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# INDIGENOUS BUSINESS AUSTRALIA

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MODERN SLAVERY STATEMENT 2020-21

A night sky filled with stars, with a silhouette of a forest at the bottom.

## ACKNOWLEDGMENT

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

**INDIGENOUS BUSINESS AUSTRALIA:**

OUR VISION IS FOR A NATION IN WHICH ABORIGINAL AND TORRES STRAIT ISLANDER PEOPLE ARE ECONOMICALLY INDEPENDENT AND AN INTEGRAL PART OF THE ECONOMY.



# STATEMENT FROM THE BOARD CHAIR

Indigenous Business Australia (IBA) achieves its purpose and vision by providing financial products and services that support our customers. In 2020, IBA celebrated 30 years<sup>1</sup> of walking alongside Aboriginal and Torres Strait Islander individuals, families, businesses and communities as they strive for their dream to:

- enter home ownership
- start, acquire or grow a business, or
- create wealth through investments.

We begin with recognition and respect for this country's First Nations people and their 80,000+ years of connection to land, sea and culture. We acknowledge that during the past 200+ years of colonisation Aboriginal and Torres Strait Islander people have been subject to government policies creating slave-like and oppressive conditions, including the forceable removal from their land and homes, forced labour practices, wage theft and restriction of movement.

These historical practices still impact on the lives of Indigenous Australians today and are evidenced by vast gaps in economic prosperity and inter-generational wealth compared with non-Indigenous Australians. IBA exists to address these economic gaps.

Like past practices inflicted upon Aboriginal and Torres Strait Islander people, modern slavery activities fail to recognise the dignity and humanity inherent in every person, cause severe harm and trauma, and create enduring and far-reaching detrimental impacts to people and our society.

IBA maintains a zero-tolerance approach to modern slavery activity. We acknowledge that this does not necessarily mean our operations and supply chains are entirely free of modern slavery risks, but where activities or risks are identified we will take appropriate action to mitigate or remediate the issue.

We submit our Modern Slavery Statement for the reporting period 1 July 2020 to 30 June 2021, which has been approved by the Board of IBA.



A handwritten signature in black ink, appearing to read 'Eddie Fry', written in a cursive style.

**Eddie Fry**  
Chair  
Indigenous Business Australia

1. Established in 1990 as the Aboriginal and Torres Strait Islander Commercial Development Corporation. In 2005 our name was changed to Indigenous Business Australia and our scope, products, and services significantly expanded.

# IBA STRUCTURE

Indigenous Business Australia (IBA) is a corporate Commonwealth entity established by the Aboriginal and Torres Strait Islander Act 2005 (Cth) (ATSI Act).

Our purpose under Section 146 of the ATSI Act is:

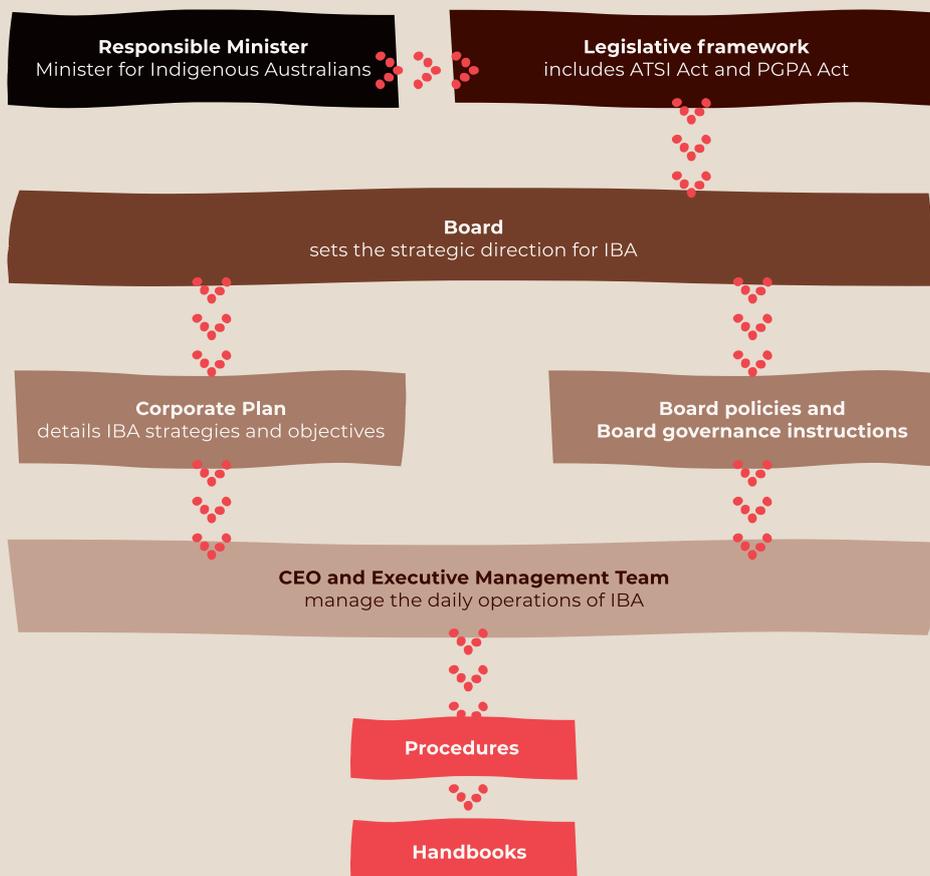
- to assist and enhance Aboriginal and Torres Strait Islander self-management and economic self-sufficiency; and
- to advance the commercial and economic interests of Aboriginal persons and Torres Strait Islanders by accumulating and using a substantial capital asset for the benefit of Aboriginal and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

Our vision is to help build a nation where Aboriginal and Torres Strait Islander people are economically independent and an integral part of the economy.

IBA is governed by a Board of Directors and is accountable to the Minister for Indigenous Australians. Our governance structure is designed to ensure that we achieve our objectives in a transparent, accountable and efficient way.

IBA also has 42 subsidiary entities, with approximately half being operational and undertaking activities related to our Investment and Asset Management program. A list of these subsidiaries can be found in our 2020-21 IBA Annual Report (page 126). None of IBA's subsidiaries are reporting entities under the Modern Slavery Act 2018 (Cth) and each subsidiary maintains its own governance structures and operations, independent from IBA.

**Figure 1: IBA governance structure**



# IBA OPERATIONS

IBA has 14 offices across mainland Australia. In 2020-21 we employed 205 staff across the country. A further 1,246 people are employed across our subsidiary entities.

To deliver our purpose and vision, we operate three programs:

**1. Home Ownership** – providing concessional home loan opportunities and further support to assist our customers who cannot access home loans from mainstream lenders.

**2. Business Solutions** – providing business finance, business support services and business development programs to assist our customers start or grow a business or increase their business management and entrepreneurial capabilities; and

**3. Investments and Asset Management** – undertaking direct investments with Indigenous organisations in sustainable ventures, funds management and specialised investments that provide opportunities for Indigenous organisations to grow wealth and deliver economic, social and cultural impacts in their communities.

In addition to our lending and investment programs, IBA operations include a suite of corporate services including legal, risk, finance, human resources, information technology, communications and strategy and policy teams.

Our subsidiaries control and manage seven enterprises of which six are joint venture enterprises with Indigenous organisations, operating in tourism and accommodation services, retail, and renewable and industrial sectors.

IBA and its subsidiaries have minority shareholdings in a further two joint ventures in tourism and accommodation.

IBA subsidiaries also own three commercial properties as investments and manage three investment portfolios, the Indigenous Real Estate Investment Trust (I-REIT) and two Indigenous Prosperity Funds (IPF).

**Figure 2: IBA program operations**



# IBA SUPPLY CHAINS

As a financial services provider, our direct supply chain consists primarily of professional services. We procure:

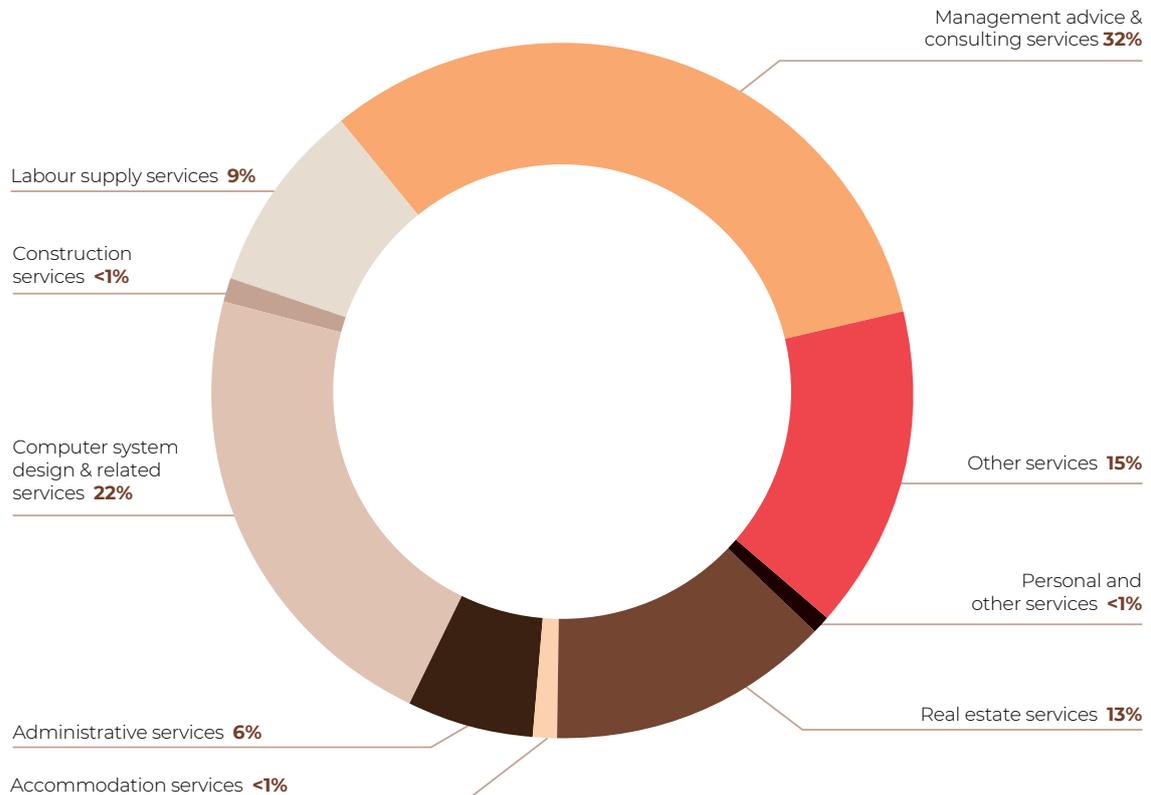
- Professional services: including legal, accounting, auditing, marketing, valuations, and management and consultancy services, both for IBA and to support customers through our Business Solutions Program.
- IT and Computer Services and Supplies.
- Travel.
- Construction services: including IBA office fit outs and maintenance, and to maintain and repair other residential and commercial properties within IBA's possession.
- Recruitment services and training.
- Office supplies and facilities management: including catering, freight and postage, records management, stationery and consumables.

Most tier 1 suppliers were Australian businesses. 4 suppliers are based overseas, in the UK, USA, Singapore and India.

## Key supply chain statistics



Figure 3: IBA supplier categories as a percentage of total \$ spent\*



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# IBA SUBSIDIARY SUPPLY CHAINS

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IBA's subsidiary supply chains vary depending on the nature of the subsidiary's operations. IBA joint ventures are located across Australia in three sectors: Retail, Tourism and Accommodation, and Renewables and Industrial.

**Retail** – suppliers include the provision of food products and groceries, fuel, transport, management and professional services, administration, utilities and communications.

**Tourism and Accommodation** – suppliers include cleaning services, food and beverage suppliers, hotel supplies, event management, tour operators and services, fuel, transport, utilities, communications, management and consultancy services.

**Renewables and Industrial** – suppliers include asset management services, operational and management services, consultancy services and services relating to replacement parts, transport and fuel

**Investment Funds** – suppliers to the investment funds provide administrator, director, fund management and registry services, property management, insurance, maintenance and repairs.

The vast majority of IBA subsidiary tier 1 suppliers were Australian businesses.



# IDENTIFYING, ASSESSING & ADDRESSING OUR MODERN SLAVERY RISKS

In 2020-21, IBA's cross-functional working group, including members from the Strategy and Innovation, Legal, Risk and Procurement teams, continued to develop processes underpinning our Modern Slavery Risk Management Framework.

We assessed our operations and suppliers against the following key modern slavery risk factors:

-  **products and services**
-  **sectors and industries**
-  **geographic risks**
-  **entities known for modern slavery activities**
-  **other indicators** (such as industries with vulnerable workers, seasonal workers, base or entry-level workers, etc.)

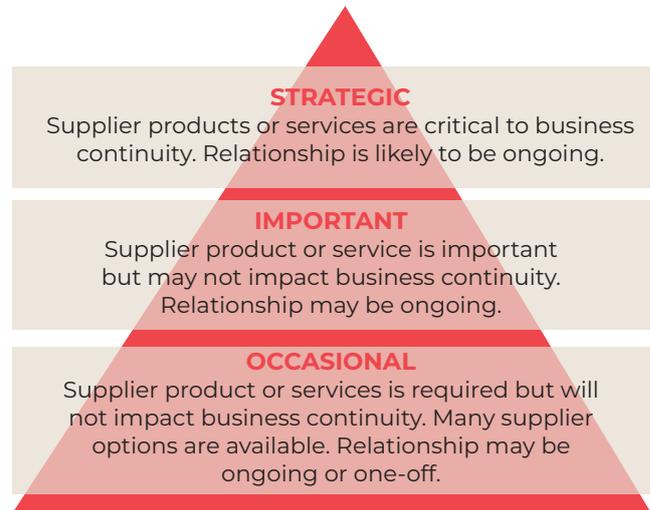
## RISKS IN OPERATIONS

IBA operations predominantly focused on the provision of financial products and support services which were assessed as having a low risk of modern slavery activity. IBA's existing governance structure, risk management practices, support of the United Nations sustainable development goals and employment conditions and employee code of conduct all contribute to an environment and work practices which support and uphold respect for individual human rights.

## RISKS IN SUPPLY CHAINS

We assigned categories to suppliers depending on the nature and extent of our business relationship and the products and services provided and conducted a risk assessment of our supplier list.

**Figure 4: Supplier categories**



We developed a risk rating assessment process based on the modern slavery risk factors outlined above. In assigning risk ratings, we also adopted the approach of the United Nations Guiding Principles on Business and Human Rights, which sets out that modern slavery risk does not necessarily correlate to the value of expenditure with any individual supplier.

Suppliers we found to have a potential for high modern slavery risks were in information technology supplies and services, facilities management, and construction, cleaning and catering services.

In 2020-21 we undertook the following activities and milestones to address modern slavery risks:

- developed risk assessment methods and tools
- strengthened supplier and invoice data collection
- developed incident reporting and supplier relationship management processes
- engaged with key subsidiaries to gain insights to their governance and risk assessment practices.

Over the next two financial years our working group will continue to implement the following roadmap initiatives:

- commence a modern slavery risk register and further embed modern slavery risk reporting in current risk management processes
- roll out staff awareness modules and tailored procurement staff training
- engage directly with all 'strategic' suppliers assessed as potentially high-risk to assess their risk mitigation approach and activities.

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# ASSESSING THE EFFECTIVENESS OF OUR ACTIONS

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As IBA establishes and embeds modern slavery risk management and mitigation in operations and supply chains, we will also adopt evaluation practices to ensure processes are effective, and that a focus remains on continuous improvement.

Evaluation and review activities to determine effectiveness of action may include:

- senior management review of activities
- reviewing and updating risk assessment processes
- regular engagement with business units
- regular engagement with contracted suppliers, including to check how suppliers may be progressing with their own action items
- regular engagement with IBA subsidiaries
- reviewing incident reporting and grievance processes; and
- partnering or consultation with similar organisations to establish and develop best practices.

We expect to develop these evaluation activities further in 2021-22.

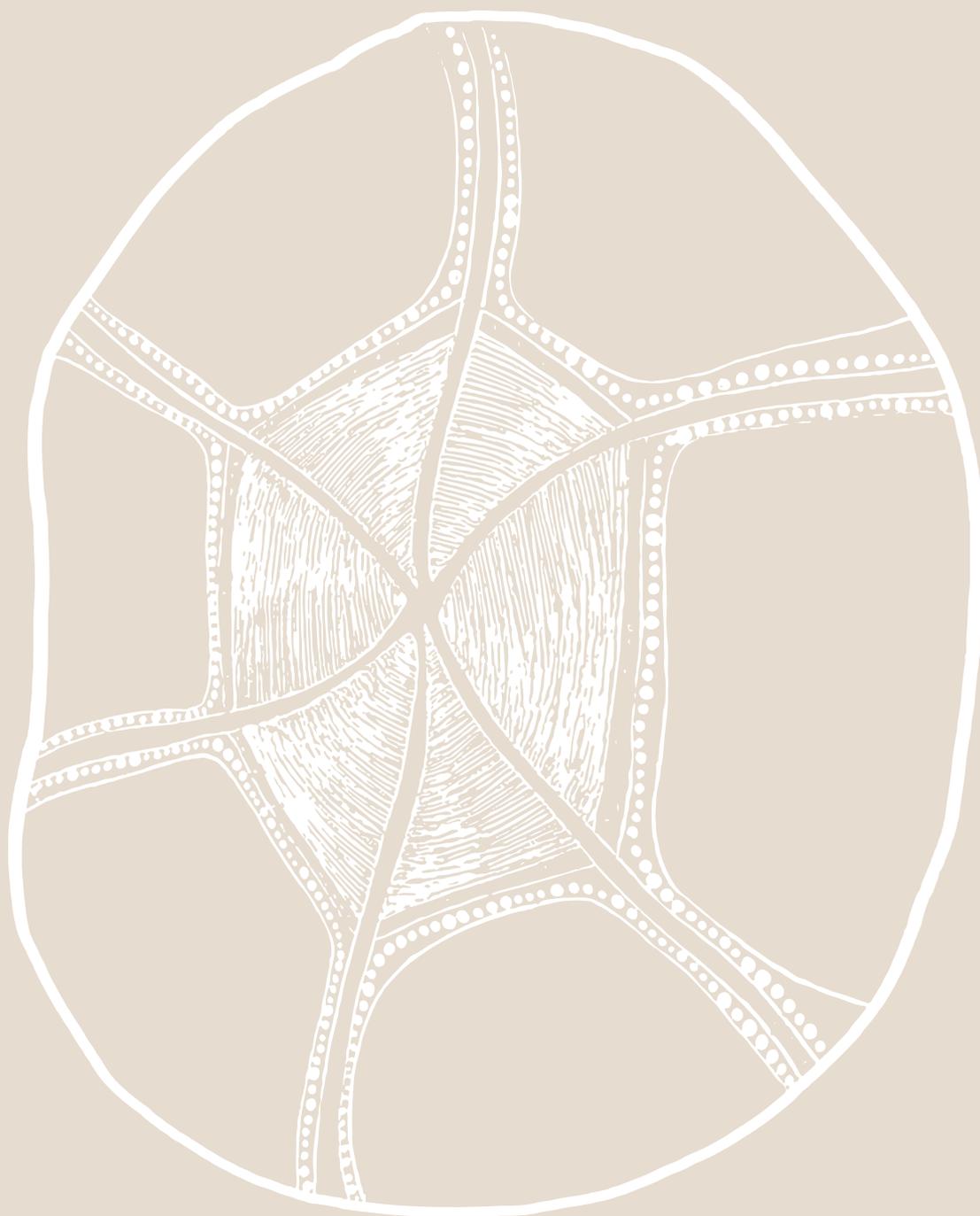
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# CONSULTATION WITH OUR SUBSIDIARIES

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In 2020-21, we engaged with subsidiaries by sharing information about our compliance with the Modern Slavery Act 2018 (Cth). We also provided information regarding modern slavery risk management to raise awareness and outline our expectations for subsidiary governance and compliance.

In future reporting years, IBA will conduct surveys with selected subsidiaries to further understand their potential modern slavery risks and mitigation approaches.



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

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