

INDIGENOUS BUSINESS AUSTRALIA

MODERN SLAVERY STATEMENT 2022-23

This statement was revised on 29 February 2024, with the narrative on pages 6 and 7 updated with 2022-23 information. The revised statement was approved by the IBA Board on 29 February 2024.

The background of the page is an aerial photograph of ocean waves, showing white foam and deep blue-green water. A large, semi-transparent teal circle is centered on the page, containing the text. The text is in a clean, sans-serif font.

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) plays a critical role in enabling Aboriginal and Torres Strait Islander peoples to achieve economic self-determination.

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

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

Our products and services help customers achieve their dreams of owning a home (in many cases, a family first); starting or growing a business; and investing and growing wealth via investments and asset management.

Aboriginal and Torres Strait Islander people have had a history of economic success since time immemorial. There is evidence that First Nations people operated complex economic systems, regulated by cultural and political institutions, and farmed their land, lived in villages, built houses, harvested cereals and built complex aquaculture systems, including possibly the earliest stone structures in human history.

However, we must also acknowledge the 200+ years of displacement and systemic exclusion that Aboriginal and Torres Strait Islander people have endured. We acknowledge the many Aboriginal and Torres Strait Islander peoples who were forced into employment and either underpaid or not paid at all, as recent as the 1970s. These historical injustices have had a compounding impact on our customers and it is the responsibility of organisations like IBA to address the vast gaps between economic prosperity and inter-generational wealth of non-Indigenous and Indigenous Australia.

As we present our fourth Modern Slavery Statement, we continue our zero-tolerance approach to modern slavery. Noting that whilst we cannot guarantee that our supply chains are completely free of modern slavery risks, we are committed to creating an organisational culture where modern slavery risk mitigation is critical and embedded in our processes and where activities or risks are identified promptly and remediated.

We are pleased to submit our Modern Slavery Statement for the reporting period 1 July 2022 to 30 June 2023, 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

MODERN SLAVERY IN AUSTRALIA

Whilst it is commonly thought that slavery was abolished in Australia over a century ago, there is history of enslavement of Aboriginal and Torres Strait Islander peoples, as recent as the 1970s. IBA acknowledges the many Aboriginal and Torres Strait Islander peoples were placed into forced labour and either underpaid or not paid at all. Some State and Territory based governments have attempted to address this historical injustice and have established Stolen Wages reparations schemes.

ABOUT IBA

Indigenous Business Australia (IBA) was established by the *Aboriginal and Torres Strait Islander Act 2005* (ATSI Act). The ATSI Act sets out the purposes, functions, and powers of IBA. IBA is a Corporate Commonwealth Entity and its Board is the accountable authority under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

Our purposes under Section 146 of the ATSI Act is:

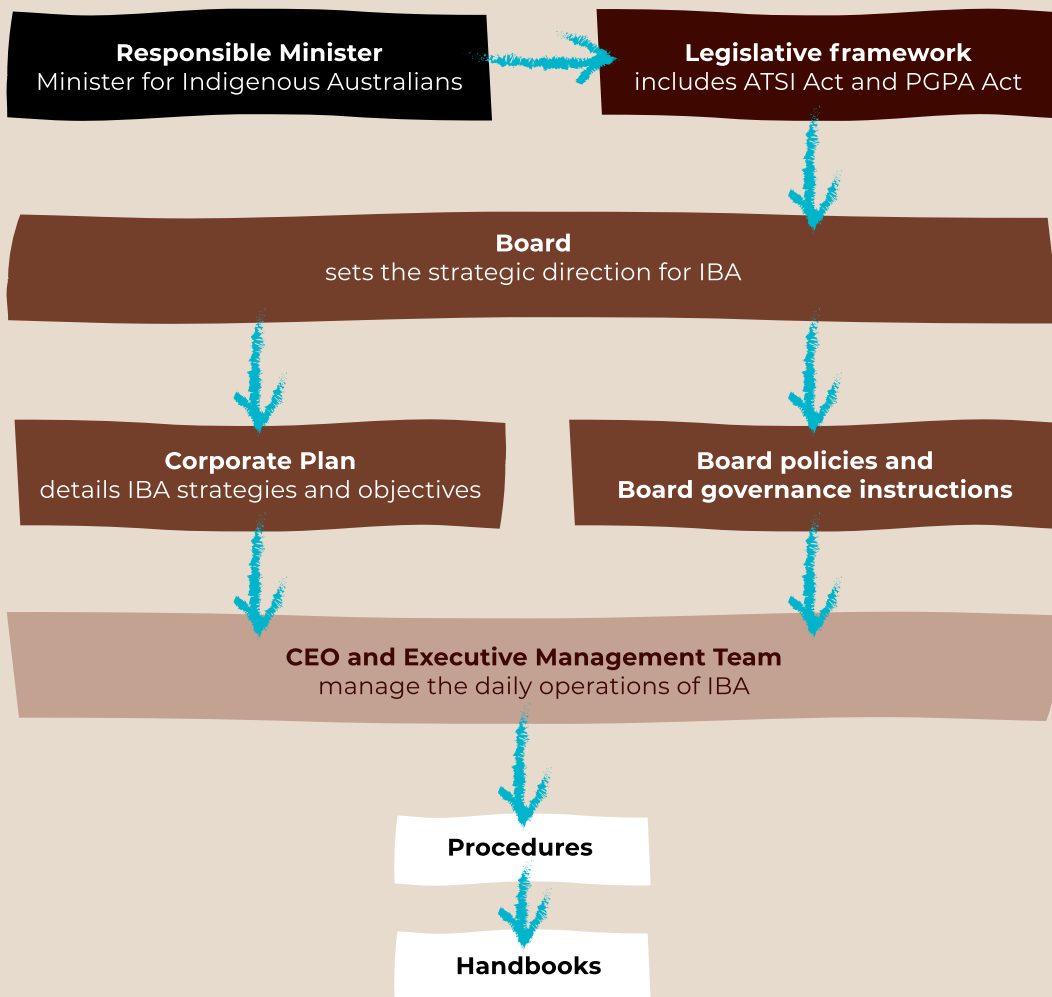
- to assist and enhance Aboriginal and Torres Strait Islander self-management and economic self-sufficiency; and
- to advance the commercial and economic interests of Aboriginal persons and Torres Strait Islanders by accumulating and using a substantial capital asset for the benefit of Aboriginal and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

Our vision is for 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.

During 2022-23, IBA also had 34 subsidiary entities, with approximately a quarter being operational and undertaking activities related to our Investment and Asset Management program. A list of these subsidiaries can be found in Note 15 in our 2022-23 IBA Annual Report, which specifies the percentage share held by IBA. Not all IBA's subsidiaries are reporting entities under the *Modern Slavery Act 2018* (Cth). Each subsidiary maintains its own governance structures and operations, independent from IBA.

Figure 1: IBA governance framework



IBA OPERATIONS

IBA has 13 offices across mainland Australia (see Annexure A). In 2022-23 we employed 215 staff across Australia, with 59 being Aboriginal and/or Torres Strait Islander. A further 651 people were employed across our subsidiary entities that are joint ventures, with 143 being Aboriginal and/or Torres Strait Islander.

To deliver our legislative 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.
- 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 manage seven enterprises of which five are joint venture enterprises with Indigenous organisations, operating in tourism and accommodation services, retail, and the renewables sector.

IBA and its subsidiaries have minority shareholdings in two other joint ventures in accommodation and horticulture.

IBA subsidiaries and its partners also own two commercial properties as investments, and IBA manages 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 an organisation that provides financial services and supports to Aboriginal and Torres Strait Islander entrepreneurs, families and entities, our direct supply chain consists primarily of professional services. We procure:

- IT and tech-based or digital platforms, services, and supplies
- 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
- labour supply and recruitment services
- real estate services
- travel and accommodation
- office supplies and facilities management including catering, freight and postage, records management, stationery, and consumables.

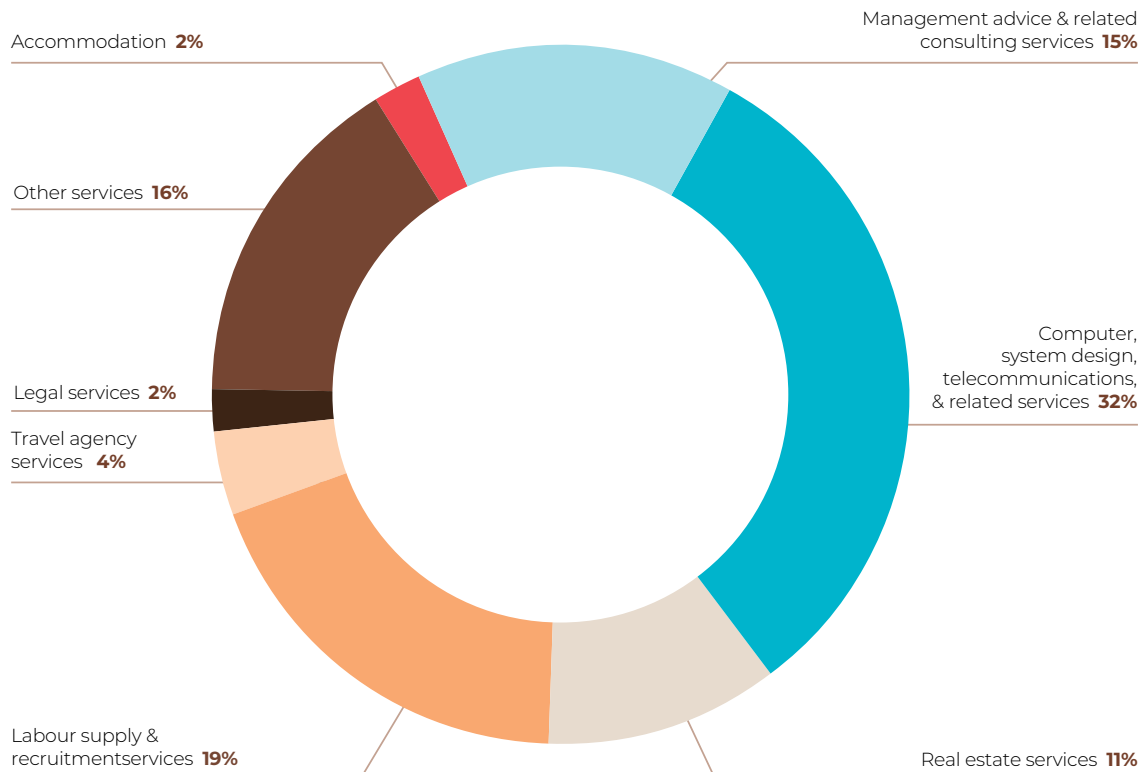
In 2022-23 of the 560 suppliers procured, most tier 1 suppliers were Australian businesses, with 6 suppliers based overseas, specifically in the UK, USA, New Zealand, and Europe.

Throughout 2022-23, we procured \$37.75 million, with \$5.47 million of goods and services from Aboriginal and Torres Strait Islander suppliers.

Key supply chain statistics



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



IBA SUBSIDIARY SUPPLY CHAINS

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

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, and management and consultancy services.

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

The vast majority of IBA subsidiary tier 1 suppliers in 2022-23 were Australian businesses.



IDENTIFYING, ASSESSING & ADDRESSING OUR MODERN SLAVERY RISKS

IBA continued to embed modern slavery mitigation through IBA's Modern Slavery Risk Management Framework.

In line with previous years, we assessed our operations and suppliers against the following key modern slavery risk factors



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, 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

IBA's suppliers are categorised depending on the nature and extent of our business relationship and the products and services provided.

Figure 4: Supplier categories



Our risk rating assessment process is based on the modern slavery risk factors and the categories 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, cleaning, and catering services.

SUMMARY OF POTENTIAL RISKS

A summary of the potential modern slavery risks in the supply chains of IBA and IBA subsidiaries is shown below.

AREA	POTENTIAL MODERN SLAVERY RISKS
Purchase of goods <ul style="list-style-type: none">• Computers, IT equipment, and electronic goods• Linen, clothing, and uniform supplies• Hotel supplies• Food supplies, seafood, frozen goods, and fresh produce• Fuel	Overseas manufacturing in low-cost countries. Potential for non-ethical sourcing. Potential child labour at the originating location. Potential non-compliance with local labour laws.
Purchase of services <ul style="list-style-type: none">• Labour contracting• Information technology services• Consultants• Travel and accommodation providers• Cleaning and housekeeping	Recruitment practices, worker conditions, potential for underpayment or excessive work hours. Potential exploitation of workers: <ul style="list-style-type: none">• temporary, casual, and part-time workers• low skilled workers• migrant workers• overseas student workers. Potential forced, bonded, or undeclared labour. Potential non-compliance with local labour laws where supply is sourced outside of Australia.
Operations and internal workforce practices <ul style="list-style-type: none">• Office-based staff• Retail sector• Tourism and accommodation sector	Recruitment practices, worker conditions, potential for underpayment or excessive work hours. Potential exploitation of workers. Potential workplace harassment and bullying.

ACTIONS TO ADDRESS RISKS

In 2022-23 we undertook the following activities and milestones to address modern slavery risks:

- Reviewed and updated IBA's risk management policy and framework
- Embedded modern slavery mitigation in IBA's procurement procedure
- Launched our internal training to educate and empower IBA employees to identify, assess and address modern slavery risks, with 100% of IBA staff having completed the training as at 30 June 2023
- Continued liaising with our subsidiaries to increase their awareness and to self-assess modern slavery risks
- Maintained strong policies and processes related to modern slavery risk including recruitment, employment, workplace health and safety (WHS), procurement, and whistleblowing.

Over the next two financial years (FY23-24 and FY24-25) IBA will continue to implement the following initiatives:

- Undertake an internal audit and gap analysis of IBA's modern slavery mitigation activities
- Continue to review and update risk register and record incidents and any remedial action
- Issue the annual Statement of Expectations to subsidiaries reminding them of their responsibilities in relation to modern slavery risks
- Issue modern slavery questionnaires to new suppliers over \$400,000 or new suppliers in high-risk industry or geographical areas
- Review any high-risk results from supplier and subsidiary questionnaire responses and discuss remedial actions with them
- Require IBA staff to complete the modern slavery risk training module annually, and review the module, if necessary
- Develop and commence delivery of a new Environmental, Social and Governance (ESG) strategy and framework, which will include consideration of modern slavery risks and other human rights matters.



ASSESSING THE EFFECTIVENESS OF OUR ACTIONS

As IBA enters the next period of modern slavery reporting, we will continue to include modern slavery risk management and mitigation in our operations and supply chains.

We will undertake an internal audit and gap analysis of IBA's modern slavery mitigation activities in 2023-24 and implement the recommendations thereafter.

Further evaluation and review activities to determine effectiveness of action may include:

- senior management review of activities including regular updates to the IBA Board and the Audit, Risk and Performance Committee
- reviewing and updating risk assessment processes
- engagement with business units
- engagement with suppliers, including to check how suppliers may be progressing with their own action items
- engagement with IBA subsidiaries, including to check how subsidiaries may be progressing with their own action items
- reviewing incident reporting and grievance processes.

CONSULTATION WITH OUR SUBSIDIARIES

We continue to consult and highlight the need to minimise modern slavery risks in the operations and supply chains of our subsidiaries.

OUR LOCATIONS

IBA staff work at the following locations across Australia.
*Co-located offices are marked with an asterisk.

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

AUSTRALIAN CAPITAL TERRITORY

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

VICTORIA

Melbourne
Wurundjeri Country
Level 10, 460 Bourke Street
Melbourne VIC 3000

WESTERN AUSTRALIA

Broome*
Yawuru Country
1 Short Street
Broome WA 6725

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



Larrakia Country

Yawuru Country

Arrente Country

Gimuy Walubara Yidinji Country

Bindal & Wulgurukaba Country

Turrbal & Yuggera Country

Whadjuk Nyoongar Country

Kurna Country

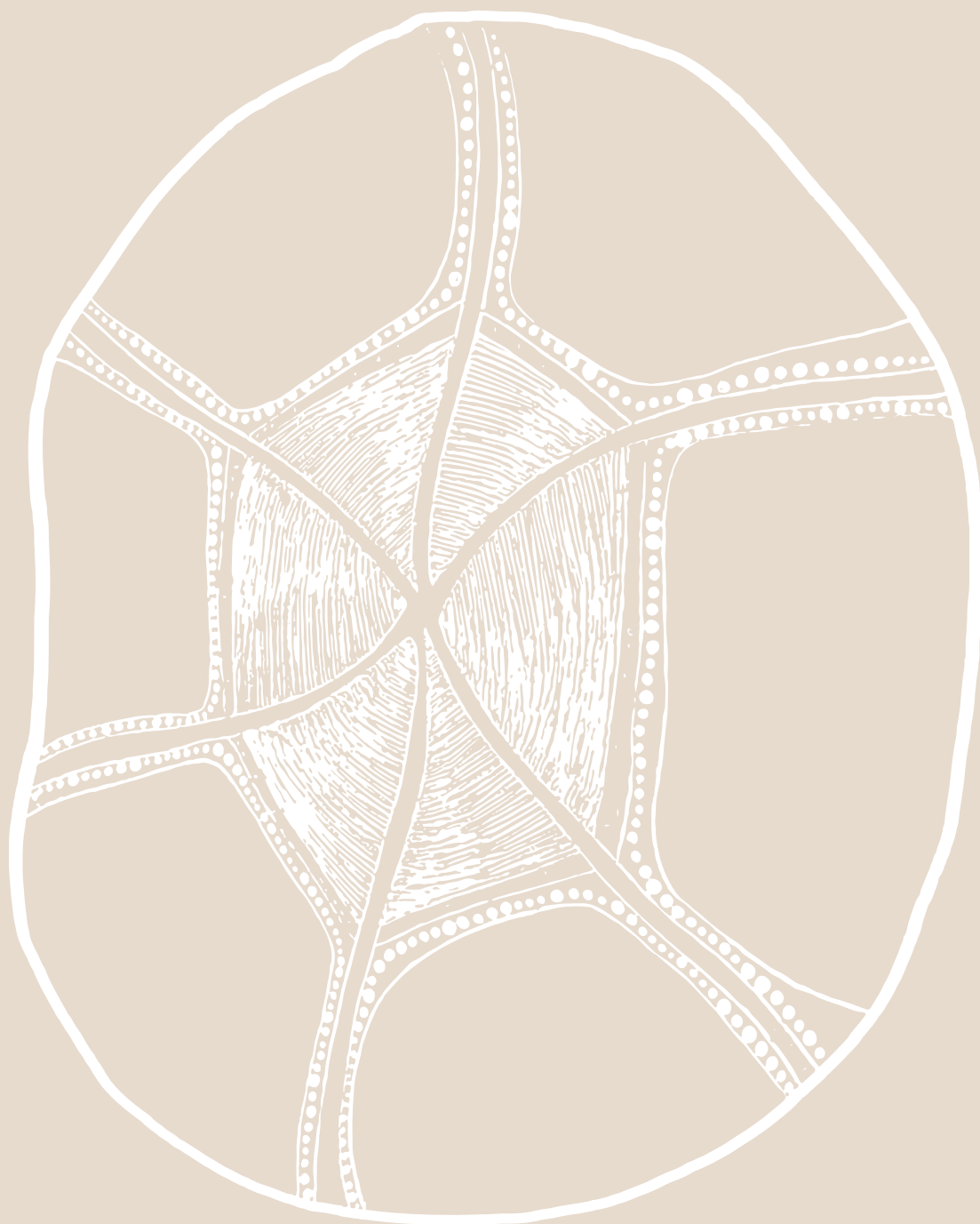
Wiradjuri Country

Kamilaroi Country

Gadigal Country

Ngunnawal & Ngambri Country

Wurundjeri Country



Australian Government
Indigenous Business Australia

1800 107 107

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