



Australian Government  
Indigenous Business Australia



INDIGENOUS BUSINESS AUSTRALIA

# ANNUAL REPORT 2022-23

## A note on terminology

The United Nations Permanent Forum on Indigenous Issues estimates there are more than 370 million Indigenous people spread across 70 countries worldwide.

In considering the diversity of Indigenous people, 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 people. This is based on the fundamental criterion of self-identification as underlined in several human rights documents.

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

Indigenous Business Australia (IBA) uses the primary term Aboriginal and Torres Strait Islander people to refer to its customers, in line with the *Aboriginal and Torres Strait Islander Act 2005* (ATSI Act), 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 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

Throughout this report any reference to the term IBA Group refers to IBA and its subsidiaries. Any reference to IBA, for the benefit of the reader, relates to IBA as the standalone Corporate Commonwealth Entity, which at times may include Business Solutions and Housing Solutions Customers.

Front cover image is of Martuwarra (Fitzroy River) in WA. The river and its 20 tributaries flow over the lands of at least nine Aboriginal nations, crossing Ngarinyin, Worla, Bunuba, Gooniyandi, Kija, Walmajarri, Mangala, Warrwa and Nyikina Country.

The design of our brand was inspired by artwork from Gamilaraay/Comeroi artist Penny Evans.

Edited by Neat Copy—a Supply Nation certified business.

Designed by Dreamtime Creative—a Supply Nation registered business.

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

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ISSN 1833-945X (Print) | ISSN 2206-9011 (Online)

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[iba.gov.au](http://iba.gov.au) or call 1800 107 107.**




INDIGENOUS  
BUSINESS  
AUSTRALIA

IBA acknowledges the continuing connection of Aboriginal and Torres Strait Islander people to their law, land, waters, community, and culture.

We pay our respects to those who have paved the way for change. We acknowledge those who continue to lead from a place of strength, resilience and courage.

We look to the future with hope while keeping our eyes on the present.

We honour those who are no longer with us—it is on their shoulders we stand.



‘From assisting families to buy their first home, to supporting businesses to grow and secure contracts worth millions of dollars, our activities have a significant positive impact on the lives of many.’ – IBA Chair

#### Acronyms

ABS	Australian Bureau of Statistics
APS	Australian Public Service
AHV	Aboriginal Housing Victoria
CBS	Core Business Solution
COAG	Council of Australian Governments
COVID-19 BRP	COVID-19 Business Relief Package
CPI	Consumer Price Index
EFA	Export Finance Australia
EOI	Expression of interest
ESG	Environmental, social and corporate governance
I-REIT	Indigenous Real Estate Investment Trust
IBAAM	IBA Asset Management Pty Ltd
IBRP	Indigenous Business Relief Package
IMMP	Impact Measurement and Management Plan
IAS	Indigenous Advancement Strategy
IPF	Indigenous Prosperity Funds
LGC	Large-scale generation certificates
NIAA	National Indigenous Australians Agency
PBS	Portfolio budget statements
PM&C	Department of the Prime Minister and Cabinet
RBA	Reserve Bank of Australia

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**Australian Government**  
**Indigenous Business Australia**

**iba.gov.au**

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**ABN 25 192 932 833**  
**1800 107 107**



21 September 2023

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 2023.

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 21 September 2023.

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

Yours sincerely

**Eddie Fry**  
Chairperson  
Indigenous Business Australia





—  
IBA home loan customer  
Amy and her family.  
—



## PART 01:

## Overview

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

## Message from our Chair

On behalf of the Board of IBA, I am pleased to submit our Annual Report for the financial year ended 30 June 2023.

The Board is responsible for preparing the Annual Report and presenting it to the Minister for Indigenous Australians, the Hon. Linda Burney MP, in accordance with Section 46 of the PGPA Act, Division 3A of the Public Governance, Performance and Accountability Rule 2014 and Section 189 of the ATSI Act.

The report includes IBA's annual performance statements and audited financial statements, which were approved in accordance with a resolution of the Board on 21 September 2023.

This past year has proven our organisational strength in our ability to transform and respond to the needs of Aboriginal and Torres Strait Islander people.

Our ability to adapt to a fast-paced, changing environment has been met with outstanding customer satisfaction scores. Empowering our people and ensuring we remained focused on delivering responsible financial services in an increasingly complex economy has resulted in us being more determined than ever following the post-pandemic period that challenged the way we delivered our products and services.

We've responded to help balance the effects of high interest rates coupled with high inflation—which particularly impacted Aboriginal and Torres Strait Islander people who already experienced inequality in this area. We have been bold and resilient in making positive steps towards a better future as evidenced by the success of our products such as the performance bonds which continues to grow from strength to strength.

Despite the challenges posed by the post-pandemic economic landscape, our investment portfolio has shown resilience and delivered five-year average returns of 6.2% to our Aboriginal and Torres Strait Islander co-investors. This steady growth has contributed to our consolidated total assets exceeding \$2 billion, a remarkable increase from \$1.5 billion just five years ago.

We're committed to managing and growing this asset base, as outlined in our enabling legislation, the ATSI Act. This approach allows us to reinvest in our customers' futures, enabling their transition to mainstream financiers when they're ready.



This coming year will see the release of our new 2028 strategy. In implementing our strategy, we will capitalise on the lessons and changes learnt from the COVID-19 pandemic and the current inflationary and interest rate pressures in the market at present.

Indigenous Business Australia has become a core portfolio agency that continues to work with our customers and partners to provide opportunities of home ownership, small to medium size enterprise lending, investment in an Indigenous Real Estate Investment Trust (IREIT) and establishing a sound investment mandate via our Indigenous Prosperity Fund (IPF). In addition we have a range of financial products on offer to our customers.

IBA will continue to seek highest and best performance of its assets under management and we look forward to the future

**Mr Edward (Eddie) Fry**  
Chair of the IBA Board

# Message from our CEO

## Kaya<sup>1</sup>

In my first two years as CEO, it's been incredible to see how our organisation has evolved to meet the changing needs and expectations of Aboriginal and Torres Strait Islander people, businesses, and communities. I extend my thanks to my team for their dedication to seeking the best results in economic and financial outcomes for our customers while ensuring a positive impact. I also acknowledge and extend my respect to all Aboriginal and Torres Strait Islander people on whose lands we live and work, and who we are privileged to provide our services to.

In this annual report, we share the successes and lessons from our final year of delivering against our strategy for the period 2018–2023.

Our strategy was ambitious, and our annual report not only reflects our cumulative performance results but also highlights just how capable our organisation is as a responsible provider of financial services to Aboriginal and Torres Strait Islander people. Evidence of our capability was confirmed by our customers in our Customer Satisfaction Survey, with 90% of customers reporting they were satisfied, on average. Further, Homes customers provided IBA with a Net Promoter Score of 70% which compares highly favourably with other financial institutions.

This report also shows our approach—grounded in co-designing products and services that meet the specific needs of our customers—is getting tangible outcomes for Aboriginal and Torres Strait Islander people.

Proof of this in practice is the way we have addressed housing affordability with the development of initiatives such as shared equity aimed at fostering greater economic participation and sustainable independence for Aboriginal and Torres Strait Islander people through home ownership.

We've had many highlights, including:

- supporting 465 customers into home ownership
- five-year average returns of 6.2% to our Aboriginal and Torres Strait Islander co-investors
- providing new business finance to 160 customers, enabling them to start or expand their ventures
- facilitating business capability building workshops for 590 entrepreneurs, equipping them with the necessary skills to thrive in the business world
- approximately 5% of our home loan customers successfully transitioning to mainstream financial institutions
- our consolidated total assets now exceeding \$2 billion, growing from around \$1.5 billion just 5 years ago.

Shifting economic conditions have also presented new challenges. We saw an increase in the number of former customers wanting to return to IBA and more current customers facing financial hardship. In response, we put various measures in place to assist customers experiencing financial difficulties, such as offering options to postpone or reduce loan repayments for a specified period.

We also established a natural disaster relief package to support customers in covering immediate costs related to floods and other natural disasters, which have become more frequent.

One of our proudest accomplishments during this reporting period has been our efforts to promote the participation of Aboriginal and Torres Strait Islander women in business. We have actively supported the Wiyi Yani U Thangani initiative, championed by the Australian Human Rights Commission's Aboriginal and Torres Strait Islander Social Justice Commissioner, June Oscar AO, since its inception in 2017.

Working with the Department of the Prime Minister and Cabinet (PM&C), we launched the Social Enterprises Grants in January 2023.

<sup>1</sup> Kaya/Kiya means hello in the official language of the Aboriginal people of the south-west of Western Australia, the Noongar people. [Kaartdijin Noongar \(noongarculture.org.au\)](https://www.kaartdijin.noongar.org.au)

This program provides crucial capability and capacity building support to Aboriginal and Torres Strait Islander women entrepreneurs. With overwhelming demand, we reopened applications in May 2023 for those who missed out initially.

Looking ahead, we're excited to announce that we have started to implement an entity-wide performance framework centred around our customers. This will present a more comprehensive view of our impact. At the same time, we'll release our 2028 strategy, accompanied by the 2023–24 Corporate Plan.

In line with our commitment to adaptability, we're responding swiftly to emerging challenges and seizing new opportunities, such as upgrading our technology and systems. This remains a priority as we enhance our operations and deliver even greater value to our stakeholders. We have undertaken an executive restructure to create the role of Chief Information and Technology Officer to oversee our digital transformation, information technology and information management systems.

For customers and staff, this digital transformation includes:

- the uptake of Ezidox to make it easier for customers to send documents electronically
- the roll out of the Core Business Solution (CBS), a key project in the Digital Futures Program to replace ageing ICT systems, tools, and environments to ensure we remain future fit to meet the evolving needs of our customers.

CBS includes a transition to the cloud, data migration, and an enhanced operating model for ICT. We're also changing the way we deliver our systems by decoupling heavily customised and end of life bespoke systems to ensure we have the right tools to serve our customers with ease and efficiency.

We extend our gratitude to all who have given us their continued support and look forward to what the future brings for our community.

**Ms Kirsty Moore**  
CEO





— Belinda and Brad, owners of  
Arltunga Bush Pub and Eco Retreat.  
—



## PART 02:

# Our purpose, why we exist and what we do

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# Our purpose and the regulatory environment

IBA was established under the ATSI Act to enable Aboriginal and Torres Strait Islander people to engage with economic and wealth-building activities when they choose. We continue our original intent to 'engage in commercial activities and to promote and encourage Indigenous self-management and self-sufficiency'.

The ATSI Act specifically sets out our purpose:

- 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 Aboriginal and Torres Strait Islander peoples.

As a Corporate Commonwealth Entity, we also pursue better practice with the evolving policies set by the Australian Government such as the:

- Commonwealth Risk Management Policy
- Australian Public Service (APS) Net Zero policy
- *Modern Slavery Act 2018*.

We regularly review and adjust our policies and procedures to continue to meet the high standards of corporate governance expected by the Australian Government and the community. We have a control framework to ensure compliance with all relevant legislation.

These purposes are included in the 2023–24 Corporate Plan and achieved through our 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.

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

This annual report presents the following information for the 2022–23 reporting period:

- forecasted performance and what we intended to deliver
- actual performance results
- factors affecting delivery.

It explains the link between our purpose and performance measures and shows the steps we took to realise our vision for financial and economic inclusion for Aboriginal and Torres Strait Islander people.

We work with Aboriginal and Torres Strait Islander people, organisations, and communities to establish their own economic security, create jobs, and grow wealth. We play a critical role in enabling Aboriginal and Torres Strait Islander people to achieve economic self-determination through:

- home ownership
- business financing and commercial activities
- investment and asset management activities
- partnerships.

Our legislative purpose has not changed under the ATSI Act, however, over the years, we have had to adapt to changes in government policy, market conditions, political and economic cycles. One thing remains true, we are committed to supporting economic empowerment with Aboriginal and Torres Strait Islander people. Changes were driven by policy priorities of the government of the day. Others reflect a long history of emerging knowledge about how best to drive sustainable economic development alongside Aboriginal and Torres Strait Islander individuals, families, businesses, and communities.

**Figure 1: Key activities: what we do, how we deliver and pathways to prosperity**



### **HOUSING**

- Capability and skills workshops
- Home loans
- No establishment fees
- Lower deposits
- Low introductory interest rates
- Longer loan terms
- No early payment fees
- No requirements for mortgage insurance
- Natural disaster and state emergency support



### **BUSINESS**

- Capability and skills workshops
- Access to resources, referrals, business support and industry experts
- Business loans, start up finance package, producer offset loan, equipment finance, invoice finance and performance bonds
- Natural disaster and state emergency support



### **INVESTMENTS**

- Capability and skills workshops
- Access to governance, strategic planning, due diligence, business and industry expert
- Residential development with Aboriginal and Torres Strait Islander organisations
- Manage assets and funds to generate money back to communities



### **PARTNERSHIPS**

- First Nations businesses to co-design and deliver capability building workshops
- Event sponsorships
- Social enterprise grants for First Nations women
- Financial services sector, including like minded banks to help customers transition to and access the benefits of mainstream finance
- Government agencies to leverage greater impact with Aboriginal and Torres Strait Islander people

# Our commitment to Aboriginal and Torres Strait Islander economic development

We know economic independence is possible and our vision will be realised using a strengths-based model of design, engagement, and delivery, grounded in the technical and cultural capability of talented people. Plus, there is plenty of proof confirming how valuable Aboriginal and Torres Strait Islander people's contributions are to the economy.

Our evolving ways of working reflect the guidance provided by our Board, who are mainly Aboriginal and Torres Strait Islander people, and demonstrate the need to balance our multiple roles as:

- a statutory authority
- a financial services provider.

Our 2023–24 Corporate Plan shows the change management required to continue to transition I BA so it maximises the wellbeing of customers with a heightened focus on:

- the community we serve and the value of the community's voice and visibility
- our ability to respond to the changing needs of Aboriginal and Torres Strait Islander people
- adopting better practices as a government entity to manage ongoing constraints and navigate the regulatory environment as a provider of financial services, including the need to have financial controls in place.

To foster economic empowerment and deliver financial services (investment, lending, and management of money and assets) effectively, we create pathways with Aboriginal and Torres Strait Islander people to access the economy. We continue to assess those pathways so they lead to useful products and services that support economic participation and the growth of wealth.

Governments around the world are starting to use social and environmental indicators alongside traditional economic measures to assess their programs' and initiatives' impacts on overall community wellbeing. The Australian Government has committed to releasing a new standalone 'measuring what matters statement' in 2023—Australia's first national framework on wellbeing. The framework is expected to evolve over time. Government agencies will, at some point, have to report on how their programs contribute to wellbeing.

In the 2022–23 reporting period, we delivered on the final year of our strategy and looked to 2028 armed with lessons, insights, and an increased understanding of the impact our activities have on the lives of Aboriginal and Torres Strait Islander people.

This report presents the final year of the performance measures used to track progress against our purpose and strategy from 2018–23. Taking a wellbeing approach shows an understanding of where our target outcomes fit within the broader needs of the people we serve. This may help inform what else we can do or how else we can assist.

It does not mean we are accountable for every aspect of people's lives. Where we identify unmet needs beyond our remit, we can give these insights to government and other stakeholders as evidence of what needs to be done for Aboriginal and Torres Strait Islander people's empowerment more broadly.

Impact measures in our corporate reporting will also align our approach with the enhanced Commonwealth Performance Framework introduced on 1 July 2015 under the PGPA Act. This requires Commonwealth entities and companies to move past an overreliance on input- and output-focused performance measures. Instead, it places attention on demonstrating the value created when public resources are used well.

When looking to the years ahead, success must not focus only on the delivery of outputs. Our programs and service delivery must also create a net positive impact on the lives of Aboriginal and Torres Strait Islander people and, where possible, maximise their wellbeing.

We also note that our purpose is not the end result. Financial inclusion and economic empowerment contribute to Aboriginal and Torres Strait Islander people's overall wellbeing. Identifying wellbeing as the end goal aligns with the recent recognition of government that wellbeing must be measured alongside economic progress to understand performance overall.

Further, recognising wellbeing as the overall measure of impact appears as Principle 1 to measuring social impact in the Standards Australia 'Measuring and Valuing Social Impact' Handbook. Feedback, analysis, discussion, and consideration were part of ensuring that our 2028 strategy and performance measures lead to:

- placing customers at the centre
- focusing on service excellence to improve customer experience and outcome while investing in our people
- moving towards an entity-wide performance framework to articulate the full picture of IBA's contribution
- deepening our understanding of impact on customers and communities
- demonstrating a much stronger link between our purpose, strategy, and performance.



—  
**Azra and Elandra,**  
**happy at their new home.**  
—

# Our locations

IBA staff work at the following locations across Australia. Co-located offices are marked with an asterisk. For the latest up to date location information and addresses, visit IBA's website at [iba.gov.au](http://iba.gov.au).

## Australian Capital Territory

### Canberra

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

## New South Wales

### Sydney

Gadigal Country  
Level 21, 66 Goulburn Street  
Sydney NSW 2000

### 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  
Unit 4, 21 Parap Road  
Parap NT 0820

### Alice Springs\*

Arrernte Country  
Level 3, NT Supreme Court Building  
14 Parsons Street  
Alice Springs NT 0870

## 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

Kurna 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

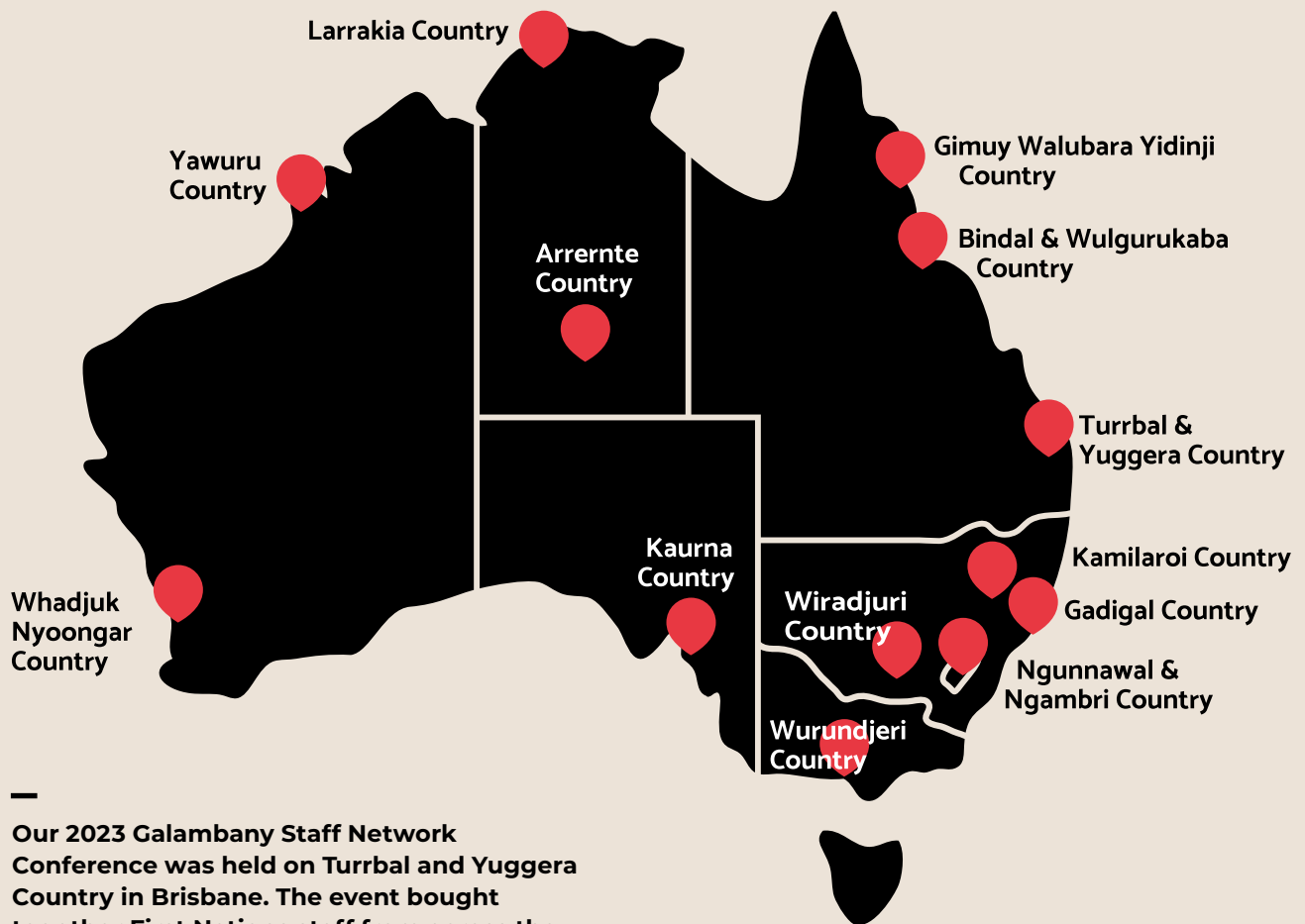
### Broome\*

Yawuru Country  
1 Short Street  
Broome WA 6725

### Perth

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

Figure 2: IBA office locations across Australia



Our 2023 Galambany Staff Network Conference was held on Turrbal and Yuggera Country in Brisbane. The event brought together First Nations staff from across the country in a safe space to support, learn, network and discuss relevant issues.





— Adam (pictured left) is a proud homeowner thanks to IBA. —



## PART 03:

# Our operating environment and the post pandemic transition

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What this meant for Aboriginal and Torres Strait Islander people.....	32
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# Our operating environment and the post pandemic transition

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We operate in a dynamic and rapidly evolving environment. As Australians live with the 'new-normal' created by the pandemic and we are beginning 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, internal and external factors will directly impact our ability to support customers into home ownership. Internally, we 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.

To manage this uncertainty, we sought to understand what our customers' pain points were. In response, we adjusted our internal policies and processes and took time to speak with customers so we understood what they were dealing with. Each year, we are required to review planned performance targets and will continue to monitor our progress.

We are 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, we 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.

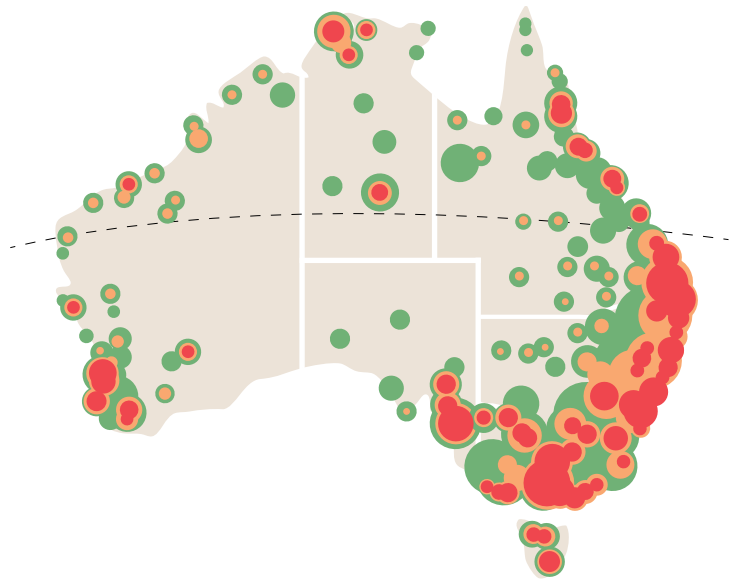
Our efforts are constrained by legislation. However, we will continue to evolve, and seek to support and invest in more customers and their aspirations. Our inability to borrow and raise money is a strategic challenge and has a direct, restrictive impact on the customers and communities we serve. We 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 improve their financial wellbeing, significant capacity constraints mean thousands of potentially eligible First Nations Australians cannot access our products and services:

- First Nations home ownership increased by 42% in 2021, up from 39% in 2016. Yet parity of home ownership rates needs to address the 26% gap when compared to the home ownership rate of non-First Nations.
- The rate of First Nations business ownership grew to 4.5% in 2021, and the difference is now less than half that of the non-First Nations business ownership rate (8.5%).

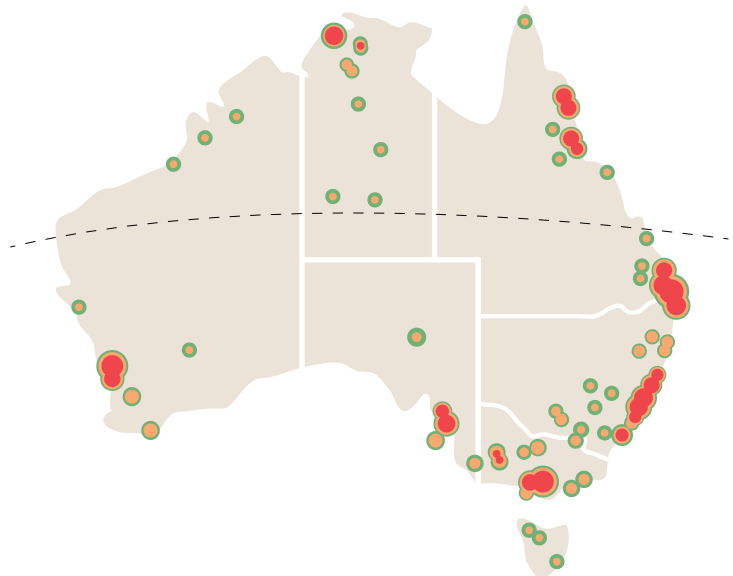
**Figure 3: Geographic spread of active housing loan portfolio as at 30 June 2023**

Note: this heat map displays the intensity of IBA's Housing Solutions activity across Australia. The red areas depict a higher concentration of activity.



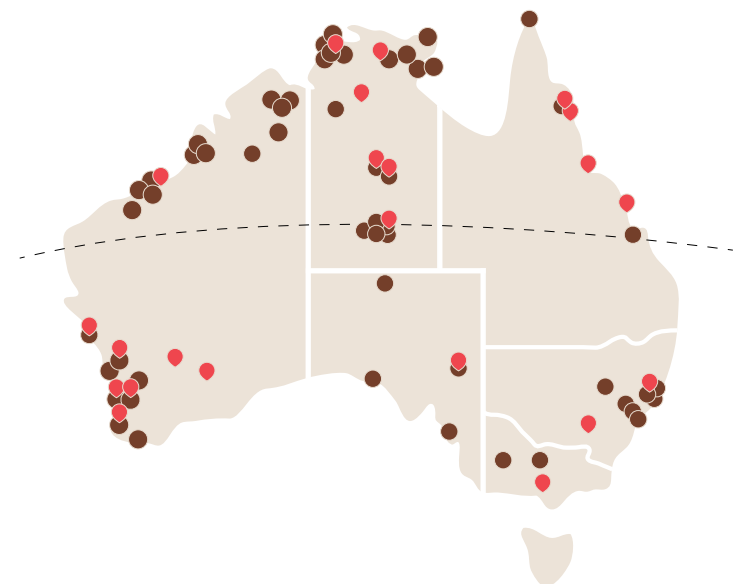
**Figure 4: Geographic spread of approved business finance customers as at 30 June 2023**

Note: this heat map displays the intensity of IBA's Business Solutions activity across Australia. The red areas depict a higher concentration of activity.



**Figure 5: Geographic spread of investment and asset management activity as at 30 June 2023**

- Spread of Aboriginal and Torres Strait Islander organisations co-investing with IBA in the 2022–23 financial year.
- Assets within the Investments and Asset Management division portfolio in the 2022–23 financial year.



## Centring change around our customer voice

Aboriginal and Torres Strait Islander people are in the best position to make decisions for themselves and for the sustainable prosperity of community and Country. The following guiding principles inform how we work with Aboriginal and Torres Strait Islander people to understand and meet their needs.

**Figure 6: IBA guiding principles**



We remove barriers, build capability, and create the opportunity with Aboriginal and Torres Strait Islander people to be empowered in decisions that affect them.



We continually improve the way we collaborate and respond to grow the wealth and wellbeing of Aboriginal and Torres Strait Islander people through innovation, value, and quality.



We shape real wealth of Aboriginal and Torres Strait Islander people in ways that focus on meeting the needs of present generations without compromising the ability of future generations to meet their needs.



We seek opportunities to have the greatest impact with available resources, maximising the wealth and wellbeing of Aboriginal and Torres Strait Islander people.

With the population of Aboriginal and Torres Strait Islander people at 984,000, demand for our products and services is strong and continues to grow. Our role remains essential to closing the gap as this demand remains mostly uncatered to by commercial markets. We must manage the level of capital available to us and ensure we have a sustainable funding model to meet the growing demand.

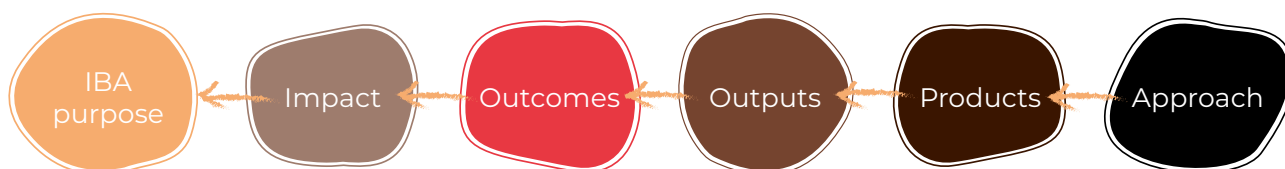
Aboriginal and Torres Strait Islander people continue to demonstrate leadership, courage and wisdom when exercising self-determination. They 'are the only ethnic group in Australia, consistently associated with financial exclusion, irrespective of their location.'<sup>2</sup> This has caused a huge lack of intergenerational wealth transfer.

We have a responsibility to improve economic participation, financial independence, and self-sufficiency alongside Aboriginal and Torres Strait Islander people. As a government entity, we are in a unique position to manage the complex task of delivering excellence and positive change to a vulnerable cohort of people.

## Managing change to maximise customer impact

To respond to the changing needs of Aboriginal and Torres Strait Islander people, we must have effective change management systems in place. In 2022, we reviewed and refined our impact framework into a new Impact Measurement and Management Plan (IMMP) which brings together impact and business performance metrics. It also helps to streamline reporting, both internally and externally, to government and community. The IMMP was adopted and was named to reflect its purpose—2023 Performance and Impact Framework.

**Figure 7: IBA impact framework**



<sup>2</sup> ANZ (2004) Summary Presentation: Research on Financial Exclusion in [Australia Financial Exclusion Summary Presentation](#).

The 2023 framework embeds impact into our business so insights can inform decisions across the organisation to have the most impact on Aboriginal and Torres Strait Islander wellbeing. This approach aligns with the UN Sustainable Development Goals Impact Measurement and Management Standards.

It draws a clear line of sight between the outcomes achieved and how these are needed for our purpose. It also supports ongoing measurement to continuously:

- show how well services are tracking with required outcomes
- identify opportunities
- maximise impact.

The following table highlights the key updates to our performance and impact framework.

**Table 1: Changes to impact framework**

Item	2020 Impact Framework	2023 Performance and Impact Framework (referred to as the IMMP)
<b>Impact Pathways</b>	Defines three stages of IBA's impact but is separate to the IBA Impact Thesis	Defines the impact pathway as the goals to achieving IBA's purpose and directly incorporates the goals into the IBA Impact Thesis
<b>Impact Thesis</b>	Impact thesis takes a left to right approach	Impact thesis takes a right to left approach
<b>Impact Management</b>	Measures and reports impact separately to business performance	Synchronises impact and business performance measurement and reporting
<b>Indicators</b>	Outputs to outcomes—recognising IBA as a development agency, the framework moves IBA from a focus on outputs to outcomes	Impact and outcomes—introduces an overall measure of impact
<b>Outcomes Categories</b>	Categorised outcomes in terms of social, cultural and economic	Organises outcomes under the goals necessary to achieve the purpose



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**Runway art by Keedan Rigney at Ngali's 'Together We Create' runway show on Wurundjeri Country (sponsored by IBA). The design encapsulates the levels of influence and diverse experiences everyone brings together to that point in space and time.**

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# Key challenges in a post pandemic operating environment

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Our operating environment evolved substantially in the past 12 months.

- The Australian economy started to experience significant cost of living increase, reflecting high inflationary pressures from overseas, particularly for non-discretionary items such as groceries, fuel, housing, and electricity.
- Property prices in Australia rose to historically high levels in 2021–22, with house prices reaching around 8.5-times the average income in Australia.
- Cost-of-living pressures affected lower-income households disproportionately—including many Aboriginal and Torres Strait Islander households—as much of their incomes were spent on non-discretionary items. High inflation affected most households in Australia and the RBA commenced its rate rising cycle in May 2022 with increases to rates by 4 percentage points.
- The rapid rise in mortgage rates has shown signs of being effective at curbing inflation, with the inflation rate declining from its peak of 8.4% in December 2022, to reach 5.4% by the end of June 2023 (monthly inflation).
- Frequent climate-related events and shifts happened across Australia.
- Changing demographics and movement of people to regional areas along with advances and adoption of new technology continued to affect our model of delivery and operations.



The following challenges affect the way we operate and our ability to respond to the needs of Aboriginal and Torres Strait Islander people.

**Table 2: Responding to customer and stakeholder challenges**

Challenge	Response to changes in a complex operating environment
<b>Economic</b>	<p>Our ability to support Aboriginal and Torres Strait Islander people with home and business ownership and investment returns are impacted by:</p> <ul style="list-style-type: none"> <li>• changing economic and market conditions</li> <li>• rising interest rates</li> <li>• increasing cost of living pressures</li> <li>• high property prices (in many locations)</li> <li>• limited housing supply</li> <li>• increasing levels of demand applying pressure on a long-term funding model.</li> </ul> <p>We regularly review and adjust our products and policies in response to changes in the economy.</p>
<b>Technology</b>	<p>Changing customer expectations, privacy concerns, and recent high-profile data breaches mean financial service providers are under growing pressure to innovate and stay on top of technological advances. We have a strong focus on cyber security, data governance and management, and digital transformation.</p>
<b>Geographic location of customers</b>	<p>More than 60% of Aboriginal and Torres Strait Islander people live outside Australia's capital cities, compared to around 30% of the wider community. Aboriginal and Torres Strait Islander people living in regional and remote areas are more likely to face barriers to accessing the financial services and assistance they need. These areas are also affected by increasing extreme weather events such as bushfires, floods, and cyclones.</p> <p>For those living in cities, increasing rental and housing prices continue to impact housing security, savings, and ability to enter the market.</p> <p>Our network of offices located across Australia support and respond to local needs, particularly in Northern Australia.</p>
<b>Regulatory requirements</b>	<p>It is important that we remain informed of and prepared to respond to the impact of current and proposed reforms across government. For example, we work in partnership with the NIAA and others in relation to informing policy advice on matters related to financial and economic empowerment and prosperity. This will be important to give voice to our customers' experiences and the way we offer financial services in a more coordinated and culturally capable way.</p>
<b>Effective change management</b>	<p>Equipping our organisation and people with the right tools, systems and training to effectively manage change as we transition to implementing our 2028 strategy is important. Educating staff, stakeholders, and customers on how our strategy relates to our performance measures and key activities is an ongoing challenge that must be carefully considered and culturally appropriate. There is an urgency to ensure that the current and forecasted demand is met in a way that supports Aboriginal and Torres Strait Islander people to engage with us and equally for our response to be grounded in culturally safe and technically sound solutions.</p>

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# What this meant for Aboriginal and Torres Strait Islander people

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While inflation has fallen, it still grew above the RBA's ideal rate of 2 to 3%. Wages did not keep pace, which added to the cost-of-living pressures for many homeowners and renters, including the nearly 60% of Aboriginal and Torres Strait Islander households who were renting.

As a result, our customers:

- faced difficulties finding suitable housing given the significant increase in property prices, which presented a significant affordability challenge
- were unable to refinance because of interest rates increasing externally
- felt the pressure of increased cost-of-living along with higher interest rates, which resulted in increased arrears.

Inflationary pressures also affected our business customers throughout the reporting period along with other factors including but not limited to:

- the rising cost of inputs into production (some smaller businesses could absorb the cost increases while others could not)
- difficulties with finding sufficient workers and the ongoing skills shortages (some businesses faced challenges in capitalising on inflationary economic conditions)
- inflation starting to subside at the tail end of 2022–23 and wages picking up (the boost in overall profitability experienced by customers may be short-lived, returning to longer-term trends)
- the end of the Indigenous Business Relief Package (IBRP), a three-year package of support provided to Aboriginal and Torres Strait Islander businesses in the form of working capital to assist them through the pandemic.

## Our response

- Over the course of 2022-23, the standard variable home loan rate was not higher than 6.14%.
- Our starting introductory interest rate was 1.64%.
- We actively managed our investments and achieved a five-year average annual portfolio return of 6.2%, marginally below the inflation affected target.

## Funding: managing capital to meet customer demand

Our operations were mainly financed by:

- self-generated revenue from interest on home and business loans
- returns from investment portfolios
- funding from government.

Our Board approves our budget. It is then included in the Commonwealth Portfolio Budget Statements and Portfolio Additional Estimates statements process in the PM&C portfolio.

To expand our impact and deliver more outcomes, we receive annual appropriations and capital injections from government.

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

- Commonwealth grant and appropriation revenue
- investment from First Nations co-investment partners
- self-generated income.

In 2022–23, IBA received:

- \$30.8 million in grant receipts
- \$41.6 million in Commonwealth capital injections:
  - \$18.75 million of \$150 million (all received as at 30 June 2023) to fund regional construction home lending
  - \$22.85 million equity injection for providing other home loans
- \$14.8 million in First Nations investor participation
- \$9.4 million in appropriations
- \$217.7 million from self-generated revenue (mostly interest earnings, dividends from investments, rental receipts from investment properties and subsidiaries' customer contracts).

Recycling our capital and profits from housing and business loan portfolios and investments, along with additional funding from government, allows us to distribute more money for the benefit of Aboriginal and Torres Strait Islander people.

**Figure 8: Capital funding and overall investment made**





—  
Don Whap of Torres Strait Regional Authority  
(left) with Thalia De Bressac of IBA (right).  
—

## PART 04:

# Our performance against our strategy

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# Our performance against our 2018–23 strategy



## 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.

2023 TARGET: 5,000 CUSTOMERS

CURRENT: 5,853

### GOAL 2



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

CURRENT: 68,266

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.

2023 TARGET:  
40% INDIGENOUS  
EMPLOYMENT

CURRENT:  
51%\*

2023 TARGET: 20%  
IN INDIGENOUS PROCUREMENT\*

CURRENT: 16.4%

\*This reflects the total level of employment of Aboriginal and Torres Strait Islander people by IBA Group.

\*This reflects the percentage of the total procurement spent by IBA Group.



## 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: \$227.6M

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: 70

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



## Highlights of our 2018–23 strategy

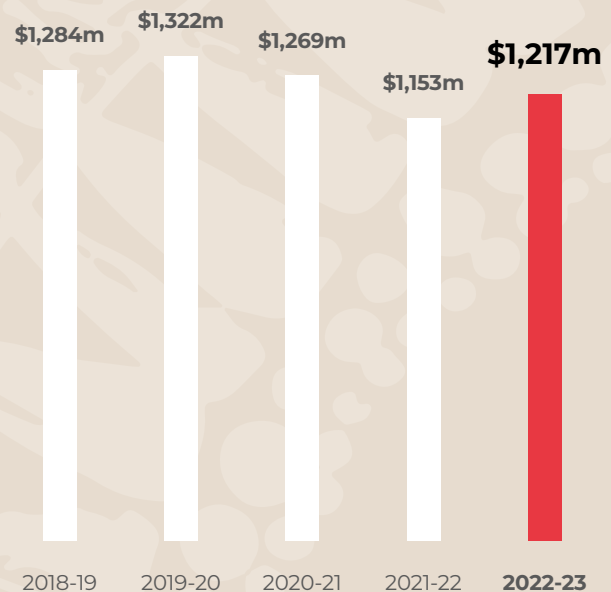
# 2,516

Total new home loans between 1 July 2018 and 30 June 2023.

# \$973m

Distributed through home loans between 1 July 2018 and 30 June 2023.

Value of home loan portfolio



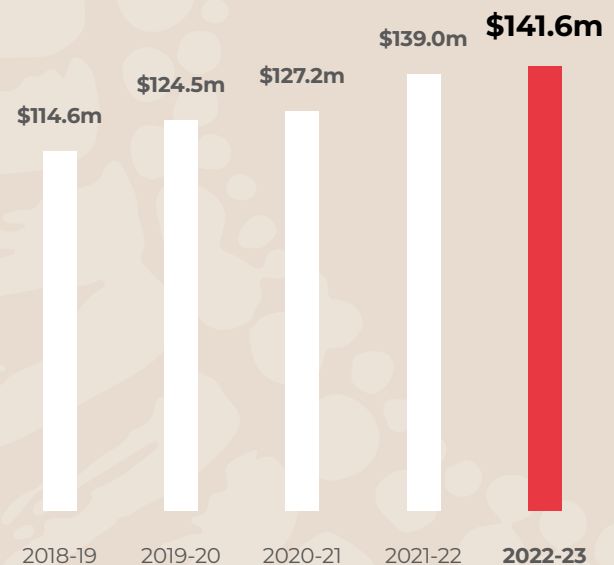
# 1,220

Total business finance customers between 1 July 2018 and 30 June 2023.

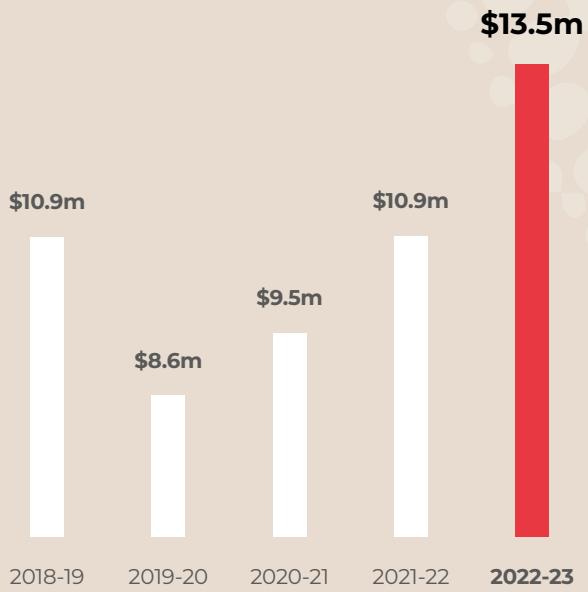
# \$286.5m

Distributed through business finance between 1 July 2018 and 30 June 2023.

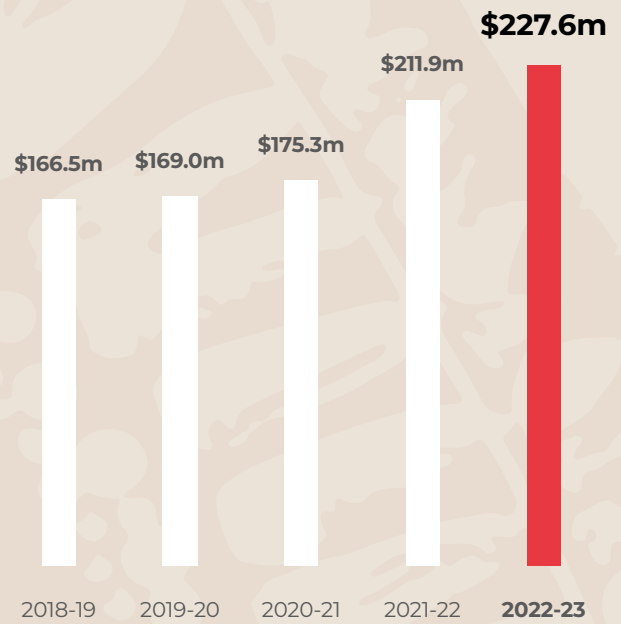
Value of business finance portfolio



**Aboriginal and Torres Strait  
Islander procurement**



**Growth in Aboriginal and Torres Strait  
Islander equity**



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# Together We Create: Ngali Australia X RFC First Nations Fashion Runway

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'Our why was powerful enough to say "you know what, we can really make this happen" and this gives us the opportunity to come together collectively to celebrate the incredible creativity that happens within our mob,' said Denni Francisco, Founder of Ngali Australia and the driving force behind Together We Create.

Together We Create was a first of its kind First Nations fashion runway and business showcase. Organised by Ngali Australia in collaboration with Richmond Football Club, the event was brought to life by 13 First Nations creatives through art, fashion, performance and food.

The core idea was to transcend traditional boundaries and take First Nations artwork beyond the confines of gallery walls, transforming art into wearable garments and accessories that could be embraced and appreciated worldwide.

A captivating aspect of Together We Create was the exclusive runway debut of Richmond AFL players, who showcased the premium streetwear collection, SevenCourt, designed by Shai Bolton. This unique collaboration between the world of sports and fashion not only added a dynamic element to the event but also fostered unity and collaboration between different spheres of creativity.

Beyond the glitz and glamour, the event was fundamentally focused on nurturing and empowering First Nations businesses.

'Together We Create is about more than fashion and football. At its heart is working with the creative minds and supporters within our networks to create possibilities for Aboriginal and Torres Strait Islander businesses,' Denni said.

The event was one of the many diverse initiatives that IBA proudly sponsored throughout the year. It exemplified the impact strategic partnerships can have in driving positive change and creating opportunities for First Nations people.

'When you have a vision and you work at actually making something happen you have to get support from people. I really do have to acknowledge the support that we've had from Aboriginal Economic Development, Creative Victoria and also to Indigenous Business Australia because without them this wouldn't have happened,' said Denni.

## TOGETHER WE CREATE SHOWCASED THESE FIRST NATIONS CREATIVES AND BUSINESSES THROUGHOUT THE EVENING:

Lorraine Brigdale

Laura Brown

Josh Deane

Denni Francisco

Mick Harding

Angela Jefferies

Cassie Leatham

Jason Mulholland

Amelia O'Leary

Kristie Peters

Joshua Power (KYAH)

Keedan Rigney

Dean Sansbury-Smith



—  
Outfit by First Nations designer Cassie Fisher  
Patterson from fashion label 'Yanggardi'.  
Model: Tiwi woman, Cassie Puruntatameri.  
—

# PATHWAY 1: Home ownership

Securing appropriate, affordable housing aligned with the priorities and needs of Aboriginal and Torres Strait Islander people is key to prosperity, economic independence and building intergenerational wealth. Outcome 9 in the Commonwealth's 2023 Closing the Gap Implementation Plan commits the path forward as:

**'...a comprehensive housing agenda, bringing national leadership and a strong focus on stable and affordable housing for all, including First Nations peoples. The Commonwealth has committed to a number of strategic priorities including establishing a Housing Policy Partnership and a National Housing and Homelessness Plan which will also help accelerate progress towards achieving Target 9a. Housing is one of the priority areas for the Commonwealth's gender impact assessment in the 2023–24 Budget, to include considerations of the needs of First Nations women.'**

The 2021 Census showed the home ownership rate for Aboriginal and Torres Strait Islander people was 41%, compared with 66% for the rest of Australia. While the rate of home ownership for Aboriginal and Torres Strait Islander people has grown since 2016, it is still decades away from parity.

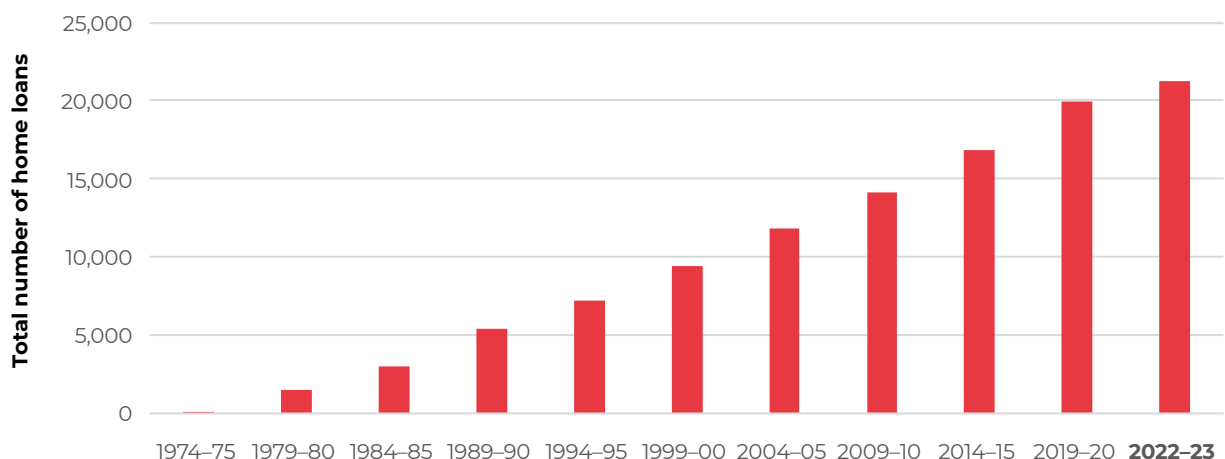
Housing affordability continues to be a pressing issue for Aboriginal and Torres Strait Islander people and emphasises the importance of IBA facilitating home ownership.

## Facilitating home ownership

In 2022–23 we:

- educated customers preparing for their home ownership journey with access to workshops to develop their capability and skills
- provided home loans with low deposit requirements and flexible repayment terms
- offered discounted interest rates to low- and medium-income customers
- provided loans with no establishment fees, lower deposits, longer loan terms, no early payment fees, no requirements for mortgage insurance
- offered tailored customer support including hardship
- natural disaster support.

Figure 9: Cumulative numbers of home loans over life of the program



## Key challenges

Aboriginal and Torres Strait Islander people have a deep-rooted connection to place. Whether that place is Country or a home, the value of home ownership is undeniable. We continued to work with customers to help them navigate unique obstacles to accessing affordable and suitable housing. Those obstacles are often the result of historical, social, economic, and systemic factors, which disproportionately impact Aboriginal and Torres Strait Islander people, families, and communities.

The key challenges in 2022–23 were:

- rising interest rates, affecting mortgage stress
- rising rent rates, impacting household savings
- market conditions and housing affordability
- supply chain issues affecting building companies and available housing stock
- inflation affecting cost of living and household savings.

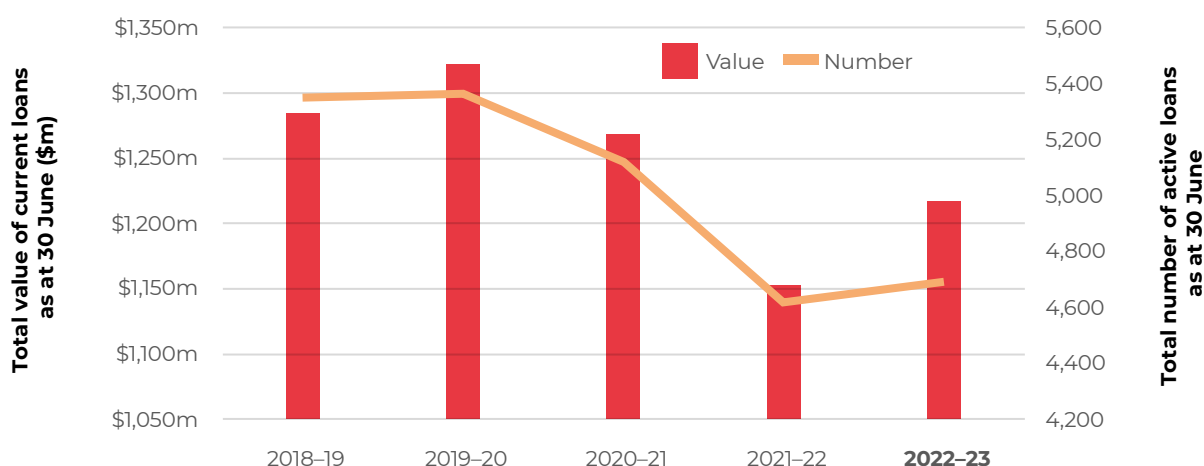
## Key actions and achievements

### Affordable, appropriate and secure housing

Despite the impacts of key challenges, the determination and commitment to home ownership remained high:

- We received 8,140 EOIs (expressions of interest).
- 744 new customers were pre-approved for a loan, enabling them to start looking for a home.
- 465 people converted approval into home ownership.
- 92% of home loan customers were first home buyers and many were low-income earners supported to enter the market with interest rates as low as 1.64%.

Figure 10: Active housing loans



## Developing skills for home ownership success

We provided access to knowledge, information, skills and networks to 1,334 Aboriginal and Torres Strait Islander people. Through 81 online and face-to-face workshops aimed at improving financial education and delivering capacity building workshops, they learnt about:

- how to get ready to apply for a home loan
- the responsibilities of home ownership
- budgeting towards goals.

For Aboriginal and Torres Strait Islander families who did secure home ownership, the measurable social and cultural impacts include:

- a sense of pride
- control in life
- better quality of living
- ability to dream bigger for the future
- confidence in their financial future
- greater motivation at work.

## Strengthening homeowner resilience with tailored support

Of the 4,691 home loan customers:

- 434 received financial hardship support in 2022–23
- 121 received a one-off flood relief grant of \$2,000 and tailored financial hardship support
- 5% transitioned to a mainstream lender
- 87% were ahead of or meeting their home loan repayments
- 88% were satisfied with their experience and support provided.

## Addressing housing affordability through shared equity

In 2022–23, we continued to support home buyers and owners with loan products protected from rapidly rising interest rates. A review of our internal pricing and interest rates was a conscious decision to help keep people in homes.

Responding to customer feedback and the challenge of affordability, we continued to co-design a product that would address the challenge. We look forward to launching a shared equity product aimed at supporting more aspiring homeowners to overcome affordability barriers. In the coming months, we look forward to launching a shared equity product.



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## Nikea's story: Rewriting her narrative

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Gamilaraay woman Nikea is a single mother who defied societal expectations and broke the cycle of living in social housing by purchasing her own home. Her accomplishment serves as an inspiration for both First Nations and non-First Nations women. Her story highlights the importance of financial stability, generational wealth and changing narratives for future generations.

Nikea's home ownership journey began when she was told her family must move out of the rental property they had been living in for 12 years. With the pressure building and the uncertainty of where she would relocate her family, she decided to make her next move: renter to homeowner.

Nikea's action is a testament to her strength and determination as an Aboriginal mother fighting for the security of her family. She purchased the exact property that she had been renting for 12 years and described it as 'an overwhelming achievement'.

Reflecting on her own journey, Nikea shares valuable advice for aspiring homeowners.

'I think it's imperative to emphasise the importance of full-time employment, managing debts responsibly, and proving the ability to save. Demonstrating responsible spending habits and financial discipline are all key factors in preparing for home ownership and it's important people understand this,' said Nikea.

Going from renting to home ownership was an achievement which gave Nikea personal satisfaction while inspiring others to pursue the possibilities of home ownership.

By breaking the cycle of social housing and securing generational wealth, Nikea is rewriting the narrative for her children, empowering them to achieve their goals and creating a brighter future. Her story reminds us of the transformative power of home ownership.

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Nikea and her family

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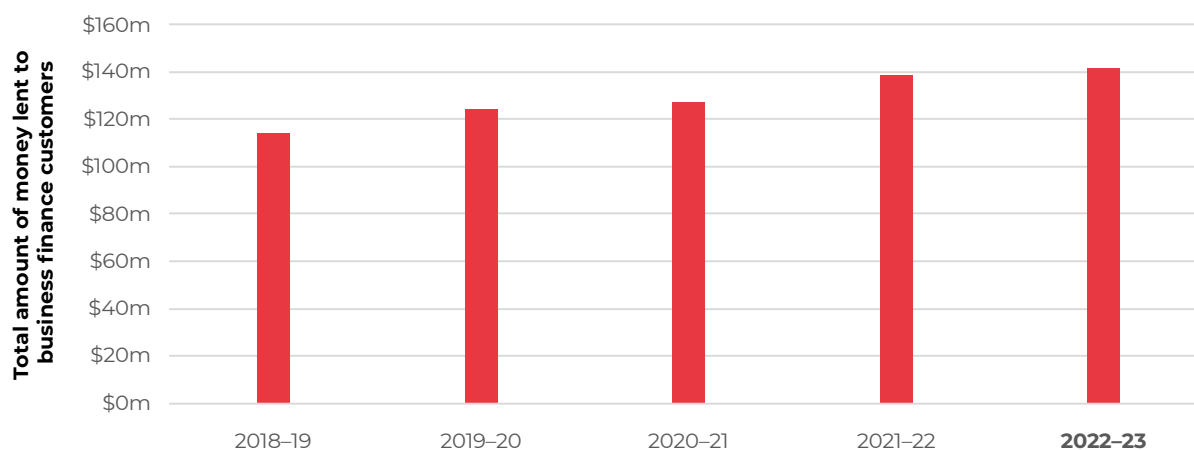
## PATHWAY 2: Business ownership and economic participation

Starting, growing, or buying a business is our second pathway to prosperity that unlocks opportunities for economic independence and empowerment. Outcome 7 in the Commonwealth's 2023 Closing the Gap Implementation Plan describes the path forward:

**'Increasing the proportion of Aboriginal and Torres Strait Islander youth who are engaged in employment, education or training significantly improves outcomes over the life course, including long-term employment prospects and improved health and wellbeing. Achieving Outcome 7 contributes to the achievement of Outcomes 8, 11 and 14. The Commonwealth's focus for Outcome 7 is on establishing and strengthening partnerships with Aboriginal and Torres Strait Islander people to share in decision-making on strategies that will boost the participation of Aboriginal and Torres Strait Islander youth in education, training and employment.'**

The rate of Aboriginal and Torres Strait Islander business ownership is 4.5%. Supporting these businesses plays a significant role in improving employment outcomes, financial independence, self-determination, and resilience. They also support intergenerational wealth and contribute to our purpose by assisting and enhancing Aboriginal and Torres Strait Islander self-management and economic self-sufficiency.

Figure 11: Business lending portfolio



## Unlocking opportunities for economic independence and empowerment

In 2022–23 we provided:

- education for customers preparing for their business journey with access to workshops that developed their capability and skills
- access to resources, referrals, business support and industry experts
- business loans
- start-up finance packages
- producer offset loans
- equipment finance
- invoice finance and performance bonds
- natural disaster and state of emergency support.

### Key challenges

Aboriginal and Torres Strait Islander people are incredibly resilient and resourceful, backed by thousands of years of trade. Navigating business ownership in a post-pandemic environment coupled with uncertain economic conditions required greater focus and attention to the needs of our customers and the sector more broadly.

These were our key challenges in 2022–23:

- inflation remained above the target range of 2 to 3%
- the RBA tightened monetary policy, increasing the cash rate on 10 occasions over the year, from 0.85% on 1 July 2022 to 4.1% on 30 June 2023
- supply chain disruption.
- the construction sector was under stress
- labour shortages.

## Key actions and achievements

### Business survival and sector resilience

Across all available products and services, we supported, financed, and connected with 1,237 First Nations businesses. The survival rate of the businesses we worked with was:

- 88% for businesses with 0 to 4 employees (our target for the year was 63.3%)
- 89% for businesses with 5 to 19 employees (our target for the year was 77.7%)
- 100% for businesses with 20 to 199 employees (our target for the year was 83.1%).

Of the customers we engaged with, 89% were satisfied with their experience and support provided.

A key focus remained on connecting with new and existing Aboriginal and Torres Strait Islander customers. To make sure our customers were able to withstand the shock of the pandemic and natural disasters, we delivered:

- \$40.8 million directly to new and existing business customers through the IBRP to support them through the pandemic
- 63 grants valued at \$315,000 to flood-impacted business loan customers
- stable interest rate settings which helped our customers with affordable and competitive finance products that were well priced for risk and could support capital asset growth.

We also created a permanent Natural Disaster Assistance relief budget to:

- help strengthen the resilience of businesses and the sector
- provide small cash grants to eligible home ownership and business solutions finance customers affected by declared natural disaster events
- address recommendations of the IBA Climate Risk Management Framework and Assessment (August 2020) Review.

### Developing skills for business success

Our partnerships with First Nations businesses created 386 jobs.

As economic conditions changed and opportunities emerged, we ensured customers kept building their capability and expertise. We supported them to grow their businesses in new directions. We also continued to offer training and skill development online and through business workshops and partnerships.

We provided access to knowledge, information, skills and networks to 590 Aboriginal and Torres Strait Islander business owners. Through 63 online and face-to-face workshops aimed at improving financial education and capacity building workshops, they learnt about:

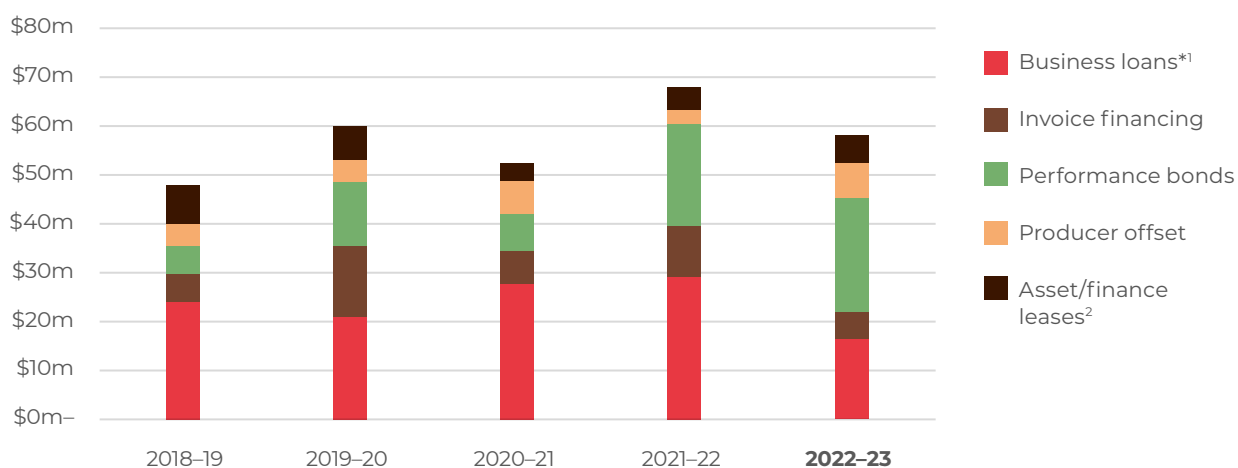
- starting a business or thinking about it
- planning and managing business finances
- business obligations and finance 101
- marketing fundamentals.

### Performance bonds increase capacity for competition

In a joint initiative with NIAA, we continued to provide performance bonds to Aboriginal and Torres Strait Islander businesses. In the six years to 2023, we have:

- issued 454 bonds totalling \$45.1 million in support of construction and civils works contracts valued at \$728.1 million
- maintained low security requirements which in turn make higher-value contracts more accessible to business customers
- incurred no bad debts in part due to our analysis and recognition of the strong management and leadership capabilities of the Aboriginal and Torres Strait Islander entrepreneurs who are capable of not only competing but winning high-value contracts.

**Figure 12: Value of business finance approved during the financial year**



\*Includes business relief loan grant package and start up loan grant package

**Table 3: Number of customers financed by product**

Product	2018–19	2019–20	2020–21	2021–22	2022–23
Business loans <sup>1</sup>	164	215	283	209	122
Invoice financing	8	12	4	9	6
Performance bonds	6	12	6	13	15
Producer offset	4	7	6	6	4
Asset/finance leases <sup>2</sup>	44	35	17	13	13
Total customers financed <sup>3</sup>	206	249	316	250	160

1 Includes business relief loan grant package and start up loan grant package.

2 Leasing customers in 2018–19 identified on the basis of the date that IBA approved the lease.

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

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## Doing it cool in the heat: Black Arc Industries

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Black Arc Industries are a 100% First Nations-owned business in Alice Springs NT that does custom welding, modifications and repairs on steel, stainless steel and aluminium.

Hayden Jude is a proud Batcho man of the Larrakia family and the owner of Black Arc Industries. He talked to IBA about the hard work of running a business and how to keep things real when it's a family business.

'The best thing about owning your own business is that you get to be your own boss. You get to have the freedom to make decisions that align with your personal values and goals,' said Hayden.

'I also have opportunity to make a positive impact on the lives of our clients and employees. By creating a positive work environment and providing quality products and services, you can help others achieve their own goals and aspirations.

'We used a business loan to purchase a truck, trailer, and excavator, which have been valuable assets for the business.

'IBA believed in me and my business plan and worked alongside us to get things happening. Through IBA we have also been put in contact with various other organisations which has been instrumental in the success of the business.'

When asked what the secret is to making a family business work, Hayden replied, 'Firstly, you need to like them [laughter]. You need to have good communication and boundaries in place!'





# BLACK ARC

I N D U S T R I E S



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## PATHWAY 3: Investments and asset management

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To advance the commercial and economic interests of Aboriginal and Torres Strait Islander people, we are expected to accumulate and use a substantial capital asset for the benefit of Aboriginal and Torres Strait Islander people.

Outcome 8 in the Commonwealth's 2023 Closing the Gap Implementation Plan acknowledges the path forward as strong economic participation and development of Aboriginal and Torres Strait Islander people and communities:

**'Economic participation through employment in secure jobs is an enabler for a range of positive individual and societal outcomes, including physical and mental health and wellbeing, social connectedness, and increased economic independence... Developing partnership arrangements with Aboriginal and Torres Strait Islander people on economic participation is a priority for the Commonwealth. The Commonwealth is also committed to ensuring that all employment programs are fit-for-purpose, culturally appropriate, and effective.'**

With most First Nations people under the age of 25, the need to grow wealth and generate returns that benefit families and communities across multiple generations is not only urgent but critical to achieving self-management and economic self-sufficiency.

### Advancing commercial and economic interests

In 2022–23 we provided:

- education for customers preparing for their investment journey with access to capability and skills workshops
- access to capital so that First Nations organisations could co-invest in operating businesses in a range of sectors and generate financial returns, employment, training and supply chain benefits
- specialised management of funds including our Indigenous Prosperity Funds (IPF), Indigenous Real Estate Investment Trust (I-REIT) and specialised property investments
- access to governance, strategic planning, due diligence, business and industry experts
- residential development feasibility studies in partnership with Aboriginal and Torres Strait Islander organisations.

### Key challenges

While we provided meaningful opportunities with Aboriginal and Torres Strait Islander people to accumulate wealth, develop their capacity to participate in Australia's economy, create jobs, increase training and skills development and supply goods and services, it was not without its challenges.

The key challenges in 2022–23 were:

- ongoing volatility in global financial markets
- inflation and cost pressures, which impacted returns and offset higher revenues
- ongoing challenges to rebound from the impacts of the pandemic
- impacts of labour force shortages
- supply chain issues affecting profitability and availability of goods and services.

### Key achievements

#### Financial and social returns

We continued to grow the financial and social returns in partnership with Aboriginal and Torres Strait Islander organisations. Since 2015 this has resulted in:

- growing our community of investors to 70 organisations
- increasing the total value of co-investments to \$227.6 million
- \$8 million of goods and services procured from First Nations civil contracting, native foods, art and design, retail, plumbing and electrical services
- 153 Aboriginal and Torres Strait Islander people being employed through our investment network
- more than \$11.8 million in income paid to Aboriginal and Torres Strait Islander employees, with many having significant career development opportunities
- 100% of our co-investment partners being satisfied with their experience and support received.

### Self-management and economic self-sufficiency in action

Our direct investment model aims to identify and invest in opportunities for sustainable economic development alongside partner organisations and demonstrate our activities that assist and enhance Aboriginal and Torres Strait Islander self-management and self-sufficiency.

These investments:

- grow wealth
- create jobs, training and procurement
- support partner organisations' capability in governance and management
- generate cultural and social impacts for Aboriginal and Torres Strait Islander communities.

We also aim to unlock the potential of Aboriginal and Torres Strait Islander land assets by providing access to high growth opportunities. IBA currently has partnerships with 14 Aboriginal and Torres Strait Islander organisations across 12 direct investments.

When the time is right, we sell our interest to our partners, supporting self-management and self-sufficiency for Aboriginal and Torres Strait Islander people, businesses and communities.

Our new residential development initiative helped 10 First Nations organisations move towards using their land to increase housing supply through:

- targeted capability and strategy assistance
- potential funding support for development
- concept development, project planning and execution.

We provided \$500,000 of investment through a convertible note to Grub Lab, a technology-based business founded by First Nations entrepreneur, Mick Carr. Grub Lab developed a novel interactive augmented reality technology that integrates physical and digital information. It is currently directed at children's entertainment in food and hospitality venues and has partnerships with the NRL, AFL and Universal Studios.

### Commercial real estate: I-REIT

The I-REIT is a diversified portfolio of commercial Australian properties providing competitive investment returns for IBA and First Nations co-investors. The I-REIT is one way we advance the commercial and economic interests of Aboriginal and Torres Strait Islander people by accumulating and using a substantial capital asset for the benefit of Aboriginal and Torres Strait Islander peoples.

Asset acquisition and investment in commercial property enables us to partner with Aboriginal and Torres Strait Islander co-investors to share in the income and capital growth from assets with local strategic or community significance.

The I-REIT maintains a high occupancy of more than 95%. Long leases underpin the I-REIT and, in the face of more challenging economic conditions, it delivered a 12-month total return of 1.50% in 2022–23 against the benchmark of -0.04%. This was mainly driven by income, albeit reduced compared to the prior corresponding period, offset by some property valuation decrements.

There were two major milestones:

- Acquiring an office project in Shepparton VIC, pre-leased to the Victorian Government for 10 years with annual CPI rent increases, bringing the number of properties in the I-REIT to 11.
- Completion of building works at the Big Rivers Centre, Katherine NT—now fully reoccupied by NT Government for a further 15 year term with annual CPI rent increases.

### **Money management: Growth and Income funds**

The IPF comprise the Growth and Income funds. The IPF provides Aboriginal and Torres Strait Islander organisations with a way to invest in an actively managed and diversified investment portfolio. It is another way we advance the commercial and economic interests of Aboriginal and Torres Strait Islander people by accumulating and using a substantial capital asset for the benefit of Aboriginal and Torres Strait Islander peoples.

We provide specialist management services for the I-REIT and the IPF. The funds allow eligible entities to invest alongside IBA in a diversified portfolio. The funds can give them exposure to Australian and international shares, bonds, property and cash. Investment options like these may be inaccessible without IBA.

Over the 12 months to 30 June 2023, the IPF returned:

- 11.4% through the Growth Fund
- 4.1% through the Income Fund.

Both recovered from the market volatility of 2022. At that time rising inflation and interest rates caused equity and fixed income investments to fall sharply.

The IPF's manager actively monitors and adjusts asset allocations to:

- mitigate risk from ongoing volatility
- take advantage of future opportunities.

### **Shared decision-making and economic development in partnership with subsidiaries**

We have subsidiaries (see Audited Financial Report) that give eligible organisations access to commercial investment opportunities, consistent with our purpose. We go beyond just investing or managing funds. We connect co-investors with management expertise, entity governance and commercial capability development. This helps our partners succeed. We work with co-investment partners so our subsidiaries have strong governance and oversight in place.

We also supported Aboriginal and Torres Strait Islander organisations to undertake pre-feasibility studies to determine the potential benefit of residential development on First Nations –owned or –controlled land. The development process also enables organisations to build capacity with employment, training and business and enterprise development opportunities. This is a demonstration of our activities that assist and enhance Aboriginal and Torres Strait Islander self-management and self-sufficiency.



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The SX5 Group recently welcomed a new dozer machine – a first of its kind to be used in Australia. The Cat D10T2 Dozer will be used to rehabilitate mine sites on Aboriginal land.  
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## Horticulture:

# Yamatji Fresh Produce

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Yamatji Fresh Produce Pty Ltd is a joint venture between Yamatji Enterprises Ltd, IBA and capability partner 4Ways Fresh Produce. In 2022, Yamatji and IBA acquired two adjacent parcels of land in Geraldton WA. Construction of a horticultural facility began in 2023. The first 125 greenhouses are expected to be completed in 2024 and another 125 greenhouses will follow in 2025.

One of the major highlights of this fiscal year was achieving development approval. Navigating through the regulatory landscape was no small feat, but we secured the green light to move ahead with the project. This milestone has paved the way for us to turn our vision into reality, and we cannot wait to see the transformation of the land into a flourishing cucumber haven.

Another significant achievement was the completion of the fencing work around the block. Not only was the completion of the fencing work a significant milestone in our project's development, but it also represented a crucial achievement in our commitment to First Nations procurement. It marked the first of many First Nations-led contracts we are expecting to secure and deliver.

In addition, groundwork officially commenced with the construction of the dam, which will be the lifeblood of the facility, providing a reliable and efficient irrigation system to support the growth of our cucumber crops. As we dug the foundations, we knew that we were digging the foundations of a brighter future for the Yamatji community. We also initiated the construction of other essential facilities, including the ablution block, an integral part of the working environment for our future employees.

With the first 125 greenhouses under construction, we can already visualise the thriving fields of cucumbers awaiting us in the coming year. Once built, the facility will be able to produce roughly 1,700 t of cucumbers per annum.





Together with 4Ways' existing facility, we expect Yamatji Fresh Produce to become the biggest cucumber producer in Australia. This will produce strong financial returns and create many more benefits for the local First Nations community, such as in employment, procurement and training.

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# Providing a respectful, responsive community and customer experience

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Our commitment to place the voice of our customer at the centre of our delivery model requires an increase in our capability so we are better equipped and resourced to respond to our customers and community. Ultimately, we must ensure this approach:

- informs a customer-centric culture
- embeds best practice
- harnesses our customer voice to deliver continuous improvements within our internal policies and procedures
- supports the provision of quality customer service.

## **Delivering a service for increased economic status and social wellbeing**

Throughout the year, we continued to provide a centralised and coordinated approach to the way we responded to, captured, and improved our service delivery model, as evidenced through:

- customer complaints, compliments and feedback
- customer service satisfaction survey and impact surveys
- strategic partnerships that generate impact for Aboriginal and Torres Strait Islander people and communities, including the Strong Women Strong Business (SWSB) network and Accelerate with IBA program
- specialised projects that assess customer experience and level of customer service.

Contained within the 2023 Closing the Gap Implementation Plan, the cross-cutting themes relevant to our community and customer experience included:

- gender and sexuality
- remote Australia.

## **Key activities and achievements**

Working with peak bodies, community groups and sector-specific initiatives, our broad portfolio aims to amplify impact with Aboriginal and Torres Strait Islander people. Our customer journey initiatives aim to measure and improve customer experience through simplifying access to and aligning services with customer needs.

### **Customer-centric initiatives**

Creating a positive customer experience and impact was at the forefront of our efforts.

In 2022–23 we launched the Mystery Caller project which assessed our customer's experience through capturing and analysing calls with our staff. The project used customer avatars and scenarios to identify best practice, measure staff product knowledge and importantly the cultural capability of our staff. The results of this project will help to improve our customer service standards and staff customer service training.

We also established our in-house Customer Contact Centre designed to provide a responsive and informative level of service to Aboriginal and Torres Strait Islander people enquiring about our business finance and support products. The Contact Centre went live in early July 2023.

### **Safeguarding customer data**

As a Commonwealth entity responsible for considerable personal and financial data, we responded to the recent data breaches reported in the media across industries. We started a review of our own practices of collecting and storing customer information with a view to safeguard customers and prevent the potential for long-lasting ramifications following breaches.

An external and independent assessor is doing the review. Findings will drive improvements in our ability to protect our customer information.

### **Sector development programs**

In 2022–23, we delivered comprehensive business awareness program alongside Blak Wattle Consulting which provides holistic, First Nations-led business education and resources to female-led First Nations-owned businesses.

### **Gender and sexuality: empowering Aboriginal and Torres Strait Islander women**

Supporting the economic empowerment and safety of Aboriginal and Torres Strait Islander women and particularly those in business has been a key focus during the year. Supporting women to access resources, build networks and share success is pivotal to achieving gender justice.

### **Strong Women Strong Business**

Since the SWSB initiative launched in 2018, our network has grown to more than 2,300 Aboriginal and Torres Strait Islander women. The SWSB platform revamped in 2022–23 to offer a better user experience. In the last year, the SWSB network introduced a monthly digital event called Lunch & Learns, featuring First Nations female business and community leaders who shared resources and stories on topics our network told us they wanted to hear about.

### **Women in Business podcast**

Through female-led First Nations business BlackCard, we partnered with the Black Magic Woman podcast. These podcasts opened conversations in the areas of:

- empowerment and leadership for First Nations female businesswomen and leaders
- history
- current affairs affecting Aboriginal and Torres Strait Islander people
- business, community and economic development.

### **Action plan to support customers affected by family violence**

Family violence has had significant impacts on the economic security and independence of Aboriginal and Torres Strait Islander families. The Australian Government's National Plan to Reduce Violence Against Women and their Children is a call to action: to provide more cohesive family support while requiring service providers to be culturally proficient to improve service access and support.

With safe and stable housing a primary focus for IBA, we implemented an action plan identifying key areas of support for customers and staff. The action plan applies an integrated response with timely and coordinated support for customers when they need it most. Key activities in 2022–23 included:

- targeted training for customer-facing staff in the Home Ownership and Business Solutions programs
- a series of resources to equip staff to give quality support while managing their own wellbeing.

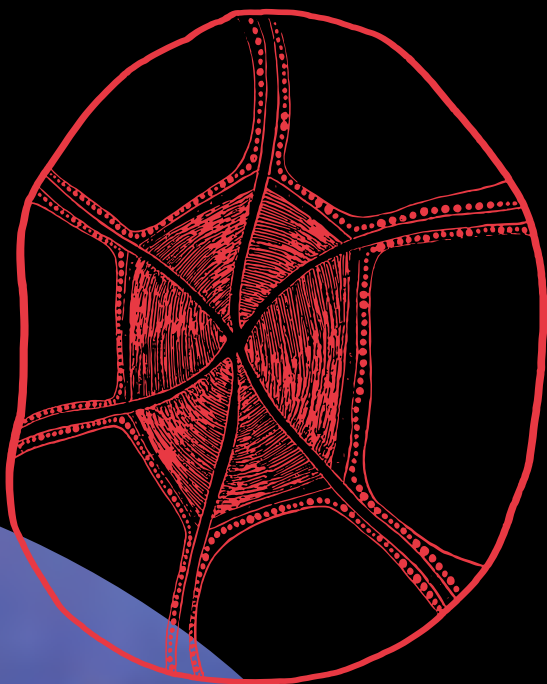
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## Case study:

# Wiyi Yani U Thangani women's inaugural summit

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In May 2023, we supported the Wiyi Yani U Thangani Women's Summit. The summit was a key event resulting from the Wiyi Yani U Thangani (Women's Voices) project established in 2018 which included the voices of more than 2,000 First Nations women and girls. The project was led by the Aboriginal and Torres Strait Islander Social Justice Commissioner, June Oscar AO.

Our sponsorship enabled 40 women from the SWSB network who live in regional and remote Australia to attend, including seven delegates for the Youth Summit. Delegates contributed to the national conversation of gender justice and supported the development of the 'blakprint' for systemic and structural reform, starting with input into the national framework for action.

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Economic justice and empowerment were some of the key outcomes of the Wiyi Yani U Thangani summit, which brought together voices, inspiration and energy from hundreds of First Nations women from around the country. Pictured left to right: Shirley McPherson (Board Director), Kia Dowell (Executive Director, Strategy and Impact), Stella de Cos (Director, Community and Customer Experience), Kirsty Moore (CEO) and Vanessa Elliot (Board Director).

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— IBA staff Debbie, Emily (pictured with her daughter) and Nyree at Townsville's annual NAIDOC Deadly Day Out. —



## PART 05:

# Our people, capability development and collaborations

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## Our people, capability development and collaborations

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We continuously seek ways to strengthen our capability so that more Aboriginal and Torres Strait Islander people experience greater levels of economic participation, inclusion and independence. The following sections explain the strategies and plans we implemented to gain the capability needed to:

- expand learning and development opportunities
- expand our technical capability given our expertise as a financial services provider
- deepen our digital capability, improve processes, policies and systems
- respond to customer feedback and use insights to explore product improvements and innovations
- establish partnerships with government and private sectors.

**Figure 13: IBA training objectives and priorities**



### **LEADERSHIP**

Confidently navigate through challenges, growth and change, empowering others to be their best selves.



### **CULTURE**

Foster an inclusive organisational culture that encourages and supports IBA people, teams, managers and leaders to learn and develop continuously.



### **CAPABILITIES**

Facilitate curiosity for continuously improving existing skills and targeted capacity-building to enhance workforce agility, adaptability and performance.



### **TECHNOLOGY**

Provide access to high-quality learning experiences, performance, support and knowledge sharing for all IBA, anywhere and anytime.

# Learning and development

Launched in early 2023, our Learning and Development Action Plan commits to growing and developing an inclusive, talented and agile workforce, that is:

- highly capable, with the necessary skills, tools and development pathways for staff to reach their full potential
- always learning and adapting to exceed customers' expectations.

We will initiate and implement most of the actions over a two-year period. In the third year we will conduct evaluation, which may include adjusting and introducing new actions.

In pursuit of this, a strong focus in 2022–23 was to build a continuous learning culture. We introduced the Learning and Development Strategy 2023–2026. This sets strategic learning outcomes and development plans, promoting a shared responsibility for continued learning and growth. Driven by capability and development, we identified four key pillars to support our training objectives and priorities and inform the design of learning initiatives.

## **Developing and maintaining a culturally capable and technically sound workforce**

Like any commercially oriented entity, we need to be able to scale our activities, and therefore workforce, based on customer demand. During 2022–23, we continued to find efficiencies and strengthen our ability to deliver outcomes with Aboriginal and Torres Strait Islander people through:

- making sure our workforce reflects the communities we serve
- having a technically competent and culturally proficient workforce
- equipping our people with the systems, tools, and workplace to make empowered decisions.

We have highly capable staff with a variety of skills that help us deliver on our purpose. To help strengthen or develop the skills and knowledge needed, we:

- reviewed and relaunched our learning and development strategy
- developed our Indigenous Employment Strategy
- completed training to be informed on the National Anti-Corruption Commission and our role
- provided volunteer leave for staff to contribute to local First Nations organisations or help with community events.

Of our staff:

- 187 completed Acknowledge This! training to increase their cultural competency on the meaning, importance and protocols of an Acknowledgement of Country
- all could access the Australian Institute of Aboriginal and Torres Strait Islander Studies' CORE Culture Awareness e-learning modules.

## Galambany Indigenous Staff Network

Established in 2013, the leadership and capability of Aboriginal and Torres Strait Islander staff continued to grow and drive Aboriginal and Torres Strait Islander employment, support and cultural competency.

Galambany was set up to recognise the fundamental values Aboriginal and Torres Strait Islander staff bring to our purpose of promoting and encouraging economic independence for all Aboriginal and Torres Strait Islander people. The network supports Aboriginal and Torres Strait Islander staff and collaborates to promote cultural capability across all levels of our business.

Within the network sits the Galambany Advisory Committee. The committee supports and facilitates the network and implements its objectives.

The network gathered on Turrbal and Yuggera Country in Meanjin (Brisbane) in May 2023 for a long overdue chance to come together, support one another, and discuss relevant issues in a culturally safe space. In June 2023, our executive approved for the committee to be recognised and members to be remunerated.

The word Galambany was gifted to the network from the United Ngunnawal Elders Council. Galambany is a traditional Ngunnawal word which means 'we including you' and is pronounced as 'Jul-um-baa-ni'.

**Workforce representation of Aboriginal and Torres Strait Islander people sat consistently at around 30% throughout 2016–21. In 2021–22, it was 27.1% and in 2022–23 it was 27.45%.**

## Digital capability

To deliver contemporary services we continued to transform our digital capability. We had three key focus areas:

1. enhance our customers' online experience
2. ensure our IT systems, applications and infrastructure are secure and fit for purpose
3. provide all staff with a suite of tools to deliver products and services more effectively.

We implemented an integrated telephony system for our new customer call centre to better capture customer enquiries and respond to their needs and improve timeliness. This is complemented by upgraded and integrated digital solutions to improve:

- application processing
- capturing customer journey
- tracking from enquiry through to outcome.

Additional capability extends to improvements in procurement, contract management and security of customer information and data.

We delivered the first stage of the data warehouse enhancing data storage to provide a central repository. This will deliver improved data analytics and operational, management and corporate reporting for the organisation, with higher data quality and lower overheads of manual reporting and manual data handling. This transition also helps in quality assurance activities and supports our move to an entity-wide performance framework.

We are also putting systems in place to support our people and equip them with resources, information and tools that:

- create seamless on- and off-boarding workflows
- streamline performance processes
- centralise employee data and compliance
- automate reports and get actionable insights.

# A diverse and inclusive workforce

To drive our Aboriginal and Torres Strait Islander employment and retention, in 2022–23 we:

- partnered with a First Nations and women-owned consultancy firm to design and develop an Indigenous Employment Strategy, which included an internal cultural report and staff survey
- continued to support the Galambany Staff Network and collaborate with them on embedding strategies to improve outcomes in Aboriginal and Torres Strait Islander employment, engagement, and procurement
- 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 NAIDOC and National Reconciliation Week events.

We continued a 10-year partnership with CareerTrackers Indigenous Internship Program to create career pathways for Aboriginal and Torres Strait Islander university students. The CareerTrackers program offers a structured internship program which aligns students with paid, professional opportunities relevant to their career aspirations. In 2022–23 we had:

- 6 CareerTrackers interns
- 3 returning interns
- 3 offered casual employment during their studies
- 1 transition from an intern to graduate who now holds an ongoing position at IBA.

We are proud of our organisation's diversity of skills and backgrounds. We embrace diversity and the value it has for the work we do and how we do it.

Our workforce comprises a mix of diverse intersecting identities, including:

- Aboriginal and Torres Strait Islander people
- people identifying as LGBTIQ+
- people from non-English speaking backgrounds
- people with caring responsibilities
- people with a disability
- mature age people.

Our workforce profile remained relatively stable, though notable changes include:

1. a steady representation of Aboriginal and Torres Strait Islander people at 27.45%
2. an increase in the representation of women to 61%
3. staffing numbers increasing at locations more reflective of our changing customer base and demand.

Our executive is made up of many different cultural backgrounds. The majority are female and 30% of the executive are Aboriginal and/or Torres Strait Islander.

In 2022–23 we celebrated our commitment to diversity and inclusion through:

- publishing a staff-created cookbook, showcasing the cultural and culinary diversity of our staff for Harmony Week
- fostering a positive LGBTIQ+ culture by providing awareness training with a cultural lens
- raising awareness for Cerebral Palsy and physical health by participating in STEPtember
- participating in gender equity reporting for the Workplace Gender Equality Agency
- recruitment panel diversity-promoting representation of First Nations, age, position, department and tenure
- membership with Diversity Council Australia enabling all staff to access a unique knowledge bank of leading practice research, events and expertise on all aspects of diversity and inclusion
- cultural volunteer leave for all employees
- secondment opportunities with organisations such as the Torres Strait Regional Authority.

## Employee wellbeing

We are committed to safe and sustainable workplace practices and place importance on:

- fostering a culture of mental and physical wellbeing
- maintaining workplaces where staff feel mentally and physically safe and valued for their contributions.

In 2022–23:

- our Employee Assistance provider continued to provide confidential support services to employees and family members experiencing professional or personal challenges affecting their mental or physical wellbeing
- staff took part in First Nations art workshops facilitated by cultural practitioners
- we introduced a regular wellbeing news bulletin to educate and support workers across a range of mental health impacts
- the Health and Safety Committee and Workplace Consultative Committee worked together to consult on key issues affecting the workplace, including psychosocial hazard management
- we continued to encourage the IBA workforce to access COVID-19 and flu vaccinations to help combat health challenges and support a safe return to the workplace
- we updated our Code of Conduct and related procedures to foster a safe and inclusive workplace
- we continued flexible working practices so staff could maintain work/life balance.

## Outlook: strengthening our capability to meet current and future demand

In 2023–24, we are well placed to continue supporting staff to deliver their best performance through:

- delivery of our Indigenous Employment Strategy, including increased cultural capability training
- delivery of our Learning and Development Action Plan, including developing middle and senior managers' leadership capability, technical capabilities of all staff and regulatory compliance
- implementing strategies for a positive work culture and to improve employee experience at all stages of employment including the provision of mental health first aid and trauma informed practices
- aligning recruitment approaches with workforce plans.

We also continued to draw on staff feedback to inform how we can support all the above.

Key events planned include:

- psychosocial training and development
- mental health training
- training on people management, managing a team for wellbeing and coaching conversations
- respectful workplace training
- pronouns and identifiers training
- training on how to support Aboriginal staff
- integrity and empathy in the workplace training.

# Collaborations: leveraging cross sector and government capability

Creating partnerships helps IBA deliver products and services with people and organisations in a culturally appropriate and relevant way

In 2023–24, we will revise our Purposeful Partnerships Framework. We will ensure it is relevant and fit for purpose in the context of our corporate strategy and customer success.

We also intend to establish a broader whole-of-organisation partnerships strategy.

This will aim to:

- leverage strategic relationships
- integrate like-minded organisations' objectives into IBA's corporate goals
- connect local ecosystems and their goals for Aboriginal and Torres Strait Islander people's wellbeing and economic empowerment with IBA to achieve better and faster outcomes.

In 2022–23, key goals of our partnerships were to:

- support or enhance the customer journey
- activate strategic relationships to leverage partners' resources or capital to achieve greater outcomes and impact for First Nations Australians.

We worked across government, non-government organisations, universities, peak bodies, and private sector organisations to innovate and grow our networks, partnerships, and collaborations. Evidence and experience informed our responses to economic challenges as we developed our stakeholder relationships for the benefit of customers.

## National Agreement on Closing the Gap: Outcomes 7, 8 and 9

In line with the priorities set by the Council of Australian Government (COAG) in the National Agreement on Closing the Gap, we partner with Aboriginal and Torres Strait Islander leaders, people and communities. We work alongside a broad range of stakeholders in organisations across Australia and at all levels of government.

In 2022–23, our partnerships strengthened outcomes for Aboriginal and Torres Strait Islander people through:

- increased collaboration and shared decision-making among stakeholders
- achieving co-designed solutions
- realising economic and social development opportunities across local, regional and national levels.

### CLOSING THE GAP

#### Outcome 7

Aboriginal and Torres Strait Islander youth are engaged in employment or education.

#### Outcome 8

Strong economic participation and development of Aboriginal and Torres Strait Islander people and communities.

#### Outcome 9

Aboriginal and Torres Strait Islander people secure appropriate, affordable housing that is aligned with their priorities and need.

### HOW IBA CONTRIBUTES

Provide finance to businesses who employ Aboriginal and Torres Strait Islander people.

Generated returns on investments for the benefit of Aboriginal and Torres Strait Islander organisations to fund training and employment programs.

Provided finance to first home buyers, single parent/carer and regional customers, and helped them to transition into ownership for secure housing.

Generated returns on investments for the benefit of Aboriginal and Torres Strait Islander organisations to fund residential development.

## Appropriate, affordable housing

### Transitioning customers to mainstream banking

Strategic partnerships enable us to unlock capital and deliver broader outcomes as we transition home loan customers into a mainstream banking environment. Established in 2020, our Banking Partnerships provide existing customers a way to transition to mainstream banking with Australian Unity and Bank Australia.

In 2022–23:

- 5% of customers refinance and took advantage of property price increases
- through our strategic banking partnerships with Australian Unity and Bank Australia, we facilitated the transition of seven customers enabling us to free up capital and provide a home loan to others in the waitlist.

## Employment and economic participation

### Business resilience and survival: a partnered approach with NIAA

In partnership with NIAA, we continued to focus on delivering products and services that supported Aboriginal and Torres Strait Islander businesses to strengthen their resilience and survivability through two agreements:

- Business Solutions Program
- COVID-19 BRP

The outcomes and results of the Business Solutions Program are at Appendix D.

The purpose of the IBRP was to complement the Australian Government's economic response to COVID-19. The \$50 million IBRP helped business customers manage the impact of COVID-19 with a focus on assisting small to medium First Nations businesses and the jobs they enable for Aboriginal and Torres Strait Islander people. The package continued to support customers in 2022–23.

We finalised delivery of the IBRP on 31 December 2022.

Key highlights:

- Responded to 2,073 IBRP EOIs.
- Referred 791 businesses to a Business Impact Assessment.
- Provided external support to 117 businesses.
- Provided working capital/grant relief of \$33.4 million to 371 businesses.
- Supported 275 repeat customers with a loan/grant package (since March 2021 when the IBRP contract variation launched).

### Connecting with and developing regional and remote businesses

Capability development partnerships help us deliver on our mandate to support economic empowerment. In partnership with the University of Melbourne's Dilin Duwa Centre for Indigenous Business Leadership, we supported the delivery of a regional series that provided workshops focusing on economic development in Alice Springs NT, Yarrabah Qld and Shepparton Vic. These series served as a place-based generator of ideas, opportunities and momentum for participants and communities.

### Fostering digital inclusion through eCommerce capability

One important way we supported First Nations businesses' development after the pandemic was through building their eCommerce capability. With partners Empower Digital and Kinaway Chamber of Commerce, we supported small to medium businesses with building a digital footprint and online trading capacity for their businesses.

### Social Enterprise Grant

In early 2023, we began delivering the Social Enterprise Grant with support from PM&C. The grant assists First Nations women-led social enterprises with funding to address economic safety challenges for other First Nations women through programs such as:

- business development
- network expansion
- employment readiness opportunities.

When the grant began, the SWSB network ensured its delivery was co-designed and reflective of the needs of First Nations women. These 'conversations with IBA' became the foundation for assessing, implementing, and delivering the grant programs within the reporting period.



The following partnerships were active during the reporting period and:

- assisted First Nations entrepreneurs and businesses to be a catalyst for leadership in business
- developed businesses' online capabilities
- created new opportunities for collaboration across various sectors.

**Table 4: Partnerships established in the 2022-23 financial year**

Partnership	Key activity area	Purpose
<b>Insurance Australia Group Limited (IAG)</b>	Housing/ Business	This partnership will allow IBA and IAG to explore opportunities that support Aboriginal and Torres Strait Islander people to have access to appropriate and affordable insurance relating to homes and small businesses, and to explore ways that improve financial literacy related to insurance.
<b>Memorandum of Understanding (MoU) between Northern Australia Infrastructure Facility, IBA, Indigenous Land and Sea Council and NIAA</b>	Investments	MoU to jointly explore potential projects and opportunities in Northern Australia.
<b>Victoria's Department of Treasury and Finance and Aboriginal Housing Victoria</b>	Housing	The Victorian Government provides a shared equity product. Aboriginal and Torres Strait Islander applicants are supported by AHV. IBA is supporting the project through providing home loans within our own credit assessment and scheme parameters.
<b>Torres Strait Regional Authority MoU</b>	Housing Investments Business	MoU to support the lifestyle and wellbeing of First Nations people living in the Torres Strait. The aim is to achieve mutually beneficial outcomes that align with the organisation's purpose of benefiting Aboriginal and Torres Strait Islander people.
<b>Banking Panel Partnerships with Australian Unity and Bank Australia</b>	Housing	Provides a supported pathway to transition customers to mainstream lenders (refinance, split funded loans).
<b>The BlackCard</b>	Customer experience	Escalates the voice of Aboriginal and Torres Strait Islander women who are participating in home ownership and business to attain financial security through a Pod/Vodcast series.
<b>Empower Digital</b>	Customer experience	Assists First Nations businesses to establish eCommerce business systems to enhance exposure to new markets and sales.
<b>University of Melbourne (National)</b>	Business	Supports the design and delivery of place-based business pop-up entrepreneurs' programs and community-based economic development programs and develop resources for an online business platform.
<b>Export Finance Australia (EFA)</b>	Business	EFA and IBA will explore the potential to collaborate with each other with respect to the provision of finance products, including guarantees, to First Nations-owned businesses in the export market.

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## Partnership with Empower Digital: Empower to make a difference

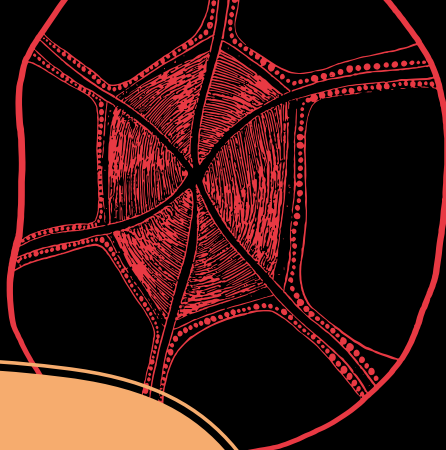
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Adam and Carmel of Empower Digital,  
a boutique eCommerce business.

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As a First Nations business, Empower Digital's program grows the First Nations business sector and creates a ripple effect that empowers Aboriginal and Torres Strait Islander businesses and customers to succeed.

Partnerships are important for support, growth and connection. At IBA, they play a vital role in contributing to Aboriginal and Torres Strait Islander economic independence and self-determination. IBA partnerships support strategic alliances and capability development programs that allow Aboriginal and Torres Strait Islander businesses to reach their economic goals and assist in their wellbeing.

Working in partnership with businesses such as Empower Digital harnesses mutual strengths and connects IBA to the Indigenous business sector beyond IBA's customer base. When we connect with Aboriginal and Torres Strait Islander business owners and provide support, we get one step closer to generational wealth, success and healing.

'The program was deadly,' said a participant about the experience with Empower Digital.

Empower Digital, a boutique Queensland-based First Nations eCommerce business, specialises in one-on-one digital support and eCommerce for small and medium businesses who wish to sell products online. Their experience with IBA goes full circle as business owners Adam and Carmel Wooding participated in our Accelerate with IBA program in 2019 and now run a training program in partnership with IBA transferring their skills and knowledge to other First Nations businesses to enable trade online.

Through the partnership, Empower Digital delivered a training program to develop the capability of other Aboriginal and Torres Strait Islander businesses to help increase their sales capacity, develop new customer markets, and build a sustainable digital business footprint as they learnt to build their own Shopify online store.

Participants of Empower Digital's eCommerce program gave their feedback about the experience:

- 'I am so proud of myself, I never ever thought I would build my own online business. I had no idea how to do it, the program made it accessible, easy to follow and culturally safe.'
- 'I loved the program. The structure was easy to follow along with each week. The examples of many styles of websites helped a lot. Thank you to IBA for supporting this program. Forever grateful to Adam and Carmel for their support and care.'



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Dancers performing on the 'Together We Create' runway, transforming  
Punt Road Oval into a world of colour and movement.  
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## PART 06:

# Our performance against our corporate plan

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# Performance framework, rationale and impact

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Our performance framework aligns with the Commonwealth Performance Framework formed under the PGPA Act. It measures how we delivered on our intended results and tells us if we achieved our purpose. As we transition to our 2028 strategic plan and performance measures, it is important to highlight this was done in response to feedback and advice from the comprehensive review of the 2023 strategy.

Our budget and performance are managed through the annual portfolio budget statement (PBS) process in collaboration with PM&C. Our purpose, planned outcomes, performance measures and targets are set out in the PBS and further described in our corporate plan. For our Business Solutions program, a funding agreement with the NIAA further supplements our budget and performance framework.

The change to an entity-wide performance framework will incorporate our existing 20 performance measures, giving a refined set of nine entity-wide measures that reflect a set of measures and targets considering:

- the dynamic operating environment
- interdependencies of policies and programs
- our role as an active market player providing financial services.

The transition, which commenced in the reporting period, positioned our organisation to maximise opportunities to align strategy and performance. Throughout the review, we analysed performance over the prior five years and overlaid this with data from the 2021 Census and demand modelling. This was to make sure our resources and capability would deliver on the revised performance measures.

We also completed a quality assurance review so that a move to the consolidated set of performance measures would elevate and give further evidence of a more holistic picture of:

- our contribution
- impact across economic, social and cultural wellbeing of our customers.

The move to an entity-wide performance framework also needed to deliver a better mix of quantitative and qualitative measures. This includes four output measures, four effectiveness measures and one efficiency measure on our performance and impact.

# Annual performance statement of preparation

Our purpose is clearly set out in the ATSI Act and was achieved through our single portfolio outcome presented in our 2022–23 Corporate Plan and PBS.

These annual performance statements are prepared for paragraph 39(1)(a) of the PGPA Act and any other legislation applicable to the preparation of annual performance statements of IBA.

This report presents a full picture of the performance measures, initiatives and influences affecting delivery as set out in IBA's 2022–23 Corporate Plan and reporting period that the annual performance statements, in the opinion of the accountable authority:

- accurately present the entity's performance in the reporting period
- comply with subsection 39(2) of the PGPA Act (section 16F of the PGPA Rule).

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

## **Program 1.1 Aboriginal and Torres Strait Islander Economic Participation and Wealth Creation**

This program contributes to the above outcome through the following objectives:

- Enable Aboriginal and Torres Strait Islander people to own a home and build home equity.
- Facilitate Aboriginal and Torres Strait Islander people to start and grow a business that supports income, employment and economic independence.
- Partner with Aboriginal and Torres Strait Islander organisations to invest, grow capital and build commercial capability.

The program recognises the unique circumstances of Australia's Indigenous peoples and delivers outcomes against the above objectives in a culturally sensitive and informed way.

### **Delivery**

IBA increases wealth and economic independence for Aboriginal and Torres Strait Islander people by delivering:

- finance products and tailored support for home ownership
- finance products and tailored support to help start, acquire, or grow a business
- investment and direct management of businesses and assets as well as commercial capability development.

### **Key Activities**

IBA's key activities are guided by its updated strategy (2023–28) that articulates the long, medium and short term economic, social and cultural impacts to be achieved through the core program areas which are:

- home ownership
- business solutions
- investments and asset management.

Our performance measures and associated targets measure how we delivered against our outcome, activities and overall strategy through:

- 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).

Although we have moved to reporting at the entity level, inputs and source data are still maintained and analysed at a program level. There is therefore opportunity to provide enhanced reporting in 2023–24 that includes program-level results to support transition to the new entity-level performance measures and maintain a basis for assessment over time.

### **Rationale for changes in performance measures**

To maximise the impact on Aboriginal and Torres Strait Islander people's wellbeing, we must make changes to our various activities.

The review of our strategic direction, operating environment and changes in customer needs also revealed how we could:

- improve stakeholders' confidence in the data we use to make decisions
- track performance over time
- improve target setting, calculations and methodologies as required
- change strategic direction as needed.

In some cases, when we capture data during times of significant change for Aboriginal and Torres Strait Islander people there can be a lower-than-expected response rate. This is particularly the case if there are multiple priorities which people are trying to manage day to day. For example, people may be consulted too often or have other personal priorities.

During the pandemic and natural disasters, we saw smaller numbers of customers respond to surveys or take part in focus groups or forums. Because of this, some data are not as reliable as we would like—for example, customer satisfaction data. When this has happened, we highlighted it and explained why, where possible. A key focus is to ensure a minimum feedback rate consistent with a statistically reliable sample.

As we upgraded our systems to newer platforms, this affected data migration. Where possible, we have highlighted the impact and what this means for anyone reading this report.





—  
Performer at the annual National  
Indigenous Business Summer  
School WA program event, of  
which IBA was a sponsor.  
—

# 2022–23 PBS performance scorecard and trends analysis

The annual performance statements include the results of the measurement and assessment of IBA's performance in the reporting period in achieving its purposes (section 16F(2) item 2 of the PGPA Rule).

The results:

- are presented as part of IBA's final year of reporting against the 20 PBS measures used to track delivery against the 2018–23 strategy
- highlight the progress and results of our planning, budgeting, and reporting process
- are underpinned by our transition to an entity-wide performance framework
- explain the planning context, interdependencies, and how IBA deployed its available resources to have a positive impact in the lives of Aboriginal and Torres Strait Islander people.

## PBS scorecard 2022–23

Each year IBA is required to submit to the Department of Finance:

- our expected results (what we forecast actual performance will be based on what we know at the time)
- our target result (what we anticipate the actual result will be)
- our actual result.

Every effort is made to ensure our expected and target results are Specific, Measurable, Achievable, Realistic and Timely (SMART).

**Table 5: PBS scorecard 2022–23**

Performance measures	Expected result	Actual result	Achieved against target
1. Number of home ownership outcomes approved.	500 (against a target of 500)	465	No
2. Percentage of approved customers that are first home buyers.	85% (against a target of 90%)	92%	Yes
3. Percentage of Indigenous home customers who transition or are supported into mainstream lending.	4.7% (against a target of 4.5%)	5%	Yes
4. Number of people attending housing capability workshops.	1,000 (against a target of 525)	1,334	Yes
5. Percentage of home customers satisfied or very satisfied with IBA's service.	88% (against a target of 80%)	88%	Yes
6. Cost per dollar lent efficiency ratio for the home loan portfolio.	0.95% (against a target of less than 1%)	0.93%	Yes

Performance measures	Expected result	Actual result	Achieved against target
7. Four-year survivability of IBA supported business loan customers.	0–4 employees: 86% (target of 63%) 5–19 employees: 89% (target of 78%) 20–199 employees: 100% (target 83%) 200+ employees: NA	88% 89% 100% NA	Yes
8. Number of business customers financed.	166 (against a target of 160)	160	Yes
9. Number of people attending business capability workshops.	640 (against a target of 515)	590	Yes
10. Percentage of business customers satisfied or very satisfied with IBA's service.	89% (against a target of 80%)	89%	Yes
11. Cost per dollar lent efficiency ratio for the business loan portfolio.	8.6% (against a target of less than 10%)	8.3%	Yes
12. Total value of Indigenous co-investments with IBA (cumulative since 1 July 2015).	\$225m (against a target of \$205m)	\$227.6m	Yes
13. Five year average annual portfolio returns to Indigenous co-investors.	4.3% (against a target of CPI + 3% = 6.45% as at 30 June 2023)	6.2%	No
14. Number of Indigenous co-investor partnerships (cumulative since 1 July 2015).	70 (against a target of 70)	70	Yes
15. Value of goods and services procured from Indigenous suppliers by IBA's subsidiaries and associates.	\$3.5m (against a target of \$3.5m)	\$8m	Yes
16. Percentage of jobs supported by IBA's subsidiaries and associates held by Indigenous Australians.	23% (against a target of 21%)	22%	Yes
17. Percentage of investors satisfied or very satisfied with IBA's service.	100% (against a target of 80%)	100%	Yes
18. Asset management expense ratio.	1.7% (against a target of less than 3%)	1.7%	Yes
19. Value of goods and services procured from Indigenous suppliers.	\$4.0m (against a target of \$5.0m)	\$5.47m	Yes
20. Implementation of IBA's impact framework.	The targets to publish Annual Impact Report (2021–22) and responded to recommendations from the previous impact report have been met.	Published and responded to	Yes

## PBS performance and trend analysis

### Housing solutions

In 2022–23, the following measures were used to assess housing performance against IBA's 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.

Where a target has not been previously set, to assist with trend analysis a footnote indicates the default target adopted.



—  
**It was an extra-special moment for Dylan when he was able to hang the paintings his family were gifted in his own family home (Dylan pictured left with his son).**  
—

Measure 1	Number of home ownership outcomes approved				
Source	2022–23 Corporate Plan p. 37, 2022–23 PBS p. 167				
Performance	Year	Target	Results	Achieved	Trend year-on-year
	2022–23	500	465	No	+ 4
	2021–22	560	461	No	+ 13
	2020–21	500 <sup>4</sup>	448	NA	- 6
	2019–20	500 <sup>5</sup>	454	NA	- 234
	2018–19	500 <sup>6</sup>	688	NA	NA
Analysis	<p>The performance measure for home ownership outcomes in number (465) fell short of the annual target by 35 (7%).</p> <p>While we received a significant number of EOIs, the conversion of enquiries to approvals was severely hampered by three factors:</p> <ol style="list-style-type: none"> <li>1. rises in property prices over last three (3) years that severely impacted affordability for new customers</li> <li>2. increases in consumer prices and living expenses during the year</li> <li>3. increases in interest rates that reduce new customers' borrowing capacity.</li> </ol> <p>Despite difficult market conditions for our new customers, we continued making home ownership a reality for many First Nations peoples this year, assisting 465 families to buy homes. This slightly exceeds the previous year's result (461 in 2021–22). With pre-approvals of 741 for 2022–23, Measure 1 would have been exceeded without the challenging market conditions throughout the period.</p> <p>Demand from Aboriginal and Torres Strait Islander peoples wanting to become homeowners continued during 2022–23 with 8,140 EOIs received (7,278 in 2021–22).</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>				
Source data	Data sourced internally via IBA controlled and managed systems.				

4, 5, 6 For the reporting periods 2018–19, 2019–20 and 2020–21, IBA has used a default target of 500 to assist with trend analysis.

Measure 2	Percentage of approved customers that are first home buyers				
Source	2022–23 Corporate Plan p. 37, 2022–23 PBS p. 168				
Performance	Year	Target	Results	Achieved	Trend year-on-year
	2022–23	90%	92%	Yes	- 3%
	2021–22	90%	95%	Yes	- 1%
	2020–21	90%	96%	Yes	+ 1%
	2019–20	90%	95%	Yes	0%
	2018–19	90%	95%	Yes	NA
Analysis	By owning their own home, Aboriginal and Torres Strait Islander families have access to secure and stable housing and build critical intergenerational wealth. Often, our customers are not just first home buyers but are also the first in their family to ever own a home. This is a catalyst for a greater social impact through economic participation and intergenerational wealth building. This year, we assisted 430 first home buyers (92% of total approvals) into home ownership.				
Source Data	Data sourced internally via IBA controlled and managed systems.				

Measure 3	Percentage of Indigenous home customers who transition or are supported into mainstream lending				
Source	2022–23 Corporate Plan p. 37, 2022–23 PBS p. 168				
Performance	Year	Target	Results	Achieved	Trend year-on-year
	2022–23	4.5%	5.0%	Yes	- 8.1%
	2021–22	4.5%	13.1%	Yes	+ 5.7%
	2020–21	4.5%	7.4%	Yes	+ 2.6%
	2019–20	4.5%	4.8%	Yes	- 1.6%
	2018–19	4.5%	6.4%	Yes	NA
Analysis	We have exceeded the target for transitioning customers to mainstream lenders, supporting 5% (218 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 reduced during the year to 435 from the historically high level of 973 loans in the previous year.				
Source data	Data sourced internally via IBA controlled and managed systems.				

Measure 4	Number of people attending housing capability workshops				
Source	2022–23 Corporate Plan p. 38, 2022–23 PBS p. 168				
Performance	Year	Target	Results	Achieved	Trend year-on-year
	2022–23	525	1,334	Yes	+ 769
	2021–22	500	565	Yes	- 46
	2020–21	500	611	Yes	0
	2019–20	NA	NA	NA	NA
	2018–19	NA	NA	NA	NA
Analysis	Our homes capability workshops are aimed at better preparing customers for the costs of home ownership. For example, customers learn 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. The target has continued to be achieved in the three years following its introduction. During the 2022–23 year we experienced strong demand for both online and in-person workshop formats from our customers. We delivered 81 workshops with 1,334 customers attending during the 2022–23 year against the target of 525 customers attending the workshops.				
Source data	Data sourced internally via IBA controlled and managed systems.				

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. 168				
Performance	Year	Target	Results	Achieved	Trend year-on-year
	2022–23	80%	88%	Yes	- 4%
	2021–22	80%	92%	Yes	+ 3%
	2020–21	80%	89%	Yes	- 5%
	2019–20	80% <sup>7</sup>	94%	NA	+ 2%
	2018–19	80% <sup>8</sup>	92%	NA	NA
Analysis	We continuously make efforts to improve our service by seeking feedback via a confidential customer satisfaction survey. A survey was conducted in September 2022 for customers who interacted with IBA between July 2021 and June 2022. We achieved our customer satisfaction target with 88% of customers indicating they were either satisfied (5%) or very satisfied (83%) with IBA's service. Housing Solutions survey data is weighted on stage in the home loan process, and ARIA category. Refer to Appendix C: IBA's customer satisfaction survey methodology.				
Source data	Data sourced internally via IBA controlled and managed systems. Data sourced externally via third parties where applicable.				

7, 8 To assist with trend analysis, IBA has adopted the default target of 80% across 2018–19 and 2019–20.

Measure 6	Cost per dollar lent efficiency ratio for the home loan portfolio				
Source	2022–23 Corporate Plan p. 38, 2022–23 PBS p. 168				
Performance	Year	Target	Results	Achieved	Trend year-on-year
	2022–23	Less than 1%	0.93%	Yes	- 0.03%
	2021–22	Less than 1.11%	0.96%	Yes	NA
	2020–21	Measure to be piloted and target to be developed.	Target was developed and piloted.	Yes	NA
	2019–20	NA	NA	NA	NA
	2018–19	NA	NA	NA	NA
Analysis	In 2020–21, we piloted then implemented in the following year a performance measure for determining the cost efficiency of our program delivery. The performance measure has been achieved in 2021–22 and 2022–23.				
Source Data	Data sourced internally via IBA controlled and managed systems.				

### Business solutions

The following measures were used to assess IBA's Business Solutions program performance against its purpose in 2022–23:

- four-year survivability of IBA supported business loan customers
- number of business finance customers 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.

Measure 7	Four-year survivability of IBA supported business loan customers					
Source	2022–23 Corporate Plan p. 39, 2022–23 PBS p. 168					
Performance	Year		Target	Results	Achieved	Trend year-on-year
	2022–23*	0 to 4 employees	63%	88%	Yes	+ 3%
		5 to 19 employees	78%	89%	Yes	+ 1%
		20 to 199 employees	83%	100%	Yes	0
		200+ employees**	88%	NA	NA	NA
	2021–22	0 to 4 employees	63%	85%	Yes	+ 10%
		5 to 19 employees	78%	88%	Yes	- 7%
		20 to 199 employees	83%	100%	Yes	0
		200+ employees**	88%	NA	NA	NA
	2020–21	0 to 4 employees	63%	75%	Yes	+ 6%
		5 to 19 employees	78%	95%	Yes	+ 1%
		20 to 199 employees	83%	100%	Yes	0
		200+ employees**	88%	NA	NA	NA
	2019–20	0 to 4 employees	63%	69%	Yes	+ 23%
		5 to 19 employees	78%	94%	Yes	+ 5%
		20 to 199 employees	82%	100%	Yes	0
		200+ employees**	87%	NA	NA	NA
	2018–19	0 to 4 employees	69%	46%	Yes	NA
		5 to 19 employees	78%	89%	Yes	NA
		20 to 199 employees	82%	100%	Yes	NA
		200+ employees**	86%	NA	NA	NA
Analysis	<p>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 2023. The results are calculated for four categories using the business employee numbers and compared to the Australian average.</p> <p>We have continued to meet this performance target as its products and services are utilised to sustain customers' businesses. The results demonstrate that our business loan customers in each category have remained viable, stable and committed to their business. Positive results for all categories also reflect our responsible approach to lending and additional tailored customer support compared to alternative lenders.</p> <p>*Australian average business survivability by employment category, as reported by the ABS over four years to 28 February 2023 (the most recent estimate).</p> <p>**IBA had no business customers with 200 or more employees over the reporting period.</p>					
Source data	<p>Data sourced internally via IBA controlled and managed systems.</p> <p>Data sourced externally via third parties where applicable.</p>					

Measure 8	Number of business customers financed				
Source	2022–23 Corporate Plan p. 39, 2022–23 PBS p. 168				
Performance	Year	Target	Results	Achieved	Trend year-on-year
	2022–23	160	160	Yes	- 90
	2021–22	193	250	Yes	NA
	2020–21	NA	NA	NA	NA
	2019–20	NA	NA	NA	NA
	2018–19	NA	NA	NA	NA
Analysis	<p>IBA maintained performance in the level of business finance approvals. The target and results declined from 2021–22, reflecting the cessation of the COVID-19 BRP. Customers accessed multiple products:</p> <ul style="list-style-type: none"> <li>• 107 standard business loans</li> <li>• 6 invoice finance</li> <li>• 15 performance bonds</li> <li>• 4 producer offset loans</li> <li>• 13 leasing finance</li> <li>• 15 in COVID-19 BRP.</li> </ul>				
Source data	Data sourced internally via IBA controlled and managed systems.				

Measure 9	Number of people attending business capability workshops				
Source	2022–23 Corporate Plan p. 39, 2022–23 PBS p. 168				
Performance	Year	Target	Results	Achieved	Trend year-on-year
	2022–23	515	590	Yes	- 112
	2021–22	500	702	Yes	+ 200
	2020–21	500	502	Yes	NA
	2019–20	NA	NA	NA	NA
	2018–19	NA	NA	NA	NA
Analysis	<p>This year we delivered most of our workshops online. This ensured we could continue providing training and skills development opportunities to all customers.</p> <p>Some of the workshop projects we delivered:</p> <ul style="list-style-type: none"> <li>• 'Business Essentials' workshops (a series that builds business acumen and prepares start-up customers for business).</li> <li>• Intellectual property and branding.</li> <li>• Your Business and IBA info sessions.</li> </ul> <p>We ran a series of workshops to support over 590 Aboriginal and Torres Strait Islander businesses and entrepreneurs in 2022–23.</p>				
Source data	<p>Data sourced internally via IBA controlled and managed systems.</p> <p>Data sourced externally via third parties where applicable.</p>				

Measure 10	Percentage of customers satisfied or very satisfied with IBA's service				
Source	2022–23 Corporate Plan p. 40, 2022–23 PBS p. 169				
Performance	Year	Target	Results	Achieved	Trend year-on-year
	2022–23	80%	89%	Yes	+ 3%
	2021–22	80%	86%	Yes	+ 1%
	2020–21	80%	85%	Yes	NA
	2019–20	NA	NA	NA	NA
	2018–19	NA	NA	NA	NA
Analysis	<p>This performance target measures the overall satisfaction of customers who went through the end-to-end business finance application process, including those customers affected by the COVID-19 pandemic who were approved finance through the BRP. Of those surveyed, 89% of customers indicated they were either satisfied or very satisfied with IBA's service, 9% above the target.</p> <p>Process improvement continues to be a focus for the Business Solutions Program area, noting continued and increasing demand for our finance products and business support services. Business Solutions survey data was not weighted due to the low number of surveys completed. Refer to Appendix C: IBA's customer satisfaction survey methodology.</p>				
Source data	<p>Data sourced internally via IBA controlled and managed systems.</p> <p>Data sourced externally via third parties where applicable.</p>				

Measure 11	Cost per dollar lent efficiency ratio for the business finance portfolio				
Source	2022–23 Corporate Plan p. 40, 2022–23 PBS p. 169				
Performance	Year	Target	Results	Achieved	Trend year-on-year
	2022–23	Less than 10%	8.30%	Yes	- 0.20%
	2021–22	Less than 10%	8.50%	Yes	NA
	2020–21	Measure to be piloted and target to be developed	Target was developed and piloted.	Yes	NA
	2019–20	NA	NA	NA	NA
	2018–19	NA	NA	NA	NA
Analysis	We have met the program efficiency target for 2022–23, improving on the 2021–22 result by 0.20%.				
Source data	Data sourced internally via IBA controlled and managed systems.				

## Investments and Asset Management

IBA Investment's performance against IBA's purpose focuses on:

- the financial growth and returns of assets and investments
- jobs and procurement.

The following performance measures apply to IBA Investments:

- 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.

The following pages show our achievements against the Investments and Asset Management targets set in the PBS. These measure delivery against our purpose in 2022–23.

IBA's assessment of the activities of its subsidiaries is informed through the reporting structures that have been put in place, including ongoing due diligence and engagement primarily by the Investments and Asset Management Team.

Measure 12	Total value of Indigenous co-investments with IBA				
Source	2022–23 Corporate Plan p. 41, 2022–23 PBS p. 169				
Performance	Year	Target	Results	Achieved	Trend year-on-year
	2022–23	\$205m	\$227.6m	Yes	+ \$15.7m
	2021–22	\$167.0m	\$211.9m	Yes	+ \$61.0m
	2020–21	\$152.0m	\$150.9m	No	NA
	2019–20	NA	NA	NA	NA
	2018–19	NA	NA	NA	NA
Analysis	<p>The result measures the value of funds invested by First Nations entities in:</p> <ul style="list-style-type: none"> <li>• the IPF</li> <li>• I-REIT</li> <li>• IBA's direct investments.</li> </ul> <p>As seen with the broader market, many potential investors put investment decisions on hold throughout the year, however we were still able to build on the strong performance from last year and exceed the target for value of First Nations co-investments.</p>				
Source data	<p>Data sourced internally via IBA controlled and managed systems.</p> <p>Data sourced externally via third parties where applicable.</p>				

Measure 13	Five-year average annual portfolio returns to Indigenous co-investors				
Source	2022–23 Corporate Plan p. 41, 2022–23 PBS p. 169				
Performance	Year	Target	Results	Achieved	Trend year-on-year
	2022–23	6.45%	6.20%	No	+ 0.30%
	2021–22	5.66%	5.90%	Yes	- 1.30%
	2020–21	5.30%	7.20%	Yes	+ 6.60%
	2019–20*	3.20%	0.60%	No	- 7.10%
	2018–19*	5.60%	7.70%	Yes	NA
Analysis	<p>Return on equity to First Nations co-investors measures financial returns across the IPF, I-REIT and IBA's direct investments. The five-year average return incorporates the negative impacts of COVID-19—which caused uncertainty and affected investor confidence—as well as the strong rebound in global financial markets and domestic tourism. IBA generated a strong average return of 6.2% per annum over five years for First Nations co-investors, which included a return of 9.1% to First Nations co-investors in 2022–23. Unfortunately, the increase in inflation over the past year significantly increased the return hurdle rate. Therefore, we did not meet the increased target. However, the positive return demonstrates our continued commitment to effectively support our First Nations co-investors to accumulate a capital asset and become economically self-sufficient.</p> <p>*The targets for 2018–19 to 2019–20 were on an annual calculation methodology rather than a five-year average which was introduced in 2020–21. We are of the view that the annual-based targets and results still provide a reasonable trend demonstration of this performance measure.</p>				
Source data	<p>Data sourced internally via IBA controlled and managed systems.</p> <p>Data sourced externally via third parties where applicable.</p>				



Our partnership with Export Finance Australia (EFA) will explore new finance products, including guarantees, for First Nations-owned businesses in the export market. Pictured: John Hopkins (CEO, EFA), Hon. Linda Burney MP and Kirsty Moore (CEO, IBA).

Measure 14	Number of Indigenous co-investor partnerships (cumulative since 1 July 2015)				
Source	2022–23 Corporate Plan p. 42, 2022–23 PBS p. 169				
Performance	Year	Target	Results	Achieved	Trend year-on-year
	2022–23	70	70	Yes	+ 5
	2021–22	65	65	Yes	+ 9
	2020–21	60	56	No	NA
	2019–20	NA	NA	NA	NA
	2018–19	NA	NA	NA	NA
Analysis	As with Measure 12, this performance measure was challenged by broader market conditions. Despite the difficult conditions, we continued significant engagement with potential new co-investors. The number of co-investor partnerships established demonstrates the growth in the number of First Nations entities benefiting from IBA's investment and asset management services and enhancing their economic self-sufficiency.				
Source data	Data sourced internally via IBA controlled and managed systems. Data sourced externally via third parties where applicable.				

Measure 15	Value of goods and services procured from Indigenous suppliers by IBA's subsidiaries and associates				
Source	2022–23 Corporate Plan p. 42, 2022–23 PBS p. 169				
Performance	Year	Target	Results	Achieved	Trend year-on-year
	2022–23	\$3.5m	\$8.0m	Yes	+ \$1.1m
	2021–22	\$3.0m	\$6.7m	Yes	+ \$2.3m
	2020–21	\$2.0m	\$4.4m	Yes	+ \$0.5m
	2019–20	\$2.0m <sup>9</sup>	\$3.9m	Yes	+ \$2.0m
	2018–19	\$2.0m <sup>10</sup>	\$1.9m	No	NA
Analysis	Through our subsidiaries and associates, we generated \$8 million in First Nations procurement which was well above the target. Through this performance measure, we delivered increased income for First Nations businesses, supporting them to grow and enhance their economic self-sufficiency.				
Source data	Data sourced internally via IBA controlled and managed systems. Data sourced externally via third parties where applicable.				

9, 10. To assist with trend analysis, IBA has adopted the default target of \$2.0 million for the reporting periods 2018–19 and 2019–20.

Measure 16	Percentage of jobs supported by IBA's subsidiaries and associates held by Indigenous Australians				
Source	2022–23 Corporate Plan p. 42, 2022–23 PBS p. 169				
Performance	Year	Target	Results	Achieved	Trend year-on-year
	2022–23	21%	22.00%	Yes	- 3%
	2021–22	23%	25.30%	Yes	- 1%
	2020–21	22%	26.30%	Yes	NA
	2019–20	NA	NA	NA	NA
	2018–19	NA	NA	NA	NA
Analysis	Across our subsidiaries and associates, we continued to meet First Nations employment targets. This year our investment activities employed on average 651 people—143 (or 22.0%) of them Aboriginal or Torres Strait Islander. This represents over \$9.5 million in income paid to First Nations 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.				
Source data	Data sourced internally via IBA controlled and managed systems. Data sourced externally via third parties where applicable.				

Measure 17	Percentage of investors satisfied or very satisfied with IBA's service				
Source	2022–23 Corporate Plan p. 43, 2022–23 PBS p. 169				
Performance	Year	Target	Results	Achieved	Trend year-on-year
	2022–23	80%	100%	Yes	+ 11%
	2021–22	80%	89%	Yes	- 7%
	2020–21	70%	96%	Yes	NA
	2019–20	NA	NA	NA	NA
	2018–19	NA	NA	NA	NA
Analysis	We continuously make efforts to improve our customer service by providing customers with the opportunity to provide feedback on their experience via a confidential survey. This survey was provided to our existing co-investors in September 2022 and while the sample size was small, 100% of respondents indicated they were 'very satisfied' or 'satisfied' with IBA's service. Investment and Asset survey data is not weighted due to the low number of surveys completed. Refer to Appendix C: IBA's customer satisfaction survey methodology.				
Source data	Data sourced internally via IBA controlled and managed systems. Data sourced externally via third parties where applicable.				

Measure 18	Asset management expense ratio				
Source	2022–23 Corporate Plan p. 43, 2022–23 PBS p. 169				
Performance	Year	Target	Results	Achieved	Trend year-on-year
	2022–23	Less than 3%	1.70%	Yes	+ 0.20%
	2021–22	Less than 3%	1.50%	Yes	- 0.10%
	2020–21	Less than 3%	1.60%	Yes	NA
	2019–20	NA	NA	NA	NA
	2018–19	NA	NA	NA	NA
Analysis	This performance measure was introduced to demonstrate 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 demonstrated this ongoing efficiency by achieving a result of 1.7%—well within the target.				
Source data	Data sourced internally via IBA controlled and managed systems. Data sourced externally via third parties where applicable.				

## IBA overall

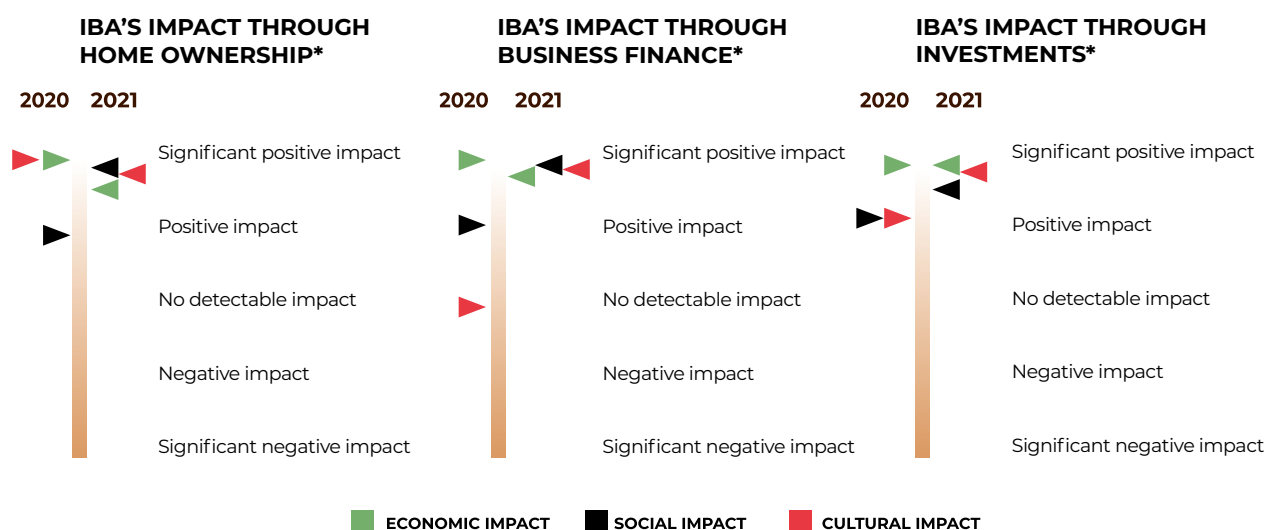
The following measures were used to assess IBA's performance against its purpose in 2022–23:

- Value of goods and services procured from Indigenous suppliers.
- Implementation of IBA's Impact framework.

Measure 19	Value of goods and services procured from Indigenous suppliers				
Source	2022–23 Corporate Plan p. 44, 2022–23 PBS p. 169				
Performance	Year	Target	Results	Achieved	Trend year-on-year
	2022–23	\$5.0m	\$5.5m	Yes	+ \$1.3m
	2021–22	\$4.75m	\$4.2m	No	- \$1m
	2020–21	\$4.5m	\$5.2m	Yes	+ \$0.5m
	2019–20	\$4.5m <sup>11</sup>	\$4.7m	Yes	- \$3.5m
	2018–19	\$4.5m <sup>12</sup>	\$8.2m	Yes	NA
Analysis	During 2022–23, IBA procured \$5.5 million of goods and services from First Nations suppliers. 'First Nations suppliers' means suppliers that are 50% or more First Nations owned. This was a 30% increase over the previous year and approximately 11% above the target. In addition, over 14% of IBA's total procurement in value was sourced from First Nations suppliers. More than one in every five suppliers used by IBA were First Nations.				
Source data	Data sourced internally via IBA controlled and managed systems.				

<sup>11,12</sup> To assist with trend analysis, IBA has adopted the default target of \$4.5 million for the reporting periods 2018–19 & 2019–20.

**Figure 14: IBA Impact dashboard available at [iba.gov.au/impact-report-2021](https://iba.gov.au/impact-report-2021)**



\* Please note the methodology for collecting impact barometer data changed between 2020 and 2021. However, results remain comparable.

Measure 20	Implementation of IBA's Impact Framework				
Source	2022–23 Corporate Plan p. 44, 2022–23 PBS p. 169				
Performance	Year	Target	Results	Achieved	Trend year-on-year
	2022–23	Implementation of IBA's Impact Framework (Target: Impact Report 2021–22 published and all IBA Impact Report 2020 recommendations responded to).	Impact Report 2021–22 published and all IBA Impact Report 2020 recommendations responded to	Yes	NA
	2021–22	Impact Report to be published in the first half of 2022. IBA has considered all recommendations made in the 2020 report and in response makes continuous improvement to its 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 Impact Report 2020 and IBA is making continuous improvement to its operations.	Yes	NA
	2020–21	Annual Impact Report 2020 published.	Impact Reports was published in February 2021.	Yes	NA
	2019–20	NA	NA	NA	NA
	2018–19	NA	NA	NA	NA
	<p><b>Analysis</b></p> <p>In 2018 IBA published its initial Impact Framework and in 2020 and 2022 released its first and second Impact Study to the public.</p> <p>The Impact Report 2021–22 is the second IBA impact assessment. It provided a baseline for understanding IBA's external footprint and showed that each of IBA's core programs had overall significant positive economic, social and cultural impacts on the people we serve.</p> <p>Customers also illustrated the positive impacts of IBA's unique customer support as we continued to experience the ongoing uncertainties and challenges of the COVID-19 global pandemic. It is clear IBA's assistance provided a critical lifeline for customers to remain active participants of the economy. Areas were identified for further improvement to maximise those impacts, including in relation to specific target groups such as single carers and single partners. To expand the evidence base in relation to this group, in 2022–23, IBA started an impact 'deep dive' into single carers. The findings of the deep dive will be published.</p>				
Source data	<p>IBA Impact Study 2021–22: <a href="https://iba.gov.au/impact-report-2021">iba.gov.au/impact-report-2021</a></p> <p>IBA Impact Framework: <a href="https://iba.gov.au/wp-content/uploads/IBA-Impact-Framework.pdf">iba.gov.au/wp-content/uploads/IBA-Impact-Framework.pdf</a></p>				

# Environmental performance

Under section 516A of the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act), we are required to describe our:

- environmental performance
- contribution to economically sustainable development.

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

Climate risk forms part of our Risk Management Framework.

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

We continued to implement and update our response to the recommendations in our Climate Risk Materiality Review 2020. We progressed training key staff, updated policies and committed to delivering an environmental, social and corporate governance (ESG) strategy to reflect this work.

We consider climate risk and the impact of our activities on the environment across our operational practices and in the delivery of our services, where appropriate. Our main impact on the environment arose from our corporate administration, air travel and property management (see tables 7 and 8). In the delivery of our core services, the Investments and Asset Management team considers climate risk.

## Sustainable financing

### Investments

Across all new investments, climate risk is considered as part of the due diligence process. The depth of the assessment varies dependent on the asset considered. For example, as part of the due diligence of IBA's recent investment in the Yamatji Cucumber Farm, we engaged an independent consultant to undertake a climate risk assessment. This was essential given the susceptibility of this investment to climate risk.

For existing investments, we do not impose reporting requirements on environmental performance if they are not already obligated to do so.

### Asset management

IBA's subsidiary, IBA Asset Management Pty Ltd (IBAAM), has an ESG policy that incorporates environmental performance across its investment portfolio and to consultants hired by IBAAM. This includes carbon emissions and energy usage, waste and resource management, water conservation and biodiversity and habitat preservation. The IBAAM Board reviews the policy annually to consider industry developments and stakeholder expectations.

**Table 6: Impact on the environment**

<b>Energy</b>	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.
<b>Water</b>	Where possible, IBA tenancies use water efficient fixtures such as motion sensor taps, urinals and dual flush toilets.
<b>Waste</b>	<p>IBA is committed to sustainability and a reduction in waste production. We have reduced landfill-bound waste by:</p> <ul style="list-style-type: none"><li>• ensuring separation of waste types where possible—recyclables are collected separate to nonrecyclables</li><li>• using recycling programs for printer cartridges, wastepaper/cardboard waste, batteries and mobile phones</li><li>• 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</li><li>• engaging a provider who can measure future wastepaper generation, enabling analysis of paper waste generation and reductions year to year.</li></ul>
<b>Greenhouse emissions</b>	Video conferencing was used to minimise travel.

**Table 7: Greenhouse gas emissions inventory (location based approach)**

Emission source	Scope 1 kg CO2-e	Scope 2 kg CO2-e	Scope 3 kg CO2-e	Total kg CO2-e
Electricity (location based approach)	N/A	163,407	21,877	185,284
Natural gas	–	N/A	–	–
Fleet vehicles	–	N/A	–	–
Domestic flights	N/A	N/A	568,470	568,470
Other energy	–	N/A	–	–
Total kg CO2-e	–	163,407	590,346	753,753

The electricity emissions reported above are calculated using the location based approach. When applying the market based method, which accounts for activities such as Greenpower, purchased LGCs (large-scale generation certificates) and/or being located in the ACT, the total emissions for electricity, are below.

**Table 8: Greenhouse gas emissions inventory (market based approach)**

Emission source	Scope 1 kg CO2-e	Scope 2 kg CO2-e	Scope 3 kg CO2-e	Total kg CO2-e
Electricity (market based approach)	N/A	125,611	16,625	142,236
Natural gas	–	N/A	–	–
Fleet vehicles	–	N/A	–	–
Domestic flights	N/A	N/A	568,470	568,470
Other energy	–	N/A	–	–
Total kg CO2-e	–	125,611	585,095	710,706

## Future reporting

From 1 July 2023, our 2028 strategy came into play with corresponding PBS measures as set out in our 2023–24 Corporate Plan. A key deliverable is an ESG strategy along with measures of resilience and impact.



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After years of thinking about it, Angie Faye Martin (Kooma/Kamilaroi/ European) decided to take the leap of faith and start her own writing and editing business, Versed Writings. An IBA business loan supported her to cover costs such as essential office equipment.

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## PART 07:

# Our practices –governance and risk management

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# Governance and framework

The IBA corporate governance framework (Figure 15) is designed so IBA meets its objectives while being transparent, accountable and efficient.

## Responsible minister

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

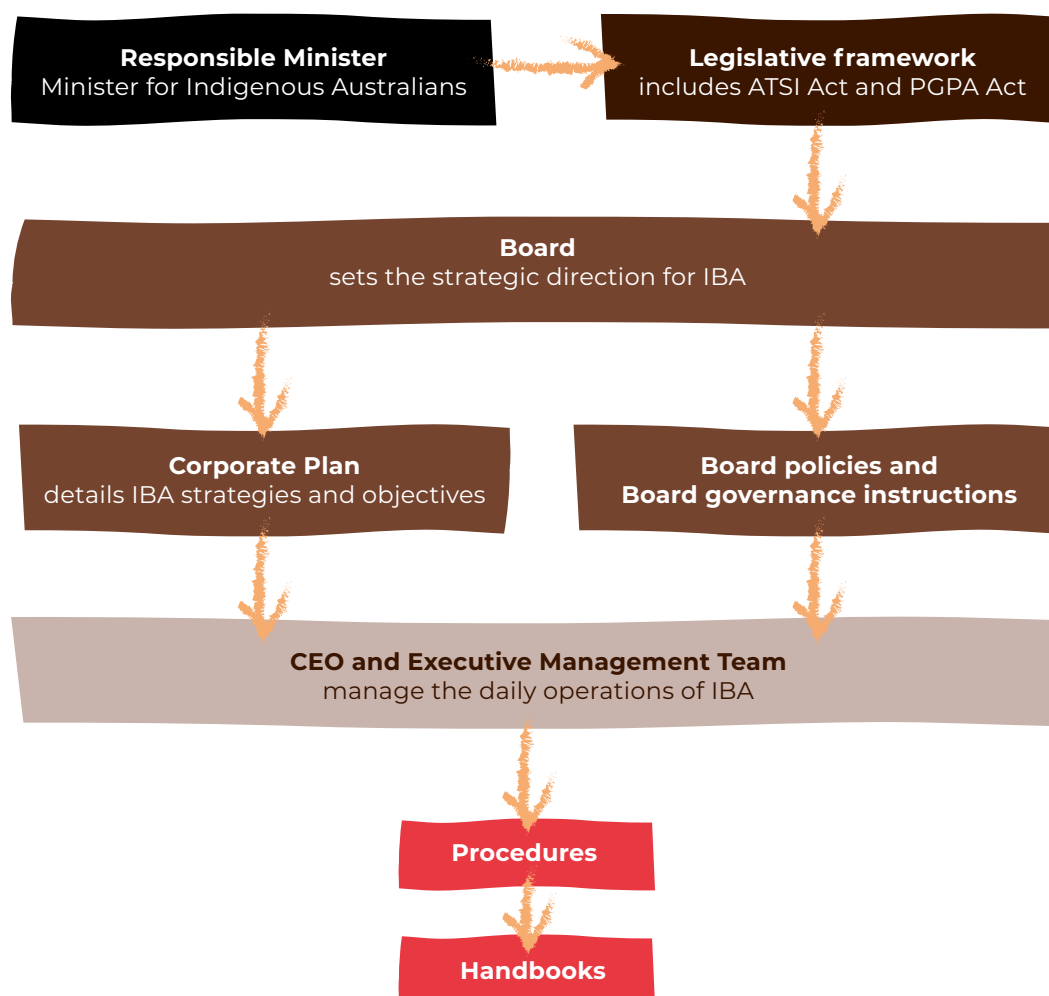
IBA was established under the ATSI Act, which sets out its purposes, functions and powers. IBA is a corporate Commonwealth entity and its Board is the accountable authority under the PGPA Act.

## Ministerial Directions and Government Policy Orders

Under section 151 of the ATSI Act, the responsible minister can make general written directions to IBA. No such directions were made in 2022–23.

IBA must also comply with applicable government policies. No policy orders were issued to IBA under the PGPA Act in 2022–23.

Figure 15: IBA governance framework



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# Our Board

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IBA's Board oversees IBA's efficient and effective performance through:

- determining strategy and policy
- setting the risk appetite, tolerance levels and culture of the organisation
- reviewing CEO performance.

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

## 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

Board members have extensive and varied expertise particularly in:

- industry
- commerce and finance
- Aboriginal or Torres Strait Islander communities and enterprises.

There are nine serving Board members as at 30 June 2023: six identify as Aboriginal or Torres Strait Islander and four are female. All are non-executive directors.



## Edward (Eddie) Fry

### IBA CHAIR; REMUNERATION AND NOMINATION COMMITTEE CHAIR

- Dagoman man from the Katherine region, Northern Territory.
- Diploma in Business Management, University of South Australia; graduate of the International Lead and Zinc Study Group.
- 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 joined the board in 2012.
- 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 PRODUCTS 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; 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.



## 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 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 and 2020).
- Enterprise Professor of impact, sustainability and innovation in the Faculty of Business and Economics at the University of Melbourne.
- Portfolio of Chair, Board and advisory roles including Managing Partner of Mondiale Impact; Chair of the Board of Advisors for investment firm Sweef Capital.
- 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).
- Inaugural Sorenson Global Impact Leader for lifetime contributions to impact; Member of the Order of Australia; 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 and was ranked by Chambers Global among the world's leading lawyers (2002–03).



## Richard Callaghan

### IBA DIRECTOR

- 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.



## Joshua Gilbert

### IBA DIRECTOR

- 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.
- Worked with many not-for-profits, businesses and the Government to develop, and bring people on a journey of, change.

## Meetings

In 2022–23, the Board held six scheduled meetings and three out-of-session meetings. Details of directors' attendance are in Table 9.

**Table 9: Board meeting attendance**

Name	Position	Attendance
Mr Eddie Fry	Chair	9/9
Mr Anthony Ashby	Deputy Chair	9/9
Mr Richard Allert AO	Director	9/9
Ms Claire Woodley	Director	9/9
Ms Shirley McPherson	Director	7/9
Ms Vanessa Elliott	Director	7/9
Ms Rosemary Addis AM	Director	8/9
Richard Callaghan	Director	7/9
Joshua Gilbert	Director	9/9

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

### Board charter and corporate governance practices

The Board charter includes:

- a code of conduct for directors
- rules and processes for dealing with conflicts of interest and related party transactions.

The Board Charter is updated in accordance with best practice in corporate governance, and in response to internal and external reviews and variations in the IBA operating environment.

The Board Charter also provides for a range of 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 Board's governance instructions, issued by the Board, continue the best practice corporate governance culture and standard in the Board Charter. IBA's CEO and employees must comply with these instructions, as well as:

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

More about IBA's corporate governance approach is in the Internal governance section of this report.

## Our 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

The Audit, Risk and Performance Committee (ARPC) gave advice to the Board on the appropriateness of IBA's:

- risk and compliance framework
- financial statements
- performance reporting responsibilities
- systems of internal control.

The committee also monitored actions against budget and key performance indicators. In the committee were:

- Richard Allert, Chair
- two members who are IBA Directors
- Maria Storti, independent member.

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 at [iba.gov.au/charter](http://iba.gov.au/charter)

**Table 10: 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
<b>Richard Allert AO</b>	Chartered accountant with many years' experience in the corporate sector.	5/6	\$16,706.09
<b>Shirley McPherson</b>	Chartered accountant with experience in program delivery and business development at all levels of government.	1/6	\$8,357.87
<b>Maria Storti</b>	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	\$18,837.23 (ex. GST)
<b>Vanessa Elliott</b>	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	\$8,197.04

## **Remuneration and Nomination Committee**

The Remuneration and Nomination Committee advised 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**

The Finance, Investment and Products Committee monitored and reviewed IBA's Housing Solutions, Business Solutions and Investments and Asset Management portfolios. The committee regularly reviewed IBA's financial policies. It provided advice and recommendations to the Board about major new business, products, investments and other financial transactions.

The committee was chaired by Anthony Ashby.

Key management personnel has the same meaning as in AASB 124 Related Party Disclosures. 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.

Details of remuneration of key management personnel for the reporting period are in table 11.



**Smoking Ceremony on Larrakia Country to  
open IBA's Accelerator Growth Event.**

**Table 11: Remuneration of key management personnel for the reporting period**

		Short-term benefits			Post-employment benefits	Other long-term benefits	Total remuneration
Name	Position title	Base salary	Bonuses	Other benefits and allowances	Super-annuation contributions	Long service leave	
Edward Fry	Board-Chair	\$79,456			\$12,236		\$91,692
Anthony Ashby	Board-Deputy Chair	\$59,592			\$9,177		\$68,769
Rick Allert	Board	\$39,728		\$22,962	\$9,654		\$72,345
Shirley McPherson	Board	\$39,728		\$8,358	\$7,310		\$55,396
Claire Woodley	Board	\$39,728		\$6,256	\$7,782		\$53,767
Vanessa Elliott	Board	\$38,964		\$8,197	\$7,263		\$54,423
Rosemary Addis	Board	\$39,728		\$6,256	\$7,082		\$53,066
Richard Callaghan	Board	\$39,728			\$6,118		\$45,846
Joshua Gilbert	Board	\$39,728			\$6,118		\$45,846
Kirsty Moore	Chief Executive Officer	\$379,130	\$44,125		\$27,500	\$8,938	\$459,692
Dee Garcha	Chief Financial Officer	\$269,118			\$27,500	\$6,313	\$302,931
Faysal Fassi	Executive Director, Products & Markets	\$248,835			\$35,698	\$5,795	\$290,329
TOTAL		\$1,313,463	\$44,125	\$52,029	\$163,439	\$21,045	\$1,594,103

\* Note: no termination benefits were paid during this period.

## Executive remuneration

### Remuneration of senior executives for the reporting period

Senior executives means the following officials of a Commonwealth entity who are not key management personnel:

- officials with classifications in Groups 9 to 11 of the table in Schedule 1 to the Public Service Classification Rules 2000
- officials with positions equivalent to officials covered by paragraph (a)
- officers of the Australian Defence Force with ranks equivalent to classifications covered by paragraph (a).

**Table 12: 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
\$270,001 to \$295,000	2	\$249,230			\$29,033	\$5,892		\$284,155
\$295,001 to \$320,000	1	\$253,292			\$36,387	\$5,907		\$295,586

**Table 13: Remuneration of other 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 other highly paid staff	Average base salary	Average bonuses	Average other benefits and allowances	Average superannuation contributions	Average long service leave	Average termination benefits	Average total remuneration
\$245,001 to \$270,000	3	\$175,143		\$12,783	\$24,523	\$3,354	\$35,174	\$250,977

## Indemnity and insurance

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

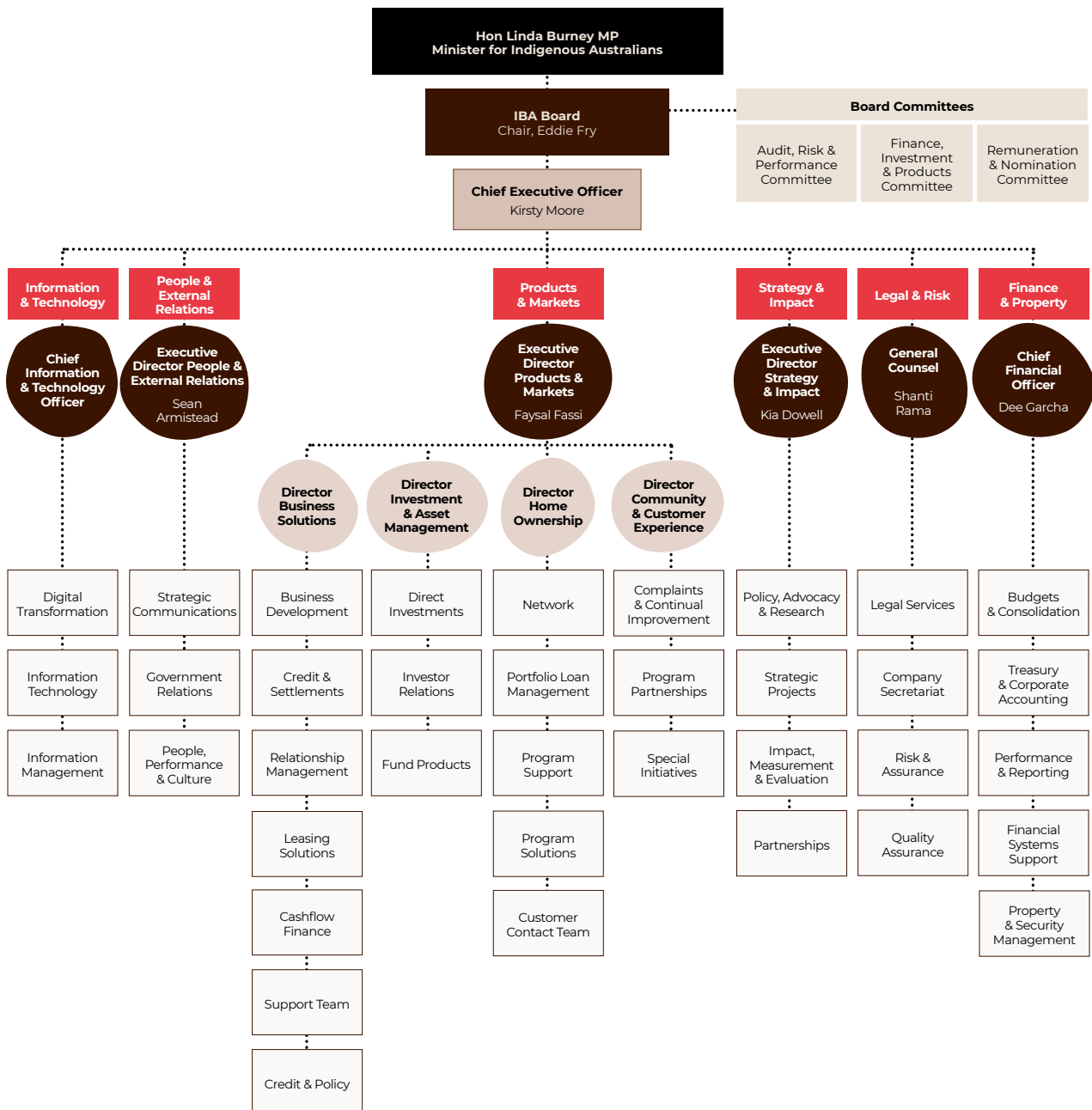
Premiums paid for insurance for the reporting period equalled \$4.5 million.

## 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 as at 30 June 2023 is set out in Figure 16.

**Figure 16: IBA organisational chart as at 30 June 2023**



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## Assessment of significant activities and changes

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The following have been identified as significant activities and changes during the reporting period:

- IBA's MoU with the Torres Strait Regional Authority aims to support the lifestyle and wellbeing of First Nations people living in the Torres Strait. The MoU will allow the opportunity for both parties to assist each other with resources and sets out a framework for ongoing discussion.
- IBA's MoU with EFA aims to improve access to financial services and support for First Nations people seeking to pursue export and trade opportunities. The MoU will allow for referring potential customers between organisations, developing relevant financial content for businesses and sharing insights in financing developments and trends. It will also enable both organisations to explore joint learning and development and marketing activities.
- NIAA and IBA executed an agreement to continue delivering the Business Development Assistance Program including ongoing funding for another three years.
- IBA received the final capital injection of the three-year \$150 million Regional Construction Loan.
- Changes to IBA's organisational structure took place with the addition of a Chief Information and Technology Officer and the removal of the Executive Director, Business Services role.



# Ethical behaviour and fraud control

## Ethical behaviour and fraud control

Behaviour expected of all workers includes guidance on managing conflicts of interest and related party transactions. IBA's Enterprise Agreement requires that staff comply with these policies in order to be eligible for salary advancement.

IBA's fraud control plan aligns with section 10 of the *Public Governance, Performance and Accountability Rule 2014* and is subject to regular review and Board approval.

IBA has also rolled out a range of training and materials relating to the new National Anti-Corruption Commission and continues to embed new requirements into its business operations.

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 workers can make public interest disclosures about IBA.

## Internal audit

The Audit, Risk and Performance Committee oversaw the 2022–23 Strategic Internal Audit program which was delivered by an outsourced internal audit service provider.

## Related entity transactions

IBA has a system of delegated powers to make decisions at the appropriate organisational level on a range of transactions.

The Board Charter sets out IBA's decision-making processes for identifying and managing related party transactions, including conflicts of interest for IBA directors. It restricts IBA from entering into prohibited transactions, including providing loans or business support to:

- IBA directors, their spouses and dependent family members
- 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 managing conflicts of interests.

Board members and the Executive Management Team provide annual declarations of interest.

In 2022–23, there were decisions made by the IBA Board regarding related entities captured by PGPA Rule 17BE(n), recorded on page 163.

## Compliance

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

In 2022–23, there were no significant issues reported to the minister under section 19 of the PGPA Act regarding non-compliance with finance law.

## Complaints handling

The IBA customer charter outlines IBA's commitment to quality service, including processes for complaints handling.

Where customers have concerns in relation to IBA's service, decisions, or IBA-funded service providers, the complaint management process ensures they are:

- taken seriously
- dealt with promptly in a fair and transparent manner.

IBA maintains a detailed complaint register. Management regularly reviews the register. Complaints rated as significant or higher are reported to the Audit, Risk and Performance Committee and the Board. This helps IBA to continuously refine its practices, ultimately improving customer experience.

## Consultancies

Consultants are distinguished from other contractors by the work they do. 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 consultants in our annual report. IBA follows Department of Finance guidance to decide if an arrangement should be classified as a consultancy for this purpose.

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



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Aunty Dale Chapman (right) owns My Dilly Bag on beautiful Gubbi Gubbi Country. Dale's bushfood pantry stocks a range of tasty products: from native herbs and spices, to jams, relishes, pasta, drinks and nutritious snacks.

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# External scrutiny

IBA is subject to scrutiny by:

- the Australian National Audit Office
- the Commonwealth Ombudsman
- courts
- administrative tribunals
- Parliamentary and Ministerial oversight.

IBA must comply with legislation such as:

- *Public Governance, Performance and Accountability Act 2013* (Cth)
- *Privacy Act 1988* (Cth)
- *Freedom of Information Act 1982* (Cth) (FOI Act)
- *Public Interest Disclosure Act 2013* (Cth)
- *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth)
- *Work Health and Safety Act 2011* (Cth)
- *Environment Protection and Biodiversity Conservation Act 1999* (Cth).

## 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 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 in 2022–23.



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# Risk management framework

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IBA is committed to having strong processes that align with:

- the Commonwealth Risk Management Policy
- section 16 of the PGPA Act.

IBA has internal controls and governance arrangements to manage risk efficiently and effectively across the organisation.

IBA must identify and assess risks and work out what is needed to reduce them to an acceptable level. In doing this, IBA can:

- avoid potential threats and minimise their impact should they eventuate
- ensure better accountability for IBA's actions
- improve performance and enhance delivery of services using innovative solutions
- achieve value for money.

IBA's approach to risk integrates risk management into significant activities and functions. To do this well, IBA must engage with risk and balance the opportunity to achieve great things with the need to understand and manage possible negative outcomes.

In 2023, we worked on refreshing our key risk management documents. Moving forward, these documents will give IBA a structured approach to managing risk and allow IBA to identify, analyse, evaluate, and manage risk in a consistent, fit-for-purpose manner.

**1. Risk Management Policy and Framework:** Policy and framework for risk management intent and organisational arrangements.

**2. Risk Management Guide:** Guide for a tailored, structured approach to understanding, communicating, and managing risk in practice.

**3. Risk Appetite Statement:** A Board endorsed document that describes the nature and levels of risk taking appropriate to us.

## Risk appetite

The Board regularly reviews and aligns IBA's risk appetite and risk tolerance levels. IBA considers changes and challenges in its operating environment in Australia and globally. The Board also oversees performance through monitoring risk appetite indicators.

## Risk Appetite Statement

At IBA we undertake a professional approach to managing risk in relation to our financial affairs as well as compliance, governance, reputation, and operational matters. In order to achieve our objectives and to allow for opportunities in innovation by developing our products and strategies we tend to have a greater appetite for risk than mainstream lenders or investors. However, we seek to lend and invest responsibly, with the benefit of prudent due diligence.

IBA aims to promote and build a risk culture that:

- encourages an open and proactive approach to managing risk
- recognises risk as both an opportunity and threat.

Risk should be part of everyday conversations and engagement. It should promote and encourage workers to look at innovative ways to improve processes.

IBA's strategic and operational risk registers are discussed at Executive Committee meetings and updated at least annually. Risk profile owners and the Executive Committee review project and business risk registers as required.

**Figure 17: IBA risk culture**





—  
Saibai Island, Torres Strait.  
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## PART 08:

# Our financial performance

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# Financial results

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

- tourism
- renewables
- retail
- investment and property
- funds management.

In 2022–23 IBA's consolidated surplus was \$78.9 million, compared to the previous year's \$81.7 million. While the surplus was relatively steady compared to the prior year, underlying drivers have seen incomes decline by \$28.2 million and expenses decline by \$24.7 million.

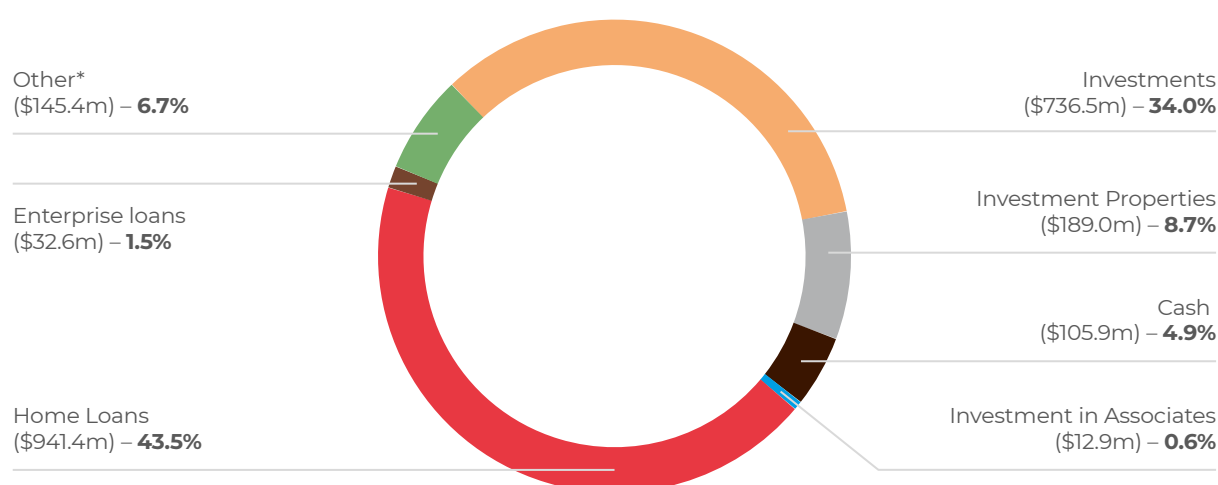
Total income declined from \$370.8 million to \$342.6 million, driven by significantly less revenue from the unwinding of concessional discounts driven by a remarkable decline in repayments and discharges on the prior year where borrowers took advantage of a low interest rate environment and financial inducements from commercial banks seeking greater market share. Offsetting that decline was the impact of a 200 basis point increase in interest rates in 2022–23 lifting interest revenue.

Total expenses of \$263.4 million decreased from the prior year's \$288.1 million, primarily as a result of write-downs in the prior year on investments held by the Indigenous Prosperity Funds that were impacted by COVID-19.

Offsetting that decline was a positive fair value impact to the loan portfolio arising from a 200 basis point increase in interest rates.

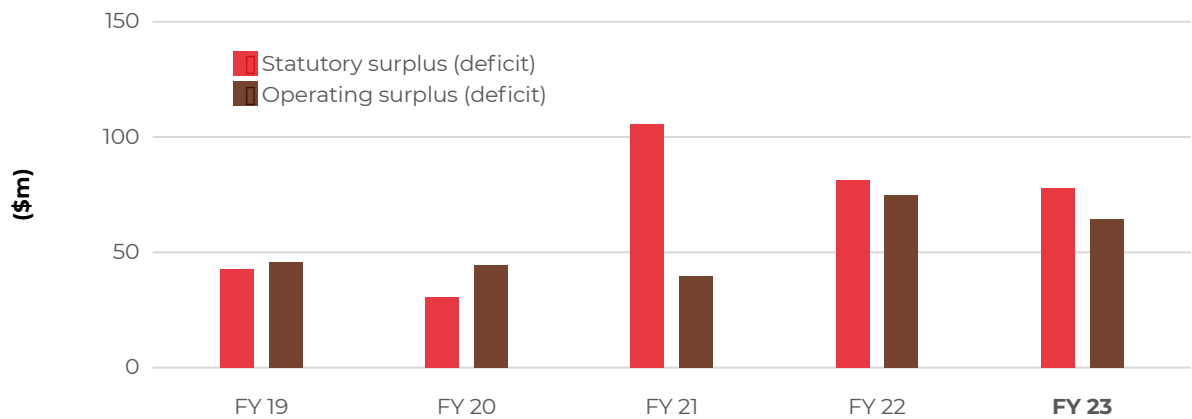
IBA's total consolidated assets as at 30 June 2023 were \$2.2 billion, an increase of \$123 million primarily due to increased financial asset investments and a return to net outflow of funds to borrowers as record levels of repayment and discharge recorded in the prior year subsided with interest rates increasing across the market. IBA's net assets of \$2.1 billion were \$121 million higher than in 2021–22, driven by retained earnings, equity, appropriation from government and a net increase in First Nations investor participation.

**Figure 18: Consolidated total assets**

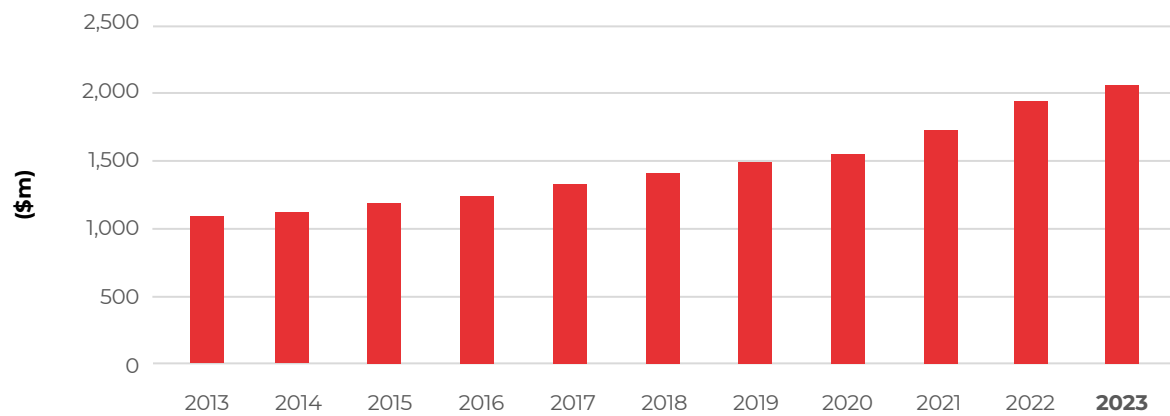


\* Includes business finance products such as performance bonds, invoice finance and asset leasing.

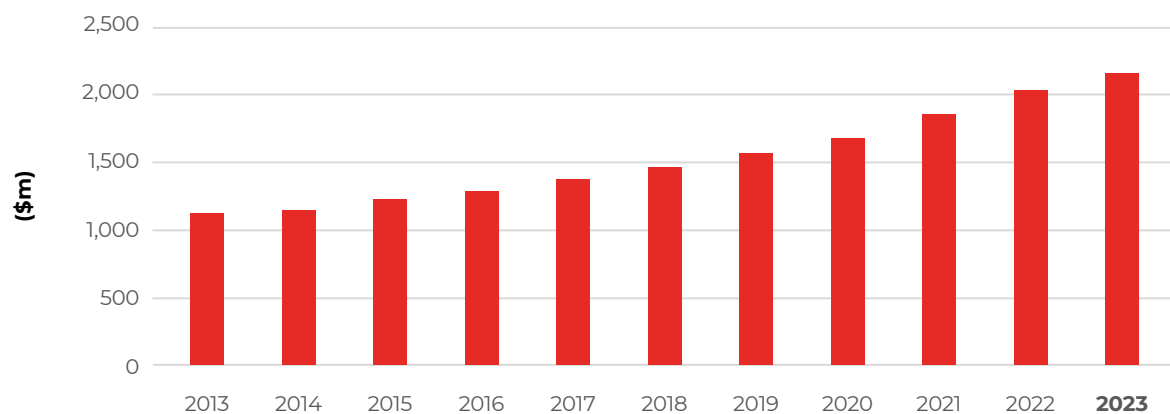
**Figure 19: IBA statutory and operating performance (\$m's)**



**Figure 20: Net asset growth (\$m's)**



**Figure 21: Gross asset growth (\$m's)**



# 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 of the audited financial report.

- 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 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. This requires 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 2022–23 home loans increased this financial year as loan advances exceeded repayments and discharges, reversing the trend of the prior year where record discharges were driven by the then low interest rate environment and inducements from commercial banks as they sought to increase market share. The portfolio also benefited from the rising interest rate environment this year with IBA increasing interest rates 200 basis points resulting in an uplift to the value of the portfolio.

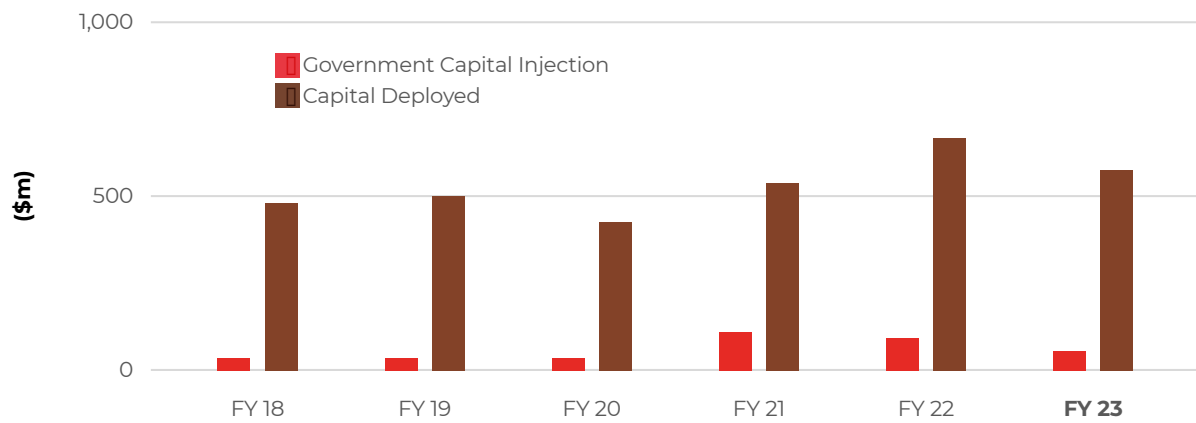
Overall demand for IBA's products continues to grow and as a predominantly self-funded agency, resources and capital are finite. New and innovative funding solutions are required to keep pace with demand and sustain increased performance. Post year end, IBA launched a shared equity product which attempts to bridge the ever-widening gap between our customers' capacity to borrow and the state of the rising property market.

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 Investment and Asset Management programs.

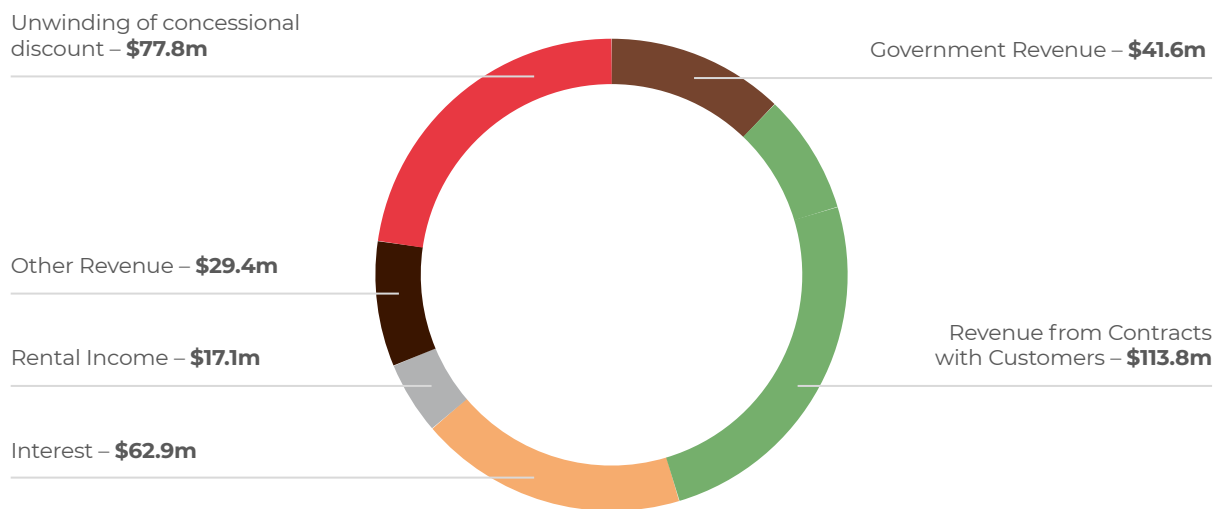
IBA's net asset base is expected to continue its steady growth, with net assets budgeted to increase \$32.6 million to 30 June 2024. Total consolidated revenue is budgeted to \$301 million including:

- the unwinding of concessional discount
- grant receipts of \$30.8 million
- appropriations of \$9.4 million.

**Figure 22: Capital deployed vs capital injection (\$m's)**



**Figure 23: 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 2023 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

21 September 2023



**Kirsty Moore**

Chief Executive Officer

21 September 2023



**Dee Garcha**

Chief Financial Officer

21 September 2023



## INDEPENDENT AUDITOR'S REPORT

### To the Minister for Indigenous Australians

#### Opinion

In my opinion, the financial statements of Indigenous Business Australia and its subsidiaries (together the Consolidated Entity) for the year ended 30 June 2023:

- (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 2023 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 2023 and for the year then ended:

- Statement by the 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 determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## Auditor's responsibilities for the audit of the financial statements

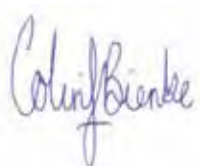
My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that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

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Consolidated Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- conclude on the appropriateness of 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  
22 September 2023

# STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2023

		Consolidated 2023 \$'000	Consolidated 2022 \$'000	Consolidated Original budget \$'000
<b>NET COST OF SERVICES</b>	Notes			
<b>Expenses</b>				
Employee benefits	2A	53,054	47,325	54,013
Supplier expenses	2B	114,509	94,128	103,226
Grants		8,041	13,537	7,040
Depreciation and amortisation	2C	9,240	8,663	10,459
Finance costs	2D	75,593	89,503	96,612
Write-down and impairment of assets	2E	2,507	34,102	4,935
Losses from asset sales		39	246	-
Other expenses		461	588	825
<b>Total expenses</b>		<b>263,444</b>	<b>288,092</b>	<b>277,110</b>
<b>Own-source income</b>				
<b>Own-source revenue</b>				
Revenue from contracts with customers	3A	113,820	95,590	101,619
Interest	3B	62,922	46,844	45,507
Unwinding of concessional discount	3C	77,806	123,495	83,921
Dividends		11,267	16,200	7,442
Rental income	3D	17,114	20,089	18,175
Other revenue	3E	36,677	51,776	27,500
<b>Total own-source revenue</b>		<b>319,606</b>	<b>353,994</b>	<b>284,164</b>
<b>Gains</b>				
Gains from sale of assets		2,351	3,140	-
Other gains	3F	11,212	4,175	-
<b>Total gains</b>		<b>13,563</b>	<b>7,315</b>	<b>-</b>
<b>Total own-source revenue</b>		<b>333,169</b>	<b>361,309</b>	<b>284,164</b>
<b>Net contribution by services</b>		<b>69,725</b>	<b>73,217</b>	<b>7,054</b>
Revenue from Government	3G	9,361	9,452	9,207
<b>Surplus before income tax on continuing operations</b>		<b>79,086</b>	<b>82,669</b>	<b>16,261</b>
Income tax expense		178	981	-
<b>Surplus after income tax on continuing operations</b>		<b>78,908</b>	<b>81,688</b>	<b>16,261</b>
<b>Surplus attributable to non-controlling interests</b>		<b>15,015</b>	<b>2,359</b>	<b>3,054</b>
<b>Surplus attributable to the Australian Government</b>		<b>63,893</b>	<b>79,329</b>	<b>13,207</b>
<b>Other comprehensive income</b>				
<b>Items not subject to subsequent reclassification to net cost of services</b>				
Investments in associates and joint ventures at fair value through other comprehensive income		450	(1,249)	-
<b>Total other comprehensive income / (loss) after income tax</b>		<b>450</b>	<b>(1,249)</b>	<b>-</b>
<b>Total comprehensive income</b>		<b>79,358</b>	<b>80,439</b>	<b>16,261</b>
<b>Total comprehensive income attributable to non-controlling interests</b>		<b>15,015</b>	<b>2,359</b>	<b>3,054</b>
<b>Total comprehensive income attributable to Australian Government</b>		<b>64,343</b>	<b>78,080</b>	<b>13,207</b>

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

# STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

		Consolidated	Consolidated	Consolidated
		2023	2022	Original
	Notes	\$'000	\$'000	budget
				\$'000
<b>Assets</b>				
Cash and cash equivalents	5A	105,860	141,940	137,477
Trade and other receivables	5B	37,520	43,372	-
Loan receivables	5C	974,042	910,847	998,941
Equity accounted investments	5D	12,887	10,434	16,434
Other investments	5E	736,506	653,752	679,732
Deferred tax assets		651	415	415
<b>Total financial assets</b>		<b>1,867,466</b>	<b>1,760,760</b>	<b>1,832,999</b>
Land & Buildings	6A	50,739	49,686	44,194
Property, plant and equipment	6A	27,458	19,475	19,745
Investment properties	6C	189,005	185,583	187,783
Operating lease assets	6A	422	2,645	-
Intangible assets	6B	14,290	8,653	15,652
Inventories		4,061	3,686	3,936
Prepayments		1,473	1,182	1,307
<b>Total non-financial assets</b>		<b>287,448</b>	<b>270,910</b>	<b>272,617</b>
Assets held for sale	6D	8,798	9,034	-
<b>Total assets</b>		<b>2,163,712</b>	<b>2,040,704</b>	<b>2,105,616</b>
<b>Liabilities</b>				
Suppliers	7A	14,898	12,778	13,653
Tax liabilities		952	324	324
Other payables	7B	19,628	21,752	17,815
<b>Total payables</b>		<b>35,478</b>	<b>34,854</b>	<b>31,792</b>
Interest bearing liabilities	8	36,500	36,505	36,505
Leases	8	8,535	7,578	7,578
<b>Total interest bearing liabilities</b>		<b>45,035</b>	<b>44,083</b>	<b>44,083</b>
Employee provisions	9A	9,700	8,853	10,290
Other provisions	9B	10,697	11,429	10,105
<b>Total provisions</b>		<b>20,397</b>	<b>20,282</b>	<b>20,395</b>
<b>Total liabilities</b>		<b>100,910</b>	<b>99,219</b>	<b>96,270</b>
<b>Net assets</b>		<b>2,062,802</b>	<b>1,941,485</b>	<b>2,009,346</b>
<b>Equity</b>				
Contributed equity		1,299,484	1,257,884	1,299,484
Reserves		4,024	3,056	3,056
Retained earnings		537,974	474,316	487,523
<b>Total parent entity interest</b>		<b>1,841,482</b>	<b>1,735,256</b>	<b>1,790,063</b>
Contributed equity		201,440	186,659	196,659
Reserves		1,276	1,276	1,276
Retained earnings		18,604	18,294	21,348
<b>Total non-controlling interests</b>		<b>221,320</b>	<b>206,229</b>	<b>219,283</b>
<b>Total equity</b>		<b>2,062,802</b>	<b>1,941,485</b>	<b>2,009,346</b>

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

# STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2023

	Consolidated	Consolidated	Consolidated
	2023	2022	Original
Notes	\$'000	\$'000	budget
			\$'000
<b>CONTRIBUTED EQUITY</b>			
<b>Opening balance</b>			
Balance carried forward from previous period	1,444,543	1,309,117	1,444,543
<b>Transactions with owners</b>			
<b>Contributions by owners</b>			
Equity injection - Appropriations	41,600	79,100	41,600
Equity injection - Non-controlling interests	14,781	56,326	10,000
<b>Total transactions with owners</b>	<b>56,381</b>	<b>135,426</b>	<b>51,600</b>
<b>Closing balance as at 30 June</b>	<b>1,500,924</b>	<b>1,444,543</b>	<b>1,496,143</b>
Less: Non-controlling Interests	(201,440)	(186,659)	(196,659)
<b>Closing balance attributable to the Australian Government</b>	<b>1,299,484</b>	<b>1,257,884</b>	<b>1,299,484</b>
<b>RETAINED EARNINGS</b>			
<b>Opening balance</b>			
Balance carried forward from previous period	492,610	424,958	492,610
Acquisition of non-controlling interest	-	1,645	-
<b>Adjusted opening balance</b>	<b>492,610</b>	<b>426,603</b>	<b>492,610</b>
<b>Comprehensive income</b>			
Surplus for the period	78,908	81,688	16,261
Other comprehensive income / (loss)	(518)	-	-
<b>Total comprehensive income</b>	<b>78,390</b>	<b>81,688</b>	<b>16,261</b>
Distributions / Dividends provided for or paid	(14,422)	(15,681)	-
<b>Closing balance as at 30 June</b>	<b>556,578</b>	<b>492,610</b>	<b>508,871</b>
Less: Non-controlling Interests	(18,604)	(18,294)	(21,348)
<b>Closing balance attributable to the Australian Government</b>	<b>537,974</b>	<b>474,316</b>	<b>487,523</b>
<b>RESERVES</b>			
<b>Opening balance</b>			
Balance carried forward from previous period	4,332	5,581	4,332
<b>Comprehensive income</b>			
Other comprehensive income / (loss)	968	(1,249)	-
<b>Total comprehensive income</b>	<b>968</b>	<b>(1,249)</b>	<b>-</b>
<b>Closing balance as at 30 June</b>	<b>5,300</b>	<b>4,332</b>	<b>4,332</b>
Less: Non-controlling Interests	(1,276)	(1,276)	(1,276)
<b>Closing balance attributable to the Australian Government</b>	<b>4,024</b>	<b>3,056</b>	<b>3,056</b>

## STATEMENT OF CHANGES IN EQUITY (continued)

For the year ended 30 June 2023

	Consolidated	Consolidated	Consolidated
	2023	2022	Original
Notes	\$'000	\$'000	budget
			\$'000
<b>TOTAL EQUITY</b>			
<b>Opening balance</b>			
Balance carried forward from previous period	1,941,485	1,739,656	1,941,485
Acquisition of non-controlling interest	-	1,645	-
<b>Adjusted opening balance</b>	<b>1,941,485</b>	<b>1,741,301</b>	<b>1,941,485</b>
<b>Comprehensive income</b>			
Surplus for the period	78,908	81,688	16,261
Other comprehensive income / (loss)	450	(1,249)	-
<b>Total comprehensive income</b>	<b>79,358</b>	<b>80,439</b>	<b>16,261</b>
<b>Transactions with owners</b>			
<b>Distributions to owners</b>			
<b>Returns on capital</b>			
Distributions / Dividends provided for or paid	(14,422)	(15,681)	-
<b>Contributions by owners</b>			
Equity injection - Appropriations	41,600	79,100	41,600
Equity injection - Non-controlling interests	14,781	56,326	10,000
<b>Total transactions with owners</b>	<b>41,959</b>	<b>119,745</b>	<b>51,600</b>
<b>Closing balance as at 30 June</b>	<b>2,062,802</b>	<b>1,941,485</b>	<b>2,009,346</b>
Less: Non-controlling Interests	(221,320)	(206,229)	(219,283)
<b>Closing balance attributable to the Australian Government</b>	<b>1,841,482</b>	<b>1,735,256</b>	<b>1,790,063</b>

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

# CASH FLOW STATEMENT

For the year ended 30 June 2023

	Consolidated	Consolidated	Consolidated
	2023	2022	Original
Notes	\$'000	\$'000	budget
			\$'000
<b>Operating activities</b>			
<b>Cash received</b>			
Receipts from Government	9,361	9,452	9,207
Grants	30,612	27,500	27,500
Sales of goods and rendering of services	114,929	94,639	95,663
Interest	62,681	45,570	45,507
Dividends	17,232	17,084	7,442
Other revenue	22,870	27,942	21,806
<b>Total cash received</b>	<b>257,685</b>	<b>222,187</b>	<b>207,125</b>
<b>Cash used</b>			
Employees	(52,217)	(46,825)	(54,188)
Suppliers	(117,827)	(99,877)	(102,726)
Borrowing costs	(1,877)	(1,183)	(1,036)
Other expenses	(6,945)	(9,934)	(8,165)
<b>Total cash used</b>	<b>(178,866)</b>	<b>(157,819)</b>	<b>(166,115)</b>
<b>Net cash from operating activities</b>	<b>78,819</b>	<b>64,368</b>	<b>41,010</b>
<b>Investing Activities</b>			
<b>Cash received</b>			
Proceeds from sales of property, plant and equipment	2,576	9,057	15,580
Investments redeemed	55,200	22,958	49,358
Other - repayment of loans receivable	364,563	488,870	314,288
<b>Total cash received</b>	<b>422,339</b>	<b>520,885</b>	<b>379,226</b>
<b>Cash used</b>			
Purchase of property, plant and equipment	(7,714)	(25,951)	(17,518)
Purchase of other non-financial assets, including intangible assets	(17,484)	(14,478)	-
Investments	(125,349)	(251,408)	(78,796)
Other - loans and advances made	(426,073)	(380,407)	(377,100)
<b>Total cash used</b>	<b>(576,620)</b>	<b>(672,244)</b>	<b>(473,414)</b>
<b>Net cash used by investing activities</b>	<b>(154,281)</b>	<b>(151,359)</b>	<b>(94,188)</b>
<b>Financing Activities</b>			
<b>Cash received</b>			
Contributed equity	56,381	135,426	51,600
New borrowing	-	13,339	-
<b>Total cash received</b>	<b>56,381</b>	<b>148,765</b>	<b>51,600</b>
<b>Cash used</b>			
Repayment of borrowings	-	(13,339)	-
Dividends paid	(14,646)	(14,544)	-
Principal repayments lease liability	(2,353)	(2,019)	(2,885)
<b>Total cash used</b>	<b>(16,999)</b>	<b>(29,902)</b>	<b>(2,885)</b>
<b>Net cash from financing activities</b>	<b>39,382</b>	<b>118,863</b>	<b>48,715</b>
<b>Net (decrease) / increase in cash held</b>	<b>(36,080)</b>	<b>31,872</b>	<b>(4,463)</b>
Cash and cash equivalents at the beginning of the year	141,940	110,068	141,940
<b>Cash and cash equivalents at the end of the year</b>	<b>105,860</b>	<b>141,940</b>	<b>137,477</b>

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 Profit Commission.

### 1.2 Basis of Preparation of the financial report

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

The financial statements have been prepared in accordance with:

- 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 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.

Except for AASB 2021-2: Amendments to Australian Accounting Standards – Definition of Accounting Policies and Definition of Accounting Estimates ("AASB 2021-2"), and AASB 2021-6: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards ("AASB 2021-6"), no accounting standard has been adopted earlier than the application date stated in the standard. These standards have been adopted earlier than their application date in accordance with *Resource Management Guide 125: Commonwealth Entities Financial Statements Guide* ("RMG 125").

Furthermore, except for AASB 2021-2 and AASB 2021-6, 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.

## 1.4 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.

## 1.5 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.

## 1.6 Events after the reporting date

Except for the following events, there are no other potential significant events that will affect the ongoing structure and financial activities of the Group after 30 June 2023.

On 4 July 2022, IBA initiated an off-market direct approach sale process to divest its interest in the Wilpena Pound Resort. The preferred bidder is negotiating with ATLA1 atf Adnyamathanha Traditional Lands Trust (the minority partner in the resort) to agree Indigenous outcomes, following which IBA intends to divest its interest.

On 22 June 2023, a subsidiary of IBA, Darwin Hotel Holdings Pty Ltd atf Darwin Hotel Holdings Trust ("DHHT") entered into an agreement with Larrakia Development Corporation Pty Ltd atf Larrakia Development Trust for the sale of a 10% interest in the Darwin Hotel Partnership (taking DHHT's interest from 90% to 80%) for consideration of \$1,375,100. Settlement is subject to conditions precedent including consent by the partnership's debt financier, ANZ Banking Group.

On 3 August 2023, IBA entered into an agreement for the sale of its 70% interest in units held in the Port Hedland Investment Trust and a 50% interest in shares held in Marlba Maya Pty Ltd (together 'Marlba Maya' accounted for as an associate) for consideration of \$1,365,000. Settlement occurred on 29 August 2023.

## Note 1. Basis of preparation (continued)

### 1.7 Taxation

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

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

- where the amount of GST incurred is not 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.

## Note 1. Basis of preparation (continued)

### 1.8 Explanation of major variances between the actual amounts presented in the financial statements and the corresponding original budget amounts

The table below provides commentary for significant variances between the Group's original budget estimates, as published in the 2022-2023 Portfolio Budget Statements, and the actual expenses, own-source revenue, assets and liabilities for the year.

Affected line item	Variance reporting
--------------------	--------------------

#### Statement of Comprehensive Income

Supplier expenses	The unfavourable variance on 'Supplier expenses' is offset by a favourable variance on 'Revenue from contracts with customers'. This reflects increased activity within our trading subsidiaries, including hotel revenues at our Darwin and Kakadu hotels, generating greater revenue than expected offset by greater costs to service demand.
Finance costs	Finance costs represent the concessional loan discount taken up on advance of home and business loans (including the impact of modification gains or losses resulting from structural changes), and interest expense. During the year, modification gains resulting from increases to borrowing rates of 200 basis points have resulted in an uplift to the fair value of the portfolio and a corresponding fair value increment to profit and loss. In addition, as loan advances are lower than expected, the concessional loan discount at inception is lower resulting in a favourable variance.
Revenue from contracts with customers	As above, the favourable variance on 'Revenue from contracts with customers' is offset by an unfavourable variance on 'Supplier expenses'. This reflects increased activity within our trading subsidiaries, including hotel revenues at our Darwin and Kakadu hotels, generating greater revenue than expected offset by greater costs to service demand.
Interest	Interest revenue is greater than expected due to the rapid escalation in the RBA cash rate flowing through to superior interest rates on term deposits, as well as some escalation in interest rates on-charged to our home borrowers.
Unwinding of concessional discount	Unfavourable compared to budget due to lower-than-expected loan repayments and discharges, resulting in less than expected unwinding of concessional loan discount.
Dividends	Favourable variance to budget due to the performance of IBA's managed funds.
Other revenue	Increase over budget is attributable to additional income recognised upon provision of Business Solution Relief package support, as well as insurance recoveries received from Comcare.
Other gains	Primarily reflects the mark to market increase of investments not budgeted, held by the Indigenous Prosperity Funds.

#### Statement of Financial Position

Cash and cash equivalents	Reduction in cash in comparison to budget reflects cash management initiatives to invest idle cash into longer term investments generating better returns.
Loan receivables & Trade and other receivables	Greater than budget due to the significant decline in loan discharges as mainstream lender appetite waned curtailing the volume of IBA customers switching to commercial lenders. Incentives offered to customers by commercial lenders to refinance dissipated this financial year resulting in greater numbers of borrowers remaining with IBA. Budget also includes trade and other receivables.
Other investments	Investments are above budget due to additional Government funding for regional construction instalment lending deposited into longer term investments generating better returns. The increase over budget also reflects mark to market valuation increases to Indigenous Prosperity Funds.
Land & buildings and Property, plant & equipment	Greater than budget due to acquisition of a property in Wagga Wagga, NSW, and take-up of a right-of-use asset upon entering into a new lease for office space in Goulburn Street, Sydney.
Assets held for sale	IBA had contracted to dispose of its interest in the Northam solar farm, with settlement extended due to extenuating circumstances (refer note 6D).

## Note 1. Basis of preparation (continued)

### Statement of Cash Flow

Loans and advances made	Significant activity within the invoice financing business generated far greater cashflow movement than budgeted. Offsetting this were housing loan advances that whilst lower than budget, improved over the prior year.
Investments purchased	Investments exceeded budget as cash management initiatives were undertaken to invest idle cash at better rates of return.
Repayment of loans receivable	Whilst home loan repayments were significantly lower than prior year (as conditions for refinancing with commercial banks slowed), the increase over budget is attributable to greater activity within our invoice financing business which generated far greater volume than expected.

## Note 2. Expenses

	Consolidated 2023 \$'000	Consolidated 2022 \$'000
<b>Note 2A: Employee benefits</b>		
Wages and salaries	41,456	37,168
Superannuation:		
Defined contribution plans	4,990	4,826
Defined benefit plans	394	394
Leave entitlements	3,451	2,660
Other entitlements	2,763	2,277
<b>Total employee benefits</b>	<b>53,054</b>	<b>47,325</b>

<b>Note 2B: Supplier expenses</b>		
Audit Fees	589	544
Cost of goods sold	65,025	54,002
Consultants	6,664	5,676
Insurance	5,404	4,172
Investment property management expenses	9,111	5,537
IT expenses	5,865	4,877
Legal expenses	1,358	1,093
Office related expenses	3,534	3,148
Travel expenses	2,805	918
Other suppliers	12,817	13,274
Operating lease rentals - external entities	769	440
Workers compensation expenses	568	447
<b>Total supplier expenses</b>	<b>114,509</b>	<b>94,128</b>

<b>Note 2C: Depreciation and amortisation</b>		
<b>Depreciation</b>		
Property, plant and equipment	3,146	5,406
Leasehold improvements	2,006	656
Depreciation right of use assets	2,488	2,526
<b>Total depreciation</b>	<b>7,640</b>	<b>8,588</b>
<b>Amortisation</b>		
Intangible non-financial assets	1,600	75
<b>Total amortisation</b>	<b>1,600</b>	<b>75</b>
<b>Total depreciation and amortisation</b>	<b>9,240</b>	<b>8,663</b>

<b>Note 2D: Finance costs</b>		
Concessional loan discount recognised	74,101	88,666
Interest expense and finance lease charges	1,492	837
<b>Total finance costs</b>	<b>75,593</b>	<b>89,503</b>

### 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 2023 \$'000	Consolidated 2022 \$'000
<b>Note 2E: Write-down and impairment of assets</b>		
<b>Asset write-down and impairments</b>		
Write-down of non-financial assets	55	-
Impairments on loans	686	1,354
Valuation decrements on financial assets held at Fair Value Through P&L ("FVTPL")	185	32,748
Change in value of investment properties	1,581	-
<b>Total write-down and impairment of assets</b>	<b>2,507</b>	<b>34,102</b>

## Note 3. Income

	Consolidated 2023 \$'000	Consolidated 2022 \$'000
<b>Note 3A: Revenue from contracts with customers</b>		
Sale of goods	112,655	94,928
Rendering of services	1,165	662
<b>Total sale of goods and rendering of services</b>	<b>113,820</b>	<b>95,590</b>

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.

<b>Note 3B: Interest</b>		
Loans	46,682	45,499
Deposits	16,240	1,345
<b>Total interest</b>	<b>62,922</b>	<b>46,844</b>

<b>Note 3C: Unwinding of concessional loan discount</b>		
Interest calculated using the effective interest method	122,428	167,008
Interest charged to borrowers	(44,622)	(43,513)
<b>Total unwinding of concessional loan discount</b>	<b>77,806</b>	<b>123,495</b>

<b>Note 3D: Rental Income</b>		
<b>Operating lease</b>		
Investment properties	14,606	16,174
Plant & equipment	2,508	3,915
<b>Total rental income</b>	<b>17,114</b>	<b>20,089</b>

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.

<b>Maturity analysis of operating lease receivables</b>		
Within one year	19,731	16,152
One to two years	15,059	15,191
Two to three years	12,698	14,299
Three to four years	11,359	12,617
Four to five years	11,158	12,256
More than five years	81,149	61,749
<b>Total undiscounted lease payments receivable</b>	<b>151,154</b>	<b>132,264</b>

<b>Note 3E: Other revenue</b>		
Grant income	32,171	44,430
Insurance recoveries	1,810	6,186
Other	2,696	1,160
<b>Total other income</b>	<b>36,677</b>	<b>51,776</b>

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 2023 \$'000	Consolidated 2022 \$'000
<b>Note 3F: Other gains</b>		
Change in fair value of non-financial assets	-	2,485
Change in fair value of financial assets	11,212	-
Change in value of investment properties	-	1,690
<b>Total other gains</b>	<b>11,212</b>	<b>4,175</b>
<b>Note 3G: Revenue from Government</b>		
<b>Department of Prime Minister and Cabinet</b>		
Corporate Commonwealth Entity payment item	9,361	9,452
<b>Total revenue from Government</b>	<b>9,361</b>	<b>9,452</b>

### 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 Act (No. 1)
- Appropriation Act (No. 2)

Consistent with prior recognition criteria, amounts received under Appropriation Act (No. 1) are recognised as revenue on receipt, whilst amounts received under Appropriation Act (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 1.5).

## 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					Inputs Used
	2023	2022	Category	Valuation		
	\$'000	\$'000	Level	Technique(s)		
<b>Financial assets</b>						
Loan receivables - Home	941,404	874,345	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	32,638	36,502	Level 2	Cashflows discounted at the risk adjusted market rate of interest		
Bonds and fund investments	333,154	296,201	Level 1	Fund quoted market values		
<b>Designated at fair value through other comprehensive income</b>						
Investments in associates and joint ventures	12,887	10,434	Level 2	Future earnings discounted at risk adjusted market rates	Earnings forecast, rates of return on capital	
<b>Total financial assets</b>	<b>1,320,083</b>	<b>1,217,482</b>				
<b>Non-financial assets</b>						
Land & Buildings	50,739	49,686	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	189,005	185,583	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	422	2,645	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	27,458	19,475	Level 2	Market approach using recently observed market data for similar property, plant & equipment and discounted earnings method	Market sales data, future earnings and market capitalisation rate	
Assets held for sale	8,798	9,034	Level 2	Market approach using recently observed market data for similar property, plant & equipment and discounted earnings method	Market sales data, future earnings and market capitalisation rate	
<b>Total non-financial assets</b>	<b>276,422</b>	<b>266,423</b>				

#### 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 2023 \$'000	Consolidated 2022 \$'000
<b>Note 5A: Cash and cash equivalents</b>		
<b>Parent</b>		
Home Loan Capital	9,296	3,644
New Housing Fund	9,848	13,461
Subsidiaries	43,612	58,560
Other cash held	43,104	66,275
<b>Total cash and cash equivalents</b>	<b>105,860</b>	<b>141,940</b>
<b>Note 5B: Trade and other receivables</b>		
<b>Goods and services receivables</b>		
Trade receivables from customer contracts	15,600	17,431
Accrued trade receivables from customer contracts	6,880	3,175
Finance lease receivable	7,662	10,143
Sundry debtors	747	27
<b>Total receivables for goods and services</b>	<b>30,889</b>	<b>30,776</b>
Payment is usually made within 30 days.		
<b>Other receivables</b>		
Accrued distribution receivable	6,631	12,596
<b>Total other receivables</b>	<b>6,631</b>	<b>12,596</b>
<b>Total trade and other receivables</b>	<b>37,520</b>	<b>43,372</b>
Credit terms for goods and services were within 30 days.		

## Note 5. Financial Assets (continued)

	Consolidated 2023 \$'000	Consolidated 2022 \$'000
<b>Note 5C: Loan receivables</b>		
<b>Reconciliation of movements of loans receivable</b>		
<b>Loans - Home Ownership Program</b>		
Opening carrying value	874,345	948,682
Add: Net loans movement at cost	64,387	(114,959)
<b>Add/(less): Movement in carrying discount at amortised cost</b>		
Discount on new loans measured at fair value at inception (or value of new loans measured at FVTPL)	(68,781)	(77,846)
Wind back of discount (or movement in discount of loans on remeasurement at FVTPL)	70,472	116,531
<b>Net movement in carrying discount</b>	<b>1,691</b>	<b>38,685</b>
Add/(less): Movement in provision for expected credit losses	981	1,937
<b>Closing carrying value</b>	<b>941,404</b>	<b>874,345</b>
<b>Loans - Business Development and Assistance Program</b>		
Opening carrying value	36,502	34,712
Add: Net loans movement at cost	(6,559)	7,248
<b>Add/(less): Movement in carrying discount at amortised cost</b>		
Discount on new loans measured at fair value at inception (or value of new loans measured at FVTPL)	(5,205)	(10,820)
Wind back of discount (or movement in discount of loans on remeasurement at FVTPL)	7,334	6,964
<b>Net movement in carrying discount</b>	<b>2,129</b>	<b>(3,856)</b>
Add/(less): Movement in provision for expected credit losses	566	(1,602)
<b>Closing carrying value</b>	<b>32,638</b>	<b>36,502</b>
<b>Total home and business loans</b>	<b>974,042</b>	<b>910,847</b>
Total loan receivables expected to be settled in:		
No more than 12 months	281,178	225,393
More than 12 months	692,864	685,454
<b>Total loan receivables</b>	<b>974,042</b>	<b>910,847</b>
<b>Reconciliation of carrying value of loans</b>		
<b>Loans - Home Ownership Program (as shown above)</b>		
Nominal value	1,221,459	1,157,072
Less: Carrying discount on concessional loans at amortised cost	(271,736)	(273,427)
Less: Provision for expected credit losses	(8,319)	(9,300)
<b>Carrying value</b>	<b>941,404</b>	<b>874,345</b>
<b>Loans - Business Development and Assistance Program (as shown above)</b>		
Nominal value	66,157	72,716
Less: Carrying discount on concessional loans at amortised costs	(25,951)	(28,080)
Less: Provision for expected credit losses	(7,568)	(8,134)
<b>Carrying value</b>	<b>32,638</b>	<b>36,502</b>
<b>Total home and business loans</b>	<b>974,042</b>	<b>910,847</b>

## Note 5. Financial Assets (continued)

	Consolidated 2023 \$'000	Consolidated 2022 \$'000
<b>Note 5C: Loan receivables</b>		
<b>Reconciliation of movement provision for expected credit losses</b>		
<b>Loans - Home Ownership Program</b>		
Opening balance	9,300	11,237
Movement in provision	(981)	(1,937)
<b>Closing balance</b>	<b>8,319</b>	<b>9,300</b>
<b>Loans - Business Development and Assistance Program</b>		
Opening balance	8,134	6,532
Movement in provision	(566)	1,602
<b>Closing balance</b>	<b>7,568</b>	<b>8,134</b>
<b>Total provision for expected credit losses</b>	<b>15,887</b>	<b>17,434</b>

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 2023 \$'000	Credit risk premium 2023	2022	Change in assumptions	Change in carrying value \$'000
Housing loans	941,404	3.40%	3.40%	1.04% / -1.04%	-51,486 / +55,277
Business loans	32,638	28.75%	28.75%	1.04% / -1.04%	-500 / +516

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)

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 2023

### 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 2023 \$'000	Consolidated 2022 \$'000
<b>Note 5D: Investments in associates and joint ventures</b>		
Investments in associates and joint ventures	12,887	10,434
<b>Total investments in associates and joint ventures at fair value through other comprehensive income</b>	<b>12,887</b>	<b>10,434</b>
Investments in associates and joint ventures that are expected to be recovered in:		
No more than 12 months	1,803	-
More than 12 months	11,084	10,434
<b>Total investments in associates and joint ventures at fair value through other comprehensive income</b>	<b>12,887</b>	<b>10,434</b>
<b>Details of investments:</b>	<b>2023</b>	<b>2022</b>
<b>Name</b>	<b>%</b>	<b>%</b>
IBA Yamatji Land Holding Trust*	50	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	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 2023 \$'000	Consolidated 2022 \$'000
<b>Note 5E: Other investments</b>		
Term Deposits	403,352	357,551
Other - bonds, managed funds and interest in business undertakings	333,154	296,201
<b>Total other investments</b>	<b>736,506</b>	<b>653,752</b>
Investments expected to be recovered in:		
No more than 12 months	403,652	361,918
More than 12 months	332,854	291,834
<b>Total other investments</b>	<b>736,506</b>	<b>653,752</b>

## Note 6. Non-Financial Assets

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

	Consolidated 2023					Total
	Land & Building	Leasehold Improvements	Sub-Total	Plant & Equipment	Operating Lease Assets	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening Balance</b>						
Gross book value	45,296	16,209	61,505	40,267	11,268	<b>113,040</b>
Accumulated depreciation and impairment	(7,878)	(3,941)	(11,819)	(20,792)	(8,623)	<b>(41,234)</b>
<b>Total as at 1 July</b>	<b>37,418</b>	<b>12,268</b>	<b>49,686</b>	<b>19,475</b>	<b>2,645</b>	<b>71,806</b>
<b>Additions</b>						
By purchase	-	2,710	2,710	10,342	-	<b>13,052</b>
Right of Use Asset	2,936	-	2,936	-	-	<b>2,936</b>
Reclassification	34	(133)	(99)	99	-	<b>-</b>
Depreciation expense	(2,488)	(2,006)	(4,494)	(2,458)	(452)	<b>(7,404)</b>
Disposals - cost	-	-	-	-	(4,837)	<b>(4,837)</b>
Disposals - accumulated depreciation	-	-	-	-	3,066	<b>3,066</b>
<b>Total as at 30 June</b>	<b>37,900</b>	<b>12,839</b>	<b>50,739</b>	<b>27,458</b>	<b>422</b>	<b>78,619</b>
<b>Net book value as at 30 June represented by:</b>						
Gross book value	47,500	24,433	71,933	50,639	6,431	<b>129,003</b>
Accumulated depreciation and impairment	(9,600)	(11,594)	(21,194)	(23,181)	(6,009)	<b>(50,384)</b>
<b>Total as at 30 June</b>	<b>37,900</b>	<b>12,839</b>	<b>50,739</b>	<b>27,458</b>	<b>422</b>	<b>78,619</b>

Land & Buildings total value as at 30 June 2023 includes right of use assets totalling \$6,257,310 (2022: \$5,429,086).

The value of land included in land & buildings at 30 June 2023 is approximately \$1,800,000 (2022: \$1,800,000).

Plant & Equipment total value as at 30 June 2023 includes cultural & heritage assets totalling \$95,531 (2022: \$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)

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**

#### 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 (FY23)	Estimated useful life (FY22)
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)

### Note 6B: Reconciliation of the opening and closing balances of Intangibles

	Consolidated 2023			Total \$'000
	Computer Software \$'000	Goodwill \$'000	Other Intangibles \$'000	
<b>Opening Balance</b>				
Gross book value	5,355	3,270	5,335	<b>13,960</b>
Accumulated depreciation and impairment	(5,189)	-	(118)	<b>(5,307)</b>
<b>Total as at 1 July</b>	<b>166</b>	<b>3,270</b>	<b>5,217</b>	<b>8,653</b>
<b>Additions</b>				
By purchase	7,143	-	-	<b>7,143</b>
Large Scale Generation Certificates fair value	-	-	94	<b>94</b>
Amortisation expense	(1,600)	-	-	<b>(1,600)</b>
Reclassification - cost	3,032	-	(3,032)	<b>-</b>
<b>Total as at 30 June</b>	<b>8,741</b>	<b>3,270</b>	<b>2,279</b>	<b>14,290</b>
<b>Net book value as at 30 June represented by:</b>				
Gross book value	<b>15,251</b>	<b>3,270</b>	<b>2,398</b>	<b>20,919</b>
Accumulated depreciation and impairment	<b>(6,510)</b>	-	<b>(119)</b>	<b>(6,629)</b>
<b>Total as at 30 June</b>	<b>8,741</b>	<b>3,270</b>	<b>2,279</b>	<b>14,290</b>

#### 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 2023 \$'000	Consolidated 2022 \$'000
<b>Note 6C: Investment properties</b>		
Gross book value	185,583	174,203
Disposals	-	(4,375)
Acquisition	5,003	14,065
Net gain / (loss) from fair value adjustments	(1,581)	1,690
<b>Total as at 30 June</b>	<b>189,005</b>	<b>185,583</b>

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.

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 2023.

## Note 6. Non-Financial Assets (continued)

	Consolidated 2023 \$'000	Consolidated 2022 \$'000
<b>Note 6D: Assets held for sale</b>		
Gross book value	8,798	9,034
<b>Total as at 30 June</b>	<b>8,798</b>	<b>9,034</b>

On 28 March 2022, the Partners of the Northam Solar Project Partnership ("NSPP") (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 ("IGE")) for \$8,010,000 subject to the satisfaction of a number of conditions precedent. Completion was expected on 9 February 2023, however on 5 February 2023 a fire occurred damaging around a third of the solar farm. As a consequence, the parties agreed to extend the date for completion with settlement occurring on 13 September 2023.

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 \$8,798,000 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 2023 \$'000	Consolidated 2022 \$'000
<b>Note 7A: Suppliers</b>		
Trade creditors	1,270	1,545
Accrued liabilities	8,277	6,776
Other creditors	5,351	4,457
<b>Total suppliers</b>	<b>14,898</b>	<b>12,778</b>

Settlement to trade creditors is usually made within 30 days.

### Note 7B: Other payables

Salaries and wages	1,332	1,376
Superannuation	273	236
Unearned income from contracts with customers	13,945	15,495
Payable to ATO	348	1,337
Security Deposits Held	3,730	3,308
<b>Total other payables</b>	<b>19,628</b>	<b>21,752</b>
Total other payables expected to be settled in:		
No more than 12 months	14,478	18,645
More than 12 months	5,150	3,107
<b>Total other payables</b>	<b>19,628</b>	<b>21,752</b>

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

## Note 8. Interest bearing liabilities

	Consolidated 2023 \$'000	Consolidated 2022 \$'000
<b>Note 8: Interest bearing liabilities</b>		
Secured loan facilities	36,500	36,505
Unsecured loan facility - Lease contract	8,535	7,578
<b>Total loans</b>	<b>45,035</b>	<b>44,083</b>
<b>Maturity schedule</b>		
Less than one year	25,000	-
In one to five years	20,035	44,083
<b>Total loans</b>	<b>45,035</b>	<b>44,083</b>

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 WBC facility expires on 30 June 2024, whilst the ANZ facility will expire on 1 July 2026.

## Note 9. Provisions

	Consolidated 2023 \$'000	Consolidated 2022 \$'000
<b>Note 9A: Employee provisions</b>		
Leave entitlements	9,700	8,853
<b>Total employee provisions</b>	<b>9,700</b>	<b>8,853</b>

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

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

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

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. The Group accounts for the contributions as if they were contributions to defined contribution plans.

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

## Note 9. Provisions (continued)

	Consolidated					
	2023			2022		
	Restoration obligations	Distribution/ other provisions	Total	Restoration obligations	Distribution/ other provisions	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Note 9B: Other provisions</b>						
Opening balance as at 1 July	1,582	9,847	11,429	1,594	14,118	15,712
Additional provisions made	149	12,620	12,769	28	20,035	20,063
Amount used	(39)	(13,462)	(13,501)	(40)	(24,306)	(24,346)
<b>Total as at 30 June</b>	<b>1,692</b>	<b>9,005</b>	<b>10,697</b>	<b>1,582</b>	<b>9,847</b>	<b>11,429</b>

IBA currently has ten (2022: 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. Restoration obligations includes \$1.08m for the Northam solar farm.

### 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.

## Note 10. Contingent liabilities and assets

	Consolidated					
	Indemnities		Claims for damages or costs		Total	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>Contingent assets</b>						
Opening balance as at 1 July	-	-	-	700	-	700
New	146	-	-	240	146	240
Assets recognised	-	-	-	(952)	-	(952)
Expired	-	-	-	12	-	12
<b>Total as at 30 June</b>	<b>146</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>146</b>	<b>-</b>
<b>Contingent liabilities</b>						
Opening balance as at 1 July	20,672	10,279	-	-	20,672	10,279
New	12,291	14,271	-	-	12,291	14,271
Obligations expired	(10,930)	(3,878)	-	-	(10,930)	(3,878)
<b>Total as at 30 June</b>	<b>22,033</b>	<b>20,672</b>	<b>-</b>	<b>-</b>	<b>22,033</b>	<b>20,672</b>
<b>Net balance as at 30 June</b>	<b>(21,887)</b>	<b>(20,672)</b>	<b>-</b>	<b>-</b>	<b>(21,887)</b>	<b>(20,672)</b>

### Quantifiable contingencies

#### *Claims for damages/costs (contingent asset)*

The claims for damages or costs at 30 June 2023 relate to loans within the Indigenous Home Ownership program. There are no other contingent assets as at 30 June 2023.

#### *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 \$22.0m underwriting performance bonds issued by Performance Bond Trust to Indigenous suppliers as at 30 June 2023.

IBA has provided a Westpac bank guarantee for \$700,000 to Metcash Ltd for the supply of groceries on a deferred payment arrangement to an IGA branded grocery store business operated by the Tennant Creek Foodbarn Partnership, in Tennant Creek, Northern Territory.

### Unquantifiable contingencies

IBA has no significant unquantifiable contingencies as at 30 June 2023 or 2022.

### 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 2023 \$'000	Consolidated 2022 \$'000
<b>Key management personnel expenses for the reporting period</b>		
<b>Short-term employee benefits</b>		
Salary and other allowances	1,301	1,218
Bonuses	44	-
Annual leave	65	61
<b>Total short-term employee benefits</b>	<b>1,410</b>	<b>1,279</b>
<b>Post-employment benefits</b>		
Superannuation	163	149
<b>Total post-employment benefits</b>	<b>163</b>	<b>149</b>
<b>Other long-term employee benefits</b>		
Long-service leave	21	20
<b>Total other long-term employee benefits</b>	<b>21</b>	<b>20</b>
<b>Termination benefits</b>		
Termination benefits	-	48
<b>Total termination benefits</b>	<b>-</b>	<b>48</b>
<b>Total senior executive remuneration expenses</b>	<b>1,594</b>	<b>1,496</b>

The total number of key management personnel included in the above table is 12 (2021-22: 15 due to multiple staff and director movements occupying key management roles, including in an acting capacity, during the period)

## 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").

### 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. To 30 June 2023, IBA have invested \$2.5 million in the IBA Yamatji Land Holding Trust ("IYLHT") alongside Yamatji who also invested \$2.5 million. IBA and Yamatji each hold a 50% interest in IYLHT. Director McPherson did not participate in IBA's assessment or approval process.

In March 2023, IBA paid \$2,717 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.

Transactions with entities which have common directors with IBA;

Entity	Nature of the transaction	2023 \$'000	2022 \$'000
Voyages Indigenous Tourism Australia	Voyages lease plant and equipment through IBA Leasing		
	Payments received from Voyages	163	192
Desert Knowledge Australia	IBA leases office space from Desert Knowledge in Alice Springs.		
	Payments made to Desert Knowledge	44	40

## Note 13. Financial instruments

		Consolidated 2023 \$'000	Consolidated 2022 \$'000
<b>Note 13A: Categories of financial instruments</b>		<b>Notes</b>	
<b>Financial assets at amortised cost</b>			
Cash and cash equivalents	5A	105,860	141,940
Loan Receivables - Home Ownership Program	5C	941,404	874,345
Loans - Business Development and Assistance Program	5C	32,638	36,502
Goods and services receivable	5B	30,889	30,776
Other receivables	5B	6,631	12,596
Term Deposits	5E	403,352	357,551
<b>Total financial assets at amortised cost</b>		<b>1,520,774</b>	<b>1,453,710</b>
<b>Investments in equity instruments at fair value through other comprehensive income (designated)</b>			
Investments in associates	5D	12,887	10,434
<b>Investments in equity instruments at fair value through other comprehensive income (designated)</b>		<b>12,887</b>	<b>10,434</b>
<b>Financial assets at fair value through profit or loss</b>			
Other - bonds, managed funds and interest in business undertakings	5E	333,154	296,201
<b>Financial assets at fair value through profit or loss</b>		<b>333,154</b>	<b>296,201</b>
<b>Total financial assets</b>		<b>1,866,815</b>	<b>1,760,345</b>
<b>Financial liabilities at amortised cost</b>			
Suppliers	7A	14,898	12,778
Other payables	7B	19,628	21,752
Loans	8	45,035	44,083
<b>Total financial liabilities at amortised cost</b>		<b>79,561</b>	<b>78,613</b>
<b>Total financial liabilities</b>		<b>79,561</b>	<b>78,613</b>

## Note 13. Financial instruments (continued)

		Consolidated 2023 \$'000	Consolidated 2022 \$'000
<b>Note 13B: Net Gains or Losses on Financial Assets</b>	<b>Notes</b>		
<b>Financial assets at amortised cost</b>			
Interest revenue		62,782	46,559
Impairment on loans	2E	(686)	(1,354)
<b>Net gain on financial assets at amortised cost</b>		<b>62,096</b>	<b>45,205</b>
<b>Investments in equity instruments at fair value through other comprehensive income (designated)</b>			
Interest revenue		62	92
Profit / (loss) recognised in equity		968	(1,249)
<b>Net gain / (loss) - Investments in equity instruments at fair value through other comprehensive income (designated)</b>		<b>1,030</b>	<b>(1,157)</b>
<b>Financial assets at fair value through profit or loss</b>			
Change in fair value	2E , 3F	11,027	(32,748)
Interest revenue		78	193
Dividend revenue		11,267	16,200
<b>Net gain / (loss) - assets held at fair value through profit or loss</b>		<b>22,372</b>	<b>(16,355)</b>
<b>Net gain on financial assets</b>		<b>85,498</b>	<b>27,693</b>
<b>Note 13C: Net Gains or Losses on Financial Liabilities</b>			
<b>Financial liabilities - at amortised cost</b>			
Interest expense	2D	1,492	837
<b>Net losses on financial liabilities at amortised cost</b>		<b>1,492</b>	<b>837</b>
<b>Net losses from financial liabilities</b>		<b>1,492</b>	<b>837</b>

## Note 14. New housing fund

The “New Housing Fund” was established under the Aboriginal and Torres Strait Islander Act 2005 (ATSIC 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 ATSIC Act requires specific information on the “New Housing Fund's” operations and financial position, as disclosed below. This information has been included in the preceding statement and notes:

### New Housing Fund

#### Statement of Comprehensive Income

For the year ended 30 June 2023

	Notes	2023 \$'000	2022 \$'000
<b>Expenses</b>			
Write-down and impairment of assets	14A	(816)	(1,183)
Concessional loan discount recognised		54,133	45,912
Supplier expenses		738	254
<b>Total expenses</b>		<b>54,055</b>	<b>44,983</b>
<b>Less: own-source income</b>			
<b>Revenue</b>			
Interest	14B	32,130	25,649
Unwinding of concessional loan discount		43,894	73,134
Other income		1,016	551
<b>Total revenue</b>		<b>77,040</b>	<b>99,334</b>
<b>Net contribution by services</b>		<b>22,985</b>	<b>54,351</b>

## Note 14. New housing fund (continued)

### New Housing Fund Statement of Financial Position As at 30 June 2023

	Notes	2023 \$'000	2022 \$'000
<b>Assets</b>			
<b>Financial Assets</b>			
Cash	14C	9,848	13,461
Receivables	14D	593,462	540,866
Term deposits		150,000	180,000
Other		4,419	416
<b>Total financial assets</b>		<b>757,729</b>	<b>734,743</b>
<b>Total assets</b>		<b>757,729</b>	<b>734,743</b>
<b>Liabilities</b>			
Payables		7	6
<b>Total liabilities</b>		<b>7</b>	<b>6</b>
<b>Net assets</b>		<b>757,722</b>	<b>734,737</b>
<b>Equity</b>			
<b>Parent entity interest</b>			
Contributed equity		429,397	429,397
Accumulated surplus		328,325	305,340
<b>Total parent entity interest</b>		<b>757,722</b>	<b>734,737</b>
<b>Total equity</b>		<b>757,722</b>	<b>734,737</b>

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 2023

	Notes	2023 \$'000	2022 \$'000
<b>Operating activities</b>			
<b>Cash received</b>			
Interest		23,681	25,655
<b>Total cash received</b>		23,681	25,655
<b>Cash used</b>			
Suppliers		900	254
<b>Total cash used</b>		900	254
<b>Net cash from operating activities</b>	14E	22,781	25,401
<b>Investing activities</b>			
<b>Cash received</b>			
Repayments of loans		237,237	190,775
Investments redeemed		30,000	-
<b>Total cash received</b>		267,237	190,775
<b>Cash used</b>			
Loans made		293,631	113,125
Investments made		-	105,000
<b>Total cash used</b>		293,631	218,125
<b>Net cashflows from investing activities</b>		(26,394)	(27,350)
<b>Net increase or (decrease) in cash held</b>		(3,613)	(1,949)
Cash at beginning of the year		13,461	15,410
<b>Cash at the end of the year</b>		9,848	13,461

The above statement should be read with the accompanying notes.

## Note 14. New housing fund (continued)

	Consolidated 2023 \$'000	Consolidated 2022 \$'000
<b>Note 14A: Write-down and impairment of other assets</b>		
Impairment of assets	(816)	(1,183)
<b>Total write-down and impairment of assets</b>	<b>(816)</b>	<b>(1,183)</b>
<b>Note 14B: Interest revenue</b>		
Interest on bank account	6,250	562
Interest on housing loans	25,880	25,087
<b>Total interest revenue</b>	<b>32,130</b>	<b>25,649</b>
<b>Note 14C: Cash</b>		
Cash at bank and on hand	1,396	13,461
Cash at agent	8,452	-
<b>Total cash</b>	<b>9,848</b>	<b>13,461</b>
<b>Note 14D: Receivables</b>		
Loan receivables	593,462	540,866
<b>Total receivables</b>	<b>593,462</b>	<b>540,866</b>
<b>New Housing Fund only</b>		
<b>(a) Reconciliations of movements of loans receivable held at fair value through profit and loss / amortised cost</b>		
Carrying value of loans receivable held at amortised cost at 1 July 2022	540,866	589,986
Net loans movement at cost	67,118	(77,525)
Net movement in carrying discount measured at amortised cost	(15,338)	27,222
Impairment movement through profit and loss	816	1,183
<b>At fair value/cost closing balance</b>	<b>593,462</b>	<b>540,866</b>
<b>New Housing Fund loans (net) expected to be recovered</b>		
Current loans receivable	170,528	125,984
Non-current loans receivable	422,934	414,882
<b>Total receivables</b>	<b>593,462</b>	<b>540,866</b>
<b>Note 14E: Cash flow reconciliation</b>		
Net contribution by services	22,985	54,351
Total write-down and impairment of assets	(816)	(1,183)
Concessional loan discount recognised	54,133	45,912
Unwinding of concessional loan discount	(43,894)	(73,134)
(Increase) in receivables	(9,627)	(545)
<b>Net cash from operating activities</b>	<b>22,781</b>	<b>25,401</b>

The above statement should be read with the accompanying notes.

## Note 15. Parent entity – Indigenous Business Australia

	2023 \$'000	2022 \$'000
<b>Note 15A: Parent Entity - Statement of Comprehensive Income</b>		
Profit after income tax on continuing operations	54,931	53,734
Other comprehensive income/(loss)	(1,102)	1,522
<b>Total comprehensive income</b>	<b>53,829</b>	<b>55,256</b>
<b>Note 15B: Parent Entity - Statement of Financial Position</b>		
Current assets	375,219	337,528
Non-current assets	1,449,267	1,392,995
<b>Total assets</b>	<b>1,824,486</b>	<b>1,730,523</b>
Current liabilities	31,618	33,774
Non-current liabilities	7,694	7,005
<b>Total liabilities</b>	<b>39,312</b>	<b>40,779</b>
<b>Net assets</b>	<b>1,785,174</b>	<b>1,689,744</b>
<b>Note 15C: Parent Entity - Statement of Equity</b>		
Retained earnings	526,142	472,312
Contributed Equity	1,259,032	1,217,432
<b>Total equity</b>	<b>1,785,174</b>	<b>1,689,744</b>

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

### Note 15D: Parent Entity - Statement of IBA's holding in subsidiaries

Name	Country of incorporation	2023 %	2022 %
CDC Nominees (TCTP) Pty Limited *	Australia	100	100
Crocodile Hotel Pty Limited	Australia	100	-
Darwin Hotel Holdings Pty Limited *	Australia	100	100
Darwin Hotel Holdings Trust	Australia	100	100
Darwin Hotel Partnership	Australia	90	90
Dominican Indigenous Education Trust	Australia	100	100
Fitzroy Lodge Investments Pty Limited	Australia	100	100
Gagudju Crocodile Hotel Trust	Australia	-	100
Gagudju Lodge Cooida Trust	Australia	52	52
Hotel Enterprises Pty Limited *	Australia	-	100
Ikara Wilpena Enterprises Pty Limited	Australia	89	89
Ikara Wilpena Holdings Trust	Australia	89	89
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	48	50
Indigenous Prosperity Fund - Income Fund	Australia	43	43
Indigenous Real Estate Investment Trust	Australia	47	47
IREIT Sub Trust	Australia	47	47
Kakadu Tourism (GCH) Pty Limited	Australia	100	100
Kakadu Tourism (GLC) Pty Limited	Australia	52	52
Marlba Maya Pty Ltd #	Australia	50	50
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 Food Barn Partnership	Australia	50	50
Tennant Creek Land Holding Trust	Australia	50	50
Tennant Creek Supermarket Pty Limited *	Australia	-	50
Tjapukai Aboriginal Cultural Park Partnership*	Australia	100	100
Tjapukai Pty Limited *~	Australia	100	100
Wilpena Pound Aerodrome Services Pty Limited	Australia	89	89

\*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.

~ These entities were deregistered on 16 July 2023.

## 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 2022 to 30 June 2023 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.



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**The Hon. Linda Burney MP (right)  
with IBA customer, Bernadette Hardy  
(left) and daughters, at the launch  
event for IBA's Impact Report**

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IBA was the proud sponsor of the 'Indigenous Artist in Residence' for the 2022 PowerHousing Member Exchange. Khatija Nampijinpa Possum is a Pitjantjatjara, Papunya and Anmatyerre woman born in Alice Springs. Her style of artwork depicts women's ceremonial stories and other women's dreamings.

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## PART 09:

# Appendices

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## Appendix A: Workforce profile and diversity

**Table 14: Ongoing employees as at 30 June 2023**

	Man/male			Woman/female			Non-binary/prefers not to answer/uses different term			Total
	Full time	Part time	Total Male	Full time	Part time	Total Female	Full time	Part time	Total non-binary	
NSW	16		16	21	4	25	–	–	–	41
Qld	31		31	38	5	43	–	–	–	74
SA	2		2	5		5	–	–	–	7
Tas	–		–	–		–	–	–	–	–
Vic	9		9	5		5	–	–	–	14
WA	2		2	11	1	12	–	–	–	14
ACT	11		11	20	4	24	–	–	–	35
NT	1		1	5		5	–	–	–	6
External Territories	–	–	–	–	–	–	–	–	–	–
Overseas	–	–	–	–	–	–	–	–	–	–
Total	72	0	72	105	14	119	–	–	–	191

**Table 15: Non-ongoing employees as at 30 June 2023**

	Man/male			Woman/female			Non-binary/prefers not to answer/uses different term			Total
	Full time	Part time	Total Male	Full time	Part time	Total Female	Full time	Part time	Total non-binary	
NSW	5		5	2	1 <sup>1</sup>	3	–	–	–	8
Qld	1	1 <sup>1</sup>	2	7	1 <sup>1</sup>	8	–	–	–	10
SA	–		–	–		–	–	–	–	–
Tas	–		–	–		–	–	–	–	–
Vic	1		1	–		–	–	–	–	1
WA	1	1 <sup>1</sup>	2	1	–	1	–	–	–	3
ACT	1		1		1 <sup>1</sup>	1 <sup>1</sup>	–	–	–	2
NT	–		–	–	–	–	–	–	–	
External Territories	–	–	–	–	–	–	–	–	–	–
Overseas	–	–	–	–	–	–	–	–	–	–
Total	9	2	11	10	3	13				24

<sup>1</sup> Casual University Interns

**Table 16: Staff numbers by classification as at 30 June 2023**

Classification	
CEO	1
ED/CFO/GC	5
DIR/DCFO	6
IBA 7	29
IBA 6	41
IBA 5	63
IBA 4	40
IBA 3	23
IBA 2	2
IBA 1	5
Total	215

CEO = Chief Executive Officer.

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

DIR = Director, DCFO = Deputy Chief Financial Officer.

APS Executive Levels 1 and 2 are equivalent IBA Levels 6 and 7.

## Appendix B: List of consultants

5PConsulting	Cohenca Consulting	Gold Coast Websites Pty Ltd
ABORIGINAL TOURISM ASSET MANAGEMENT PTY LTD	Colliers International Holdings (Australia) Ltd	Good Foundations Consulting Pty Ltd
ACIL Allen Consulting (VIC)	Complete Business Solutions (QLD) Pty Ltd*	GoodWolf Partners Pty Ltd
Acumentis Regional Pty Ltd	Crafted Solutions Pty Ltd	GSA Insurance Brokers Pty Ltd (BPAY)
Agrology Pty Ltd	Creative Revolution	Helen Sampson t/a Jagged Crow Creative
AHURI	Curiyo Pty Ltd*	Herron Todd White (Brisbane) Pty Ltd
All Things Web	Customer Service Benchmarking Australia Pty Ltd	Herron Todd White (South East Regional Australia) Pty Ltd
AMK Law Pty Ltd*	De Silva Hebron	HopgoodGanim Lawyers
AML Accelerate Pty Ltd	Deadly Data*	Howden Insurance Brokers (Australia) Pty Ltd
Arktisma Unit Trust t/a Serversaurus	Deadly Inspiring Youth Doing Good*	Huber Social Pty Ltd
Australia Society of Sugar Cane Technologists Limited	Dean Graham T/as Norlap Creative*	i2i Development Global Pty Ltd*
Australian Blackcard Pty Ltd*	Deloitte Consulting Pty Limited	Impact Media
BDO (Nth QLD)	Dentons Australia Pty Ltd	Impart Media Pty Ltd
BDO Kendalls (QLD)	Dilli Wollo Connectors Pty Ltd*	Indigenous Economic Solutions Pty Ltd*
Bishop Enterprises	Dr Helen Szoke AO	Indigenous Management Group Pty Ltd*
Blackrock Industries Pty Ltd*	DSG Advisory Pty Ltd	Indigenous Professional Services
Blak Wattle Consulting*	DUDGEON, ALLIE KESLYN T/A Allabamboo*	InFinance Solutions Pty Ltd
BMS Advisory Group t/a BMH Corporate Solutions	Elephant in the Room Consulting Pty Ltd*	iTrazo TraceTech
BoardRoom Pty Ltd	Elysian Consulting Pty Ltd	J.B Abberton & Others T/A Lavan
BT Automation Pty Ltd	Empower Digital*	J9 Recruitment Pty Ltd T/A All Aspects Recruitment & HR*
Buck Wild Country Pty Ltd*	Engelhard Consulting	Jackson McDonald
Carbon Accountants & Business Consultants External site	Ernst & Young (MEL)	Jahl Herapath
CBRE Valuations Pty Ltd	Fiftyfive5 Pty Ltd	JANA Investment Advisers Pty Ltd
Cecilpeak Pty Ltd	First Nations Foundation*	Jarin Street Pty Ltd*
Chartertech Pty Ltd	Gee Gie Pty Ltd*	Kadar Pearson Partners Pty Ltd*
Clear Vision Consulting		Kevin John Dolman t/a Indigenous Evaluation Services*
Cobalt Consulting Services Pty Limited		

Note: \* Indicates Aboriginal or Torres Strait Islander Business

KF Cairns Pty Ltd t/a Knight Frank	Olivotto Consulting Pty Ltd	Tallagandra Rural Consulting Pty Ltd
Kimberley Birds Pty Ltd*	OnStrategy (USA)	Tanyah Nasir Consulting*
Kinaway Chamber of Commerce Victoria Ltd*	Opteon Property Group Australia	Team Management Systems
King & Wood Mallesons	Outback Academy Australia*	Technology One Limited
KML Business Solutions Pty Ltd*	Outsource Management Pty Ltd	Terri Janke & Company Pty Ltd*
KPMG Australia	Penelope Dodd	The Trustee for Edynam Trust Tas Edynam
Kristal Kinsela Consulting Pty Ltd*	Peter Berry Consultancy Pty Ltd	Tourism and Hospitality Services AustralAsia
KSM Advisory	Price Waterhouse Coopers (PWC)	Trenchless Advisor Pty Ltd
Lanluas Consulting Pty Ltd	PricewaterhouseCoopers Indigenous Consulting Pty Ltd*	TT for the Joffe Family Trust t/a Property Placements
Leading Paths Pty Ltd	PROPEL AGENCY PTY LTD	Unearth Risk Pty Ltd
Leora & Mark Liner Family Trust t/a CFO Consultant	Provider Group Pty Ltd	Valuation Services (SA) Pty Ltd T/as Knight Frank Valuations
Leticia Anne Designs*	Proximity Advisory Services Pty Ltd	Visual Dreaming Pty Ltd*
Marrawah Law Pty Ltd*	Purdon Planning Pty Ltd	WAITOC Association Inc*
Mary Christian Ploughman	Queen Street Partners Pty Ltd	WALLMANS LAWYERS
MCB McBurney & Partners Pty Ltd	REGENCY PARTNERS PTY LTD	We Create Print Deliver*
McGrathNicol Advisory Partnership	REM Business Solutions	Web Complete Pty Ltd
Melbourne Business School	RSM Australia Pty Ltd	Wendy Davidson Enterprises
Mervyn John Fernando t/as Claystone Marketing*	RSM Bird Cameron (Perth)	
Minter Ellison Lawyers	Sai Karlen Motion & Design	
Monash University (BPay)	Samara-Fukofuka	
Moore Stephens Perth Corporate Services Pty Ltd T/A Bourne G	Sam's Websites Pty Ltd	
NEON Marketing Pty Ltd t/a The Yellow Balloon Group*	Sapphire Professional Services Pty Ltd	
Ngakkan Nyaagu Pty Ltd*	Savills Valuations Pty Ltd	
Nicole Leigh Brown	Shanella Majid*	
No BS Bookkeeping	SiDCOR Cairns Unit Trust	
	Silver Gum Australia Pty Ltd	
	Strategic Small Business Solutions*	
	TAG Asset Consulting Group Pty Ltd	

Note: \* Indicates Aboriginal or Torres Strait Islander Business

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## Appendix C: IBA customer satisfaction survey methodology (CSAT)

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Customer satisfaction is an important metric that is included in IBA's 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%.<sup>13</sup> 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.

### 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 presents the findings to the IBA Executive and then in 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.

13. Customer-owned banks record high customer satisfaction | News | Heritage Bank

## Methodology and weighting

The IBA Customer Satisfaction 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 analyses the data and provides percentage scores that are weighted to be representative of the IBA population of each product.

2022–23 Housing Solutions survey data (345 completed) is **weighted** on stage in the home loan process (for example. application, arrears, discharged, EOI and settled) and ARIA category. The survey responses year on year have performed well with strong and steady scores. With 662 survey send outs, the margin of error was scored at 6% based on population proportion.

The 2022–23 Business Solutions survey data was **not weighted** due to the low number of surveys completed. Loans (17 completed), leasing (1 completed), cashflow (2 completed), business relief (13 completed) and business support services (12 completed). Although across the four years, the results have been stable and stable across the benchmark year of 2018.

2022–23 Investment and Asset survey data is **not weighted** due to the low number of surveys completed (25 completed). The Investments team performed strongly on key metrics, overall satisfaction with IBA and advocacy, and performed significantly higher than 2019 on satisfaction.

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 PBS measures 5, 10 and 17.

## Appendix D: Business Solutions Program agreement

**Table 17: Business Solutions, contractual agreement performance indicators for 2022–23**

No.	Measure description	Target and data	1 July to 30 June 2023	Achieved
MKPI.M1	Indigenous people employed in delivery of the project (KPI is mandatory under the Indigenous Advancement Strategy (IAS))	20% of hours worked in the reporting period under the activity, are worked by an Indigenous person. Source: Service Provider	28% (16)	Yes
MKDI.M1	Employment numbers employed in delivery of the project (KPI is mandatory under the IAS)	Number of people employed and the contract, total number of people employed, under the activity (by gender). Source: Service Provider	57	Yes
MKDI.D2	Hours worked—Indigenous staff	Number of hours worked in the reporting period by all Indigenous people employed under the activity. Source: Service Provider	27,000	Yes
MKDI.D3	Hours worked—all staff	Number of hours worked in the reporting period by all people employed under the activity. Source: Service Provider	96,188	Yes
D105.01[1]	Number of Individual financed businesses and organisations (customers in the reporting period)	Customers who receive finance and capital support products—80 annually	109	Yes
		Number of customers receiving loans and profile of recipient (including risk rating). Reporting will also include average loan size, number of male and female customers, and customers by geographic remoteness		

**Table 17: Business Solutions, contractual agreement performance indicators for 2022–23**

No.	Measure description	Target and data	1 July to 30 June 2023	Achieved
D105.2	Total capital provided to financed businesses and organisations (customers) in the reporting period	Total value of finance provided to customers in per annum—\$9.180m	\$15.1M	Yes
		Value of loan received and by customer type and profile (including risk rating)		
		Reporting will also include, average value of support provided, number so male and female customers, and customers by geographic remoteness		
D106.01	Number of Individual businesses and organisations (customers) who receive IBA capability development or other support	Number of customers provided with business support—450 annually	483	Yes
		First six months—180		
		Second six months—270		
		Reporting will also measure number of regional and remote participants and aim for participation to be 30% of all supported businesses.		
		Number of customers provided with support and nature of service		
		Reporting will cover the number of customers in each of the stages (idea, potential, preparation, start-up)		
		Reporting will also include numbers of male and female customers, and customers by geographic remoteness		

**Table 17: Business Solutions, contractual agreement performance indicators for 2022–23**

No.	Measure description	Target and data	1 July to 30 June 2023	Achieved
D106.04	Number of third parties with whom a collaborative partnership has been formed	Enter and/or maintain at least six collaborative partnerships with third parties (including customers, Indigenous and non-Indigenous organisations and/or businesses, relevant networks services and business ecosystem partners, including in regional and remote Australia)	11	Yes
D106.03	**Business Survival rates of IBA loan recipients, meets or exceeds Australian survival rates for businesses with:	Survivability Target		
		0 to 4 employees 63%	88%	Yes
		5 to 19 employees 77.6%	89%	Yes
		20 to 199 employees 82.2%	100%	Yes
		***200+ employees 86.6%	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	2415	Yes
		Quarterly reporting will include female registered users of SWSB platform	879	Yes
P106.06	Participation in services	Over 50% of customers are defined as Early-Stage Customers or Pre-Bank Customers	89%	Yes
P106.08	****Quality of support	80% of supported customers are satisfied with the level of support received	90%	Yes

\*\*Australian average business survivability by employment category, as reported by the ABS over four years to 28 February 2023 (the most recent estimate).

\*\*\*IBA had no business customers with 200 or more employees over the reporting period.

\*\*\*\*Quality of support is measured by customer satisfaction, refer to Appendix C.

**Table 18: Business Solutions, Indigenous Business Relief Package  
performance measures as at 31 December 2022**

Performance measures	Since Inception to 31 December 2022
Total number of enquiries received to date from existing IBA customers	665
Total number of enquiries received to date from new IBA customers	1408
Total value of working capital support approved to date	\$33.4m
Average monetary value of working capital support provided	\$96.4k
	\$55.8k
Total number of services provided to customers	
External support	117
Loans only	0
Grants only	59
Loan and grant mix	312
Number of Indigenous jobs that have been supported to date	1459

**Table 19: Business Solutions, Indigenous Business Relief Package  
key performance indicators as at 31 December 2022**

Key performance indicators	Target	Results since inception to 31 December 2022
Number of Rapid Business Situation Assessments conducted to date	850	791
Average time taken from referral for rapid business situation assessment to delivery of Rapid Business Situation Assessment	7 days	23
Average time taken to assess and process applications for working capital support	10 days	11
Customer satisfaction	80%	90%
The % of customers that received Business Support of Working capital support, are still operating as at the project end date. (Meets or exceeds the Australian survival rates for businesses of a comparable size.)	1 to 4 employees	90%
	5 to 19 employees	100%
	20 to 199 employees	100%
	200+ employees	N/A

## Appendix E: Compliance index

PGPA Rule Reference	Description	Requirement	Part of the 2022–23 Annual Report
17BE(a)	Details of the legislation establishing the body	Mandatory	Pages 2 and 16
17BE(b)(i)	A summary of the objects and functions of the entity as set out in legislation	Mandatory	Page 16
17BE(b)(ii)	The purposes of the entity as included in the entity's corporate plan for the reporting period	Mandatory	Page 16
17BE(c)	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	Pages 16 and 102
17BE(d)	Directions given to the entity by the Minister under an Act or instrument during the reporting period	If applicable, mandatory	Page 102 Not applicable
17BE(e)	Any government policy order that applied in relation to the entity during the reporting period under section 22 of the Act	If applicable, mandatory	Page 102 Not applicable
17BE(f)	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	Page 102 Not applicable
17BE(g)	Annual performance statements in accordance with paragraph 39(1)(b) of the Act and section 16F of the rule	Mandatory	Page 77 and 80-81
17BE(h), 17BE(i)	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	Not applicable

PGPA Rule Reference	Description	Requirement	Part of the 2022–23 Annual Report
17BE(j)	Information on the accountable authority, or each member of the accountable authority, of the entity during the reporting period	Mandatory	Page 102-107
17BE(k)	Outline of the organisational structure of the entity (including any subsidiaries of the entity)	Mandatory	Page 113 and pages 170-172
17BE(ka)	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	Pages 176-177
17BE(l)	Outline of the location (whether or not in Australia) of major activities or facilities of the entity	Mandatory	Page 21
17BE(m)	Information relating to the main corporate governance practices used by the entity during the reporting period	Mandatory	Pages 102 and 108-110
17BE(n), 17BE(o)	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	Page 115 and 163
17BE(p)	Any significant activities and changes that affected the operation or structure of the entity during the reporting period	If applicable, mandatory	Page 114

PGPA Rule Reference	Description	Requirement	Part of the 2022–23 Annual Report
17BE(q)	Particulars of judicial decisions or decisions of administrative tribunals that may have a significant effect on the operations of the entity	If applicable, mandatory	Page 117
17BE(r)	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	Page 117
17BE(s)	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	Not applicable
17BE(t)	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	Page 112
17BE(taa)	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	Page 103-107
17BE(ta)	Information about executive remuneration	Mandatory	Page 111-112
17BF	This relates to Government Business Enterprises		Not applicable - IBA is not a Government Business Enterprise
17BF(1)(a)(i)	An assessment of significant changes in the entity's overall financial structure and financial conditions	If applicable, mandatory	Not applicable

PGPA Rule Reference	Description	Requirement	Part of the 2022–23 Annual Report
17BF(1)(a)(ii)	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	Pages 24, 30-32 and 122-126
17BF(1)(b)	Information on dividends paid or recommended	If applicable, mandatory	Not applicable
17BF(1)(c)	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	Not applicable
17BF(2)	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	Not applicable
na	Compliance index PGPA Rule 17BE(u)		Appendix E: Compliance index, pages 186-189
<b>Other relevant legislation</b>			
na	Any direction given by the Minister under ATSI Act section 151, Consultants engaged ATSI Act, sub-section 189(2)(b)		Pages 102 and 178
na	New Housing Fund financial statements ATSI Act, sub-section 189(3)		Pages 124 and 166-169
na	Work health and safety Work Health and Safety Act 2011, Schedule 2, Part 4		Page 67-68
na	Ecologically sustainable development and environmental performance Environment Protection and Biodiversity Conservation Act 1999, section 516A		Page 97-99
na	Information Publication Scheme statement Freedom of Information Act 1982, Part II		External scrutiny, page 103



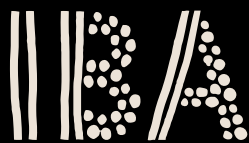
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