households which looked at what works to sustain Indigenous housing in remote, regional and urban housing across Australia; examining the impacts of the pandemic on housing needs and surrounding services. Faysal Fassi gave a brief address at the dinner event which IBA sponsored.
4 May 2022	Akolade National Indigenous Economic Development Forum	Chair Eddie Fry presented as a guest speaker.
11 May 2022	CPA Australia International Women's Day Breakfast	CEO Kirsty Moore was a guest speaker.
24 May 2022	Avertedge Indigenous Housing and Homelessness Forum	Faysal Fassi presented on Housing Solutions.
27 May 2022	US Trade Delegation networking event	Sean Armistead and IBA Board Member Vanessa Elliot spoke on the theme of fostering international relations to progress the Indigenous economy and the importance of keeping culture strong in business.

APPENDIX C: IBA'S CUSTOMER SATISFACTION SURVEY METHODOLOGY

IBA'S CUSTOMER SATISFACTION SURVEY METHODOLOGY

Customer satisfaction is an important metric that is included in IBA's Portfolio Budget Statement (PBS) for each service delivery area (Housing Solutions, Business Solutions and Investment and Asset Management). IBA sets a high target on customer satisfaction of 80%, which exceeds the average results of all four major Australian banks in 2021-22 with a result of 77.4%.* Pleasingly, IBA's customer satisfaction rating has exceeded the target significantly over the last few years.

IBA's customer satisfaction surveys are designed to:

- understand how IBA performs on key overall metrics such as satisfaction and advocacy
- determine specific measures to assess performance from an IBA and business customer point of view
- measure performance across key process steps, as well as contact/relationship manager interactions.

IBA has a rigorous approach to undertaking customer satisfaction surveys to ensure we adhere with the Productivity Commissioner's Indigenous Evaluation Strategy guiding principles of credible, useful, ethical and transparent.

IBA'S CUSTOMER SATISFACTION PROCESS

Credible: IBA partners with an independent market research partner, FiftyFive5, to design, administer and analyse all customer satisfaction surveys. While IBA works closely with FiftyFive5 to ensure the questions are culturally appropriate and specific to our products, FiftyFive5's independence ensures the results are free from bias and a credible representation of our customers levels of satisfaction.

Useful: Once the analysis is complete, FiftyFive5's team present the findings to the IBA Executive and then separate sessions with each of IBA's products and markets divisions (Housing Solutions, Business Solutions and Investment and Asset Management). The findings will be used to inform decision making across the business to help IBA identify areas for improvement or enhancement over the coming 12 months.

Ethical: All IBA customers who have engaged with IBA over the 12-month period following the previous survey are contacted via email, SMS or both with links to the survey to ensure they have an opportunity to provide feedback. The data provided to FiftyFive5 to administer the survey is deidentified to ensure complete anonymity and customer privacy. Note: customers who have requested no email contact from IBA will be removed from the data sample.

Transparent: IBA publishes the overall results of the customer satisfaction survey for each key business line in our Annual Report to ensure full transparency.

* Customer-owned banks record high customer satisfaction | News | Heritage Bank
(<https://www.heritage.com.au/about/news/2022/20220826-roy-morgan-june-report#:~:text=Roy%20Morgan%E2%80%99s%20Consumer%20Banking%20June%202022%20Australia%20report,the%20benefits%20of%20a%20different%20approach%20to%20banking>)

METHODOLOGY AND WEIGHTING

The IBA Customer Satisfaction (CSAT) Survey is a quantitative online survey of IBA customers who have interacted with IBA within 12 months of the previous survey being completed. Customers are able to provide qualitative responses in open field sections throughout the survey. Once the survey is complete, FiftyFive5 analyse the data and provide percentage scores that are weighted to be representative of the IBA population of each product.

2021-22 Housing Solutions survey data with 469 completes is weighted on stage in the home loan process (e.g. application, arrears, discharged, expression of interest and settled) and total gross income.

The 2021-22 Business Solutions survey data is not weighted due to the low number of surveys completed. Loans (49 completed), leasing (5 completed), cashflow (0 completed), business relief (10 completed) and business support services (13 completed).

There was no 2021 CSAT Investment survey. Instead, a CSAT question was asked within the impact survey. The 2021 Investment impact survey data is not weighted due to the low number of surveys completed (19 completed).

Each survey has a range of questions that help IBA understand experiences through each stage of their relationship with IBA, as well as attributes such as process, responsiveness, simplicity and helpfulness. Questions relating to overall satisfaction and experience satisfaction are asked on a 0-10 point scale (0 is negative and 10 is positive). Scores are then grouped as follows:

- 8-10: very satisfied
- 6-7: satisfied
- 5: neither satisfied or unsatisfied
- 3-4: unsatisfied
- 0-2: very unsatisfied

To achieve the PBS target of 80%, programs must achieve 80%+ of customers recording a 6+ (satisfied to very satisfied) score across the program.

The results for each IBA business line are reported in measures 5, 10 and 17.

APPENDIX D: COMPLIANCE INDEX

PGPA Rule Reference	Part of Report	Description	Requirement
17BE	Contents of Annual Report		
17BE(a)	Inside front cover and page 8	Details of the legislation establishing the body	Mandatory
17BE(b)(i)	Page 8	A summary of the objects and functions of the entity as set out in legislation	Mandatory
17BE(b)(ii)	Page 8	The purposes of the entity as included in the entity's corporate plan for the reporting period	Mandatory
17BE(c)	Page 8	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)	Page 26-62	Annual performance statements in accordance with paragraph 39(1)(b) of the Act and section 16F of the rule	Mandatory
17BE(h), 17BE(i)	Page 79	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)	Page 66-71	Information on the accountable authority, or each member of the accountable authority, of the entity during the reporting period	Mandatory
17BE(k)	Page 77	Outline of the organisational structure of the entity (including any subsidiaries of the entity)	Mandatory
17BE(ka)	Page 85-86	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
17BE(l)	Page 19, 38, 49, 59, 85, 110, 111	Outline of the location (whether or not in Australia) of major activities or facilities of the entity	Mandatory
17BE(m)	Page 64, 65, 72, 73	Information relating to the main corporate governance practices used by the entity during the reporting period	Mandatory

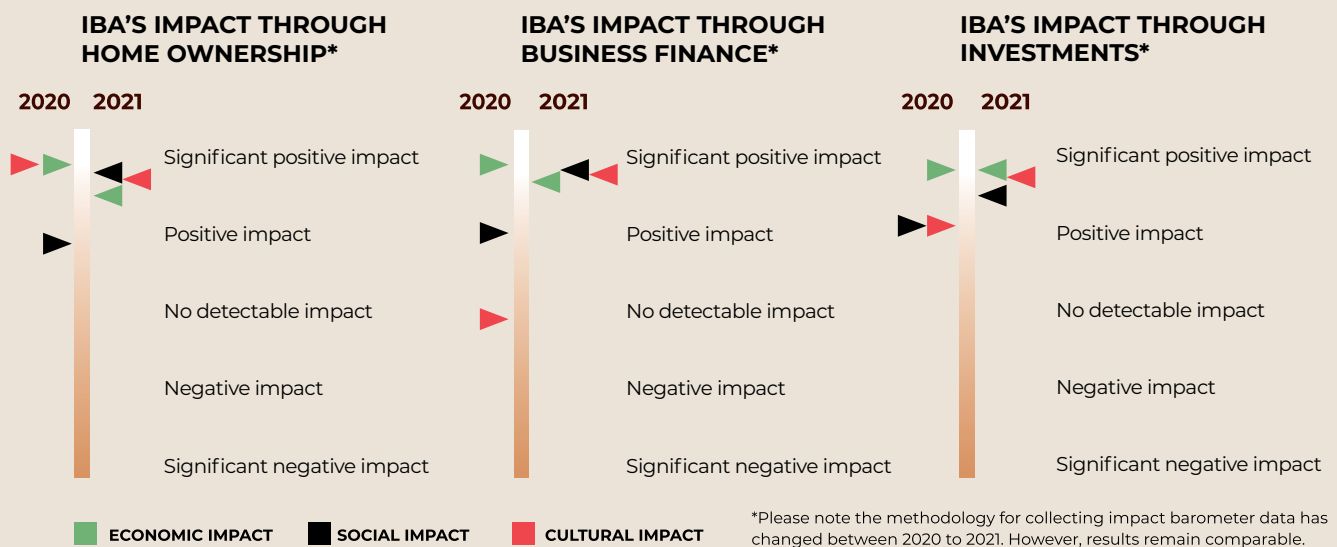
PGPA Rule Reference	Part of Report	Description	Requirement
17BE(n), 17BE(o)	Page 78	For transactions with a related Commonwealth entity or related company where the value of the transaction, or if there is more than one transaction, the aggregate of those transactions, is more than \$10,000 (inclusive 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)	Page 76	Any significant activities and changes that affected the operation or structure of the entity during the reporting period	If applicable, mandatory
17BE(q)	Page 81	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)	Page 81	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)	Page 76	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
17BE(taa)	Page 73	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)	Page 75	Information about executive remuneration	Mandatory
17BF	Disclosure requirements for government business enterprise		
17BF(1)(a)(i)	Page 90-97	An assessment of significant changes in the entity's overall financial structure and financial conditions	If applicable, mandatory
17BF(1)(a)(ii)	Not applicable	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)	Not applicable	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

APPENDIX E: IMPACT REPORT

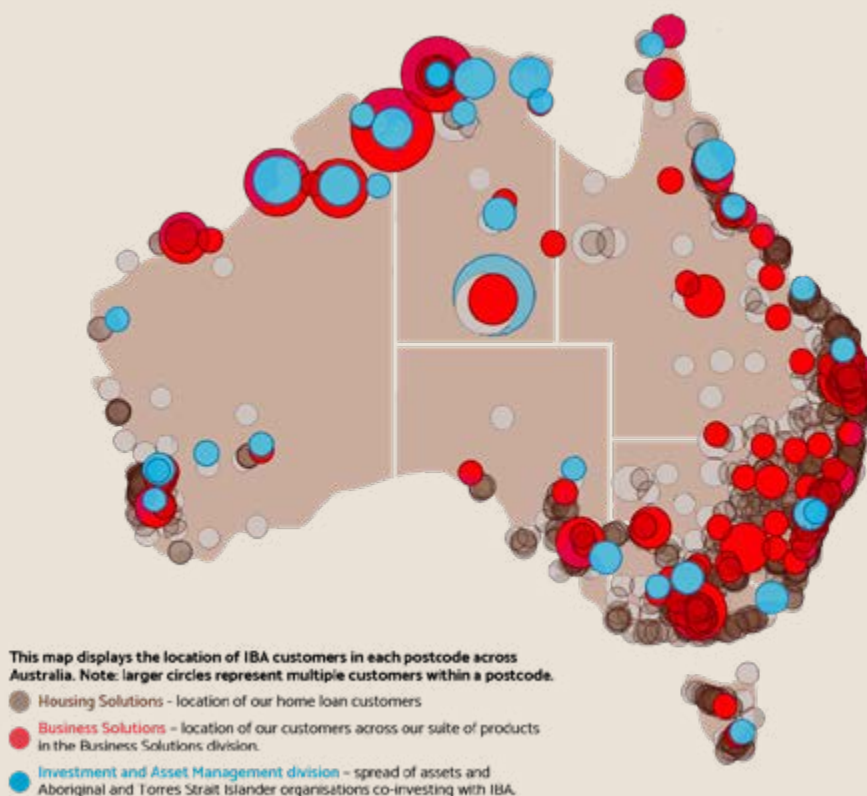
IBA's Impact Report 2021-22 is available on our website: iba.gov.au and printed copies can be provided on request.

IBA IMPACT DASHBOARD

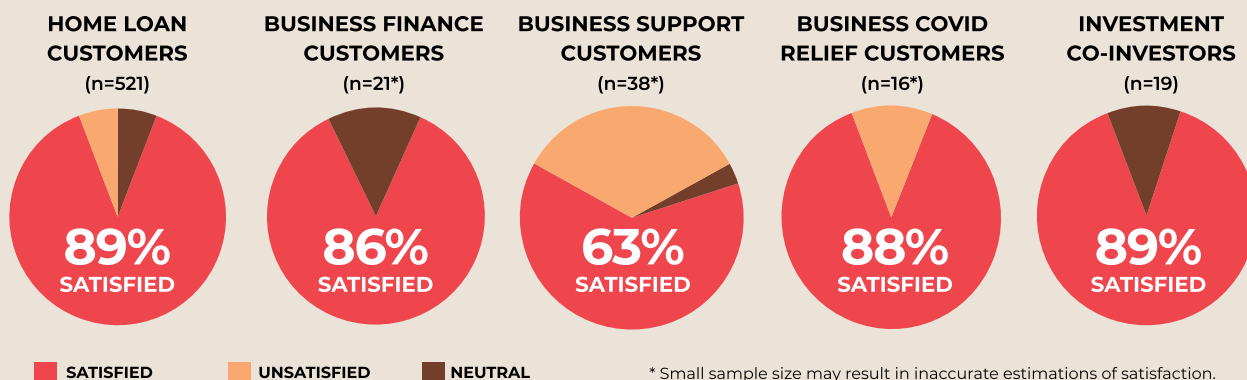
OUR IMPACT



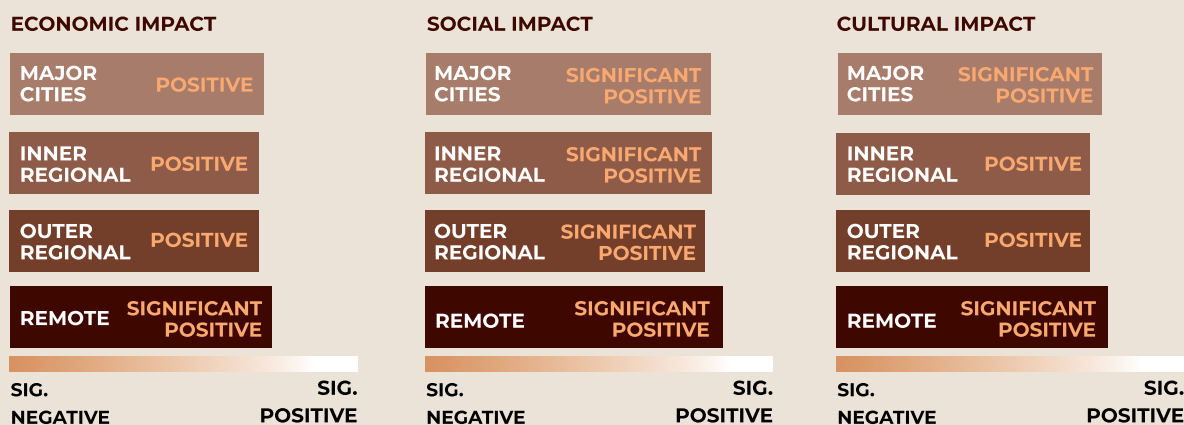
WHERE ARE OUR CUSTOMERS?



CUSTOMER SATISFACTION



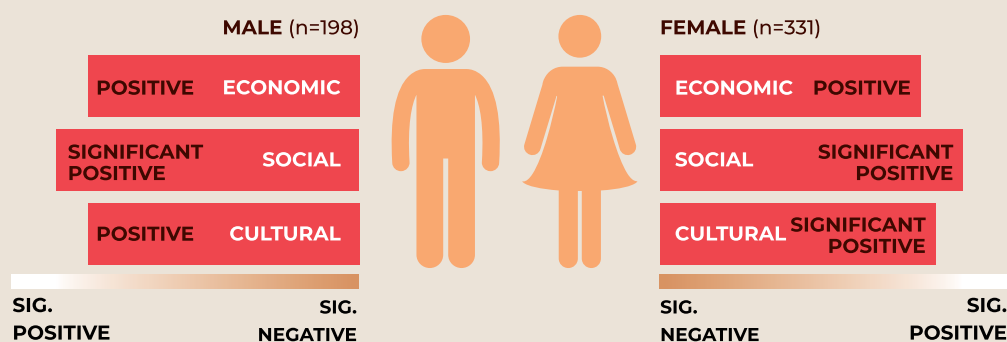
IMPACT ON HOMES CUSTOMERS BY REMOTENESS



IMPACT OF RECEIVING A HOME LOAN (N=521)



IMPACT ON HOMES CUSTOMERS BY GENDER*



* Insufficient sample size for non-binary individuals.

OUR LOCATIONS

IBA staff work at the following locations across Australia.
*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

Ngunnawal Country
Level 2, 15 Lancaster Place
Majura Park ACT 2609

NEW SOUTH WALES

Sydney

Gadigal Country
Level 21, 66 Goulburn Street
Sydney NSW 2000

Coffs Harbour

Gumbaynggirr Country
140 West High Street
Coffs Harbour NSW 2450

Tamworth

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

Wagga Wagga

Wiradjuri Country
70 Baylis Street
Wagga Wagga NSW 2650

NORTHERN TERRITORY

Darwin*

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

Alice Springs*

Arrernte Country
Desert Knowledge Precinct, 475 Stuart Highway
Alice Springs NT 0871

QUEENSLAND

Brisbane

Turrbal and Yuggera Country
Level 19, 100 Creek Street
Brisbane QLD 4000

Cairns

Gimuy Walubara Yidinji Country
59 McLeod Street
Cairns QLD 4870

Townsville

Bindal and Wulgurukaba Country
Suite 1, Level 2, 520 Flinders Street
Townsville QLD 4810

SOUTH AUSTRALIA

Adelaide

Karna Country
Suite 3, Level 3, 33 King William Street
Adelaide SA 5000

VICTORIA

Melbourne

Wurundjeri Country
Level 10, 460 Bourke Street
Melbourne VIC 3000

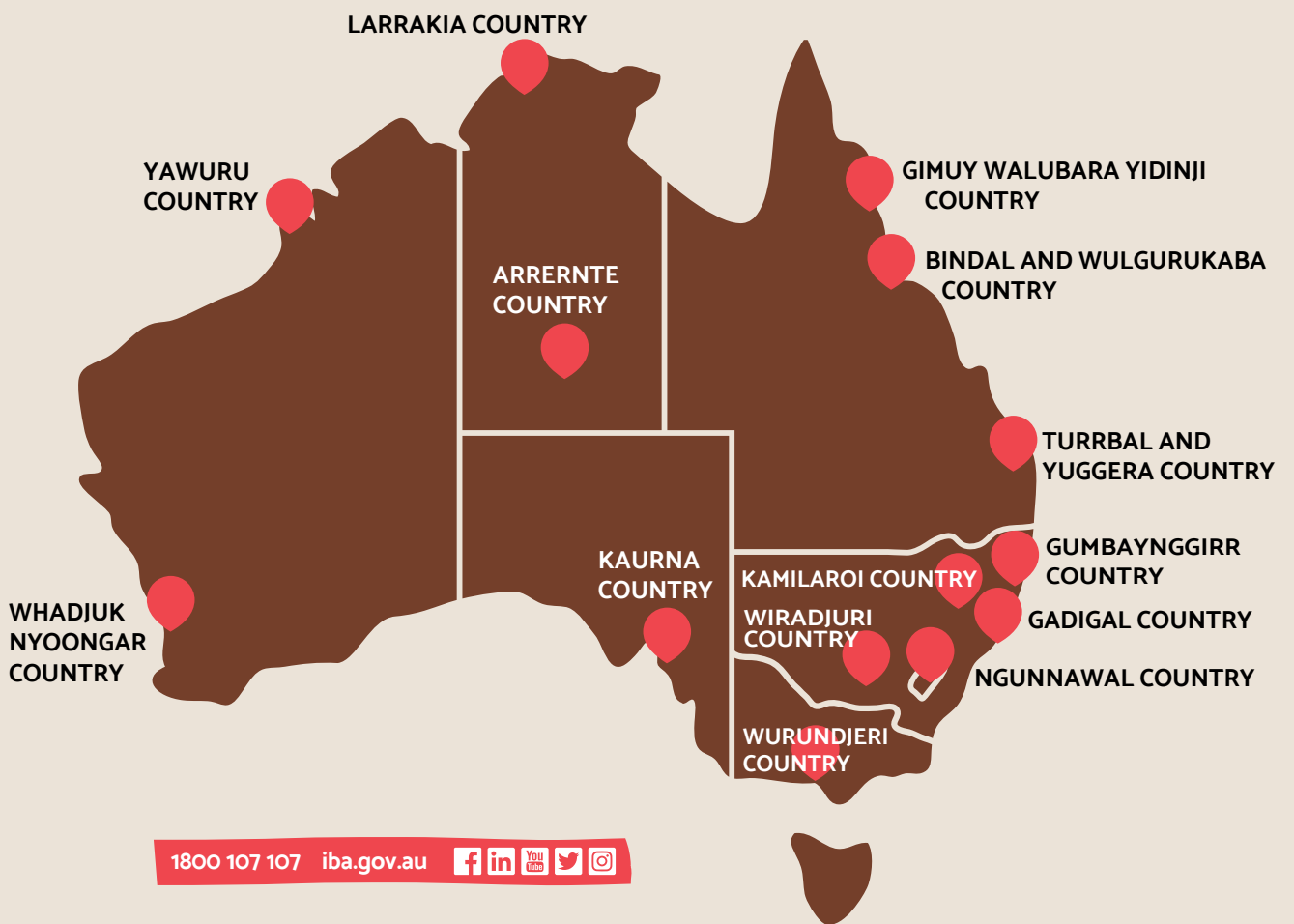
WESTERN AUSTRALIA

Broome*

Yawuru Country
1 Short Street
Broome WA 6725

Perth

Whadjuk Country
Level 24, 140 St Georges Terrace
Perth WA 6000





FUTURES INVESTED