

The Senate

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Community Affairs  
Legislation Committee

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Administration of Indigenous Business Australia  
in relation to certain evidence given to the  
Senate Community Affairs Committee

August 2012

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## 43<sup>rd</sup> Parliament

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# **Report on Administration of Indigenous Business Australia in relation to certain evidence given to the Senate Community Affairs Committee**

## **Background to inquiry**

1.1 Indigenous Business Australia (IBA) is a statutory authority established under the *Aboriginal and Torres Strait Islander Act 2005*. Its purposes, set out in section 146 of that Act are:

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

1.2 On 17 February 2012, the Senate Community Affairs Legislation Committee held a 2011-2012 Budget Additional Estimates hearing, during which it took evidence from IBA. A number of questions were taken on notice by IBA, and written answers were subsequently provided. There were many areas of questioning, but two are relevant to this report. During the hearing Senator Scullion asked questions regarding:

- A conference for IBA employees at the Gold Coast in October–November 2011, in particular matters relating to the choice of venue and what activities were paid for by IBA; and
- The process of consideration and approval by IBA of funding for Tjapukai Aboriginal Cultural Park in Cairns.

1.3 During the hearing Senator Scullion asked some questions regarding meetings and conferences, including whether the CEO of IBA, Mr Fry, was aware of any attendees at the IBA conference attending Movie World Theme Park. Mr Fry indicated that he was not aware of that activity but would take Senator Scullion's questions on notice.

1.4 There were also questions regarding the Tjapukai Aboriginal Cultural Park. Several questions were taken on notice, regarding IBA's process for approving investment in Tjapukai and advice sought by IBA during that process.<sup>1</sup>

1.5 On 5 April 2012, the Clerk of the Senate received anonymous correspondence stating it was from one or more employees of IBA. The correspondence alleged that Mr Fry had misled the committee by indicating that he had no knowledge that participants in the conference had attended Movie World. It also questioned whether IBA had supplied appropriate information to the committee regarding IBA's approval

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1 Community Affairs Legislation Committee, *Committee Hansard*, 17 February 2012, pp. 57–58.

of expenditure for redevelopment and operations of Tjapukai Cultural Centre. The correspondence containing the allegations is at Appendix 1.

1.6 On 18 April 2012, the Clerk forwarded the correspondence to the Chair of the Community Affairs Legislation Committee. In her covering letter the Clerk noted:

The letter alleges that an officer of the IBA, Mr Fry, has knowingly given misleading evidence to the committee in relation to the alleged attendance of IBA staff at Movie World on the Gold Coast at taxpayers' expense.

The committee would be aware that knowingly giving false or misleading evidence to a committee or the Senate may be treated by the Senate as a contempt.

1.7 The committee does not normally entertain allegations made anonymously. However, in view of the nature of these particular allegations and the committee's interest in preserving the integrity of Senate committee processes, it resolved to investigate this matter further. At a private meeting on 24 April 2012, the committee determined to conduct an inquiry under Standing Order 25(2)(a), into the administration of IBA in relation to the allegations included in the correspondence. The committee's inquiry was confined to the question of whether the committee had been misled. It was not intended as an inquiry into the substantive matters, which the committee was satisfied were satisfactorily able to be pursued through the estimates process.

### **Evidence from IBA**

1.8 On 24 April 2012, the committee provided a copy of the anonymous correspondence to IBA and invited the statutory authority to appear before the committee at a public hearing on 11 May to discuss the allegations that had been made.

1.9 On 2 May 2012, IBA's CEO, Mr Chris Fry, wrote to the committee, responding to its correspondence. This letter informed the committee that the substance of the same allegations had already been communicated to government. In response the government had commissioned an independent consultant, Deloitte, Touche Tohmatsu, to conduct an investigation in response to the allegations.<sup>2</sup> On 2 May, the Minister for Families, Community Services and Indigenous Affairs, the Hon Jenny Macklin, released that consultant's report. A copy is included at Appendix 2.

1.10 Mr Fry's letter stated that:

The investigators found no evidence to support [the] allegations or breaches of the *Commonwealth Authorities and Companies Act 2007* [the CAC Act] by either myself or the Chair of IBA...the Deloitte report comprehensively disproves the allegation that I knowingly gave misleading evidence to the

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2 Deloitte Touche Tohmatsu, *Department of Families, Housing, Community Services and Indigenous Affairs: Independent investigation into anonymous allegations – Final Report*, 13 April 2012 (hereafter 'Deloitte Touche Tohmatsu report'), [http://www.jennymacklin.fahcsia.gov.au/mediareleases/2012/Documents/iba\\_report\\_2012.pdf](http://www.jennymacklin.fahcsia.gov.au/mediareleases/2012/Documents/iba_report_2012.pdf) (accessed 7 June 2012)



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Community Affairs Legislative [sic] Committee in relation to the attendance of IBA staff at Movie World on the Gold Coast.

1.11 The committee notes from the consultant's report that the allegations were sent to the government on 13 March 2012,<sup>3</sup> about a month before they were sent to the committee, and about a month after the February estimates hearings.

1.12 On 11 May 2012, the committee held a public hearing in Parliament House, to explore further the issues with Mr Fry and other representatives of IBA. The transcript is included at Appendix 3. Mr Fry made an opening statement during which he corrected or clarified two answers given by him during the February 2012 estimates hearing:

I talked about two elements, the first one being that approximately 12 people attended the Gold Coast conference that was being questioned at the time, whereas Deloitte's list 20 people who actually attended. I can confirm my answer, to the best of my knowledge at the time, recalling the layout of a large room to which I was presenting. Also at that time, our legal people were having a side meeting for some of the time of the conference. Secondly, I said that the conference was held over two days, whereas the agenda, subsequently I have been able to determine, states it was over two full conference days, and the third day consisted of a summary and a team-building exercise. I was not present on the third day at all.

Also, with regard to the subsequent question on notice 321: IBA answered this question as presented but, on further reflection on Senator Scullion's question as recorded in Hansard and from my reading of that again in recent days, the question may have been in relation to the costs associated directly with the conference on the Gold Coast. If so, then these answers are captured in the independent Deloitte's report, or I can provide that data separately.<sup>4</sup>

1.13 Mr Fry then made a number of comments about the process that had been undertaken to address the allegations:

I can advise the committee that IBA, for longer than 12 months, has had an independent and confidential whistleblower hotline. Not one person has raised any of the allegations through this independent hotline over this time. Following the first allegation letter, all staff received an email from our chief operating officer, Mr Bator, inviting them to list any concerns either with the independent whistleblower hotline or by speaking directly to the Deloitte's investigating team. Names and contact details for that investigating team were provided to staff. Our chief operating officer also spoke to almost all staff advising them of the same.

Over a three-week investigation by the Deloitte's audit team, neither any of our staff nor other parties spoke to either the whistleblower hotline or the Deloitte's team. This evidence clearly demonstrates that the writer of the anonymous letter does not have the majority of staff support as claimed,

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3 Deloitte Touche Tohmatsu report, p. 5.

4 Mr Fry, CEO, IBA, *Proof Committee Hansard*, 11 May 2012, p. 1.

and also lacks the courage of their convictions to discuss their concerns or provide any evidence.

In addition to the key allegations found to have no substance by Deloitte, I can also confirm that, contrary to what is in the allegation letters, there has been no witch-hunt to find the author of these letters. Not one person has been interviewed, and there have been no investigations of staff emails and phone records.<sup>5</sup>

1.14 Later in the hearing Mr Fry also clarified that the answer he had given at the hearing on 17 February regarding the Gold Coast conference activities was based on his knowledge of activities during the time he was present at the event:

Senator SCULLION: That was on day 3 of the agenda...Is that reasonable that we take that opportunity to correct that evidence, Mr Fry?

Mr Fry: With the hindsight of understanding the manner in which you ask your question, if you were referring at the time that there was an agenda item which included teambuilding, I now acknowledge that is on the record. I believe I was answering the question within the frame of reference of the time that I was there.<sup>6</sup>

1.15 During the hearing, IBA's representatives took several questions on notice, providing answers on 31 May 2012. These are included in this report at Appendix 4.

1.16 Towards the conclusion of the hearing, there was a discussion about whether one document – the minutes of an IBA meeting reported by the consultant's report to be missing – might be available.<sup>7</sup> Subsequent to receiving the written answers on 31 May 2012, the committee sought IBA's advice on whether this document had in fact been missing.

1.17 IBA was also asked by the committee to provide advice in relation to what documents had been available in the development of the independent report, following discussion about whether a particular set of IBA Board minutes had been available.

1.18 IBA provided this advice in a letter to the committee on 19 June 2012, included in this report at Appendix 5.

1.19 A timeline summarising events discussed in this report is set out below.

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5 Mr Fry, CEO, IBA, *Proof Committee Hansard*, 11 May 2012, p. 2.

6 Mr Fry, CEO, IBA, *Proof Committee Hansard*, 11 May 2012, p. 8.

7 Ms Kirsty Gowans, General Counsel, IBA, *Proof Committee Hansard*, 11 May 2012, p. 10; IBA, Answer to Question on Notice #3, received 31 May 2012.

Date	Event (shaded red – committee process; blue – government process; unshaded – IBA internal process)
17 February 2012	IBA witnesses give evidence during Community Affairs Legislation Committee (the committee) Additional Estimates hearings.
17 February 2012	Mr Fry becomes aware that IBA staff had attended Movie World on 3 November 2011. <sup>8</sup>
19 February 2012	Mr Fry sends email to senior staff summarising his discussion with Chair Dawn Casey about the estimates hearing, including issues regarding Tjapukai, and the Movie World visit. <sup>9</sup>
21 February 2012	Mr Fry receives written briefing on the Movie World visit. <sup>10</sup>
13 March 2012	Government receives anonymous allegations made against IBA. <sup>11</sup>
20 March 2012	FaHCSIA engage consultant Deloitte Touche Tohmatsu to conduct an investigation of the allegations. <sup>12</sup>
30 March 2012	IBA provides an answer to an estimates question taken on notice, regarding IBA conferences, workshops and seminars. <sup>13</sup>
5 April 2012	Clerk of the Senate receives anonymous allegations made against IBA.
11 April 2012	IBA provides answers to estimates questions taken on notice, regarding Tjapukai Aboriginal Cultural Park. <sup>14</sup>
13 April 2012	Deloitte Touche Tohmatsu provides to government their report on the allegations. <sup>15</sup>
18 April 2012	Clerk of the Senate forwards allegations made against IBA to the Chair of the Community Affairs Legislation Committee. <sup>16</sup>
24 April 2012	The committee determines to conduct an inquiry into the allegations, in particular whether the committee had been misled. It writes to Mr Fry, providing a copy of the allegations, inviting a response and advising him of a hearing to be held on 11 May 2012 to consider the matter.

8 Deloitte Touche Tohmatsu report, p. 26.

9 Deloitte Touche Tohmatsu report, Appendix F.

10 Deloitte Touche Tohmatsu report p. 26 and Appendix G.

11 Deloitte Touche Tohmatsu report, p. 5.

12 Deloitte Touche Tohmatsu report, p. 1.

13 2011–12 Budget Additional Estimates, Answer to Question on Notice #321.

14 2011–12 Budget Additional Estimates, Answers to Questions on Notice #322 – #325.

15 Deloitte Touche Tohmatsu report, p. 1.

16 See Appendix 1.

2 May 2012	Minister the Hon. Jenny Macklin publicly releases the Deloitte Touche Tohmatsu report. <sup>17</sup>
2 May 2012	Mr Fry writes to the committee responding to its correspondence of 24 April.
11 May 2012	IBA officials including Mr Fry appear and give evidence before the committee. Mr Fry offers corrections and clarifications of his previous evidence. <sup>18</sup>
31 May 2012	IBA provides answers to questions taken on notice during the 11 May hearing. <sup>19</sup>
19 June 2012	IBA writes to committee providing a response to an outstanding matter of clarification raised during the 11 May hearing. <sup>20</sup>

### Committee view

1.20 The committee reiterates that the current inquiry did not examine IBA's management of decisions surrounding the Tjapukai Aboriginal Cultural Park investment, nor the decisions regarding the holding of its conference at the Gold Coast. Its terms of reference were confined to whether any of the evidence given by Mr Fry and representatives of IBA may have misled the committee.

1.21 It notes that the government commissioned an independent examination of the substance of the allegations. That report did not find any evidence to suggest breaches of the CAC Act by either Mr Fry or the Chair of IBA, Dr Casey.<sup>21</sup>

1.22 The independent report shows that Mr Fry was provided with a full copy of the conference agenda prior to his travel from Canberra to the Gold Coast. The agenda listed 'team activity' for the third day of the event (during which Mr Fry was not present). Neither the agenda nor Mr Fry's travel pack indicated what the activity was or where it would be conducted.<sup>22</sup> The committee accepts Mr Fry's statement that at the time of giving evidence of 17 February 2012 he was unaware of this agenda item.

1.23 The consultant's report found that, subsequent to the committee meeting of 17 February 2012, Mr Fry requested a full briefing on the Gold Coast conference including the team building activity at Movie World. Mr Fry received that brief on 21 February 2012.<sup>23</sup>

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17 See Appendix 2.

18 See Appendix 3.

19 See Appendix 4.

20 See Appendix 5.

21 Deloitte Touche Tohmatsu report, pp. 7, 9.

22 Deloitte Touche Tohmatsu report, p. 26; Appendices T and U.

23 Deloitte Touche Tohmatsu report, p. 26; Appendix G.

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1.24 The committee did not receive any corrections to IBA's evidence of 17 February 2012. During the hearing on 11 May 2012, Mr Fry stated:

I have not updated the committee prior to this date because I was awaiting the release of the Deloitte's independent report which occurred on Wednesday of last week.

1.25 However, the committee notes that Mr Fry by 21 February had been provided with information that could have been used to correct his answers.

1.26 The committee accepts that there have been instances in the past where incorrect, incomplete or misleading information has been provided by witnesses to Senate committees. The convention in these circumstances is for that evidence to be corrected at the earliest opportunity after the error has been detected. Senate Privilege Resolution 6 (12) provides that:

A witness before the Senate or a committee shall not:

(a) without reasonable excuse, refuse to make an oath or affirmation or give some similar undertaking to tell the truth when required to do so;

(b) without reasonable excuse, refuse to answer any relevant question put to the witness when required to do so; or

(c) give any evidence which the witness knows to be false or misleading in a material particular, or which the witness does not believe on reasonable grounds to be true or substantially true in every material particular.

1.27 Failure to correct evidence at the earliest opportunity can leave a witness vulnerable to an allegation of contempt of the Senate under this resolution, and to being dealt with accordingly.

1.28 The committee has written to Indigenous Business Australia, informing it of the obligations of witnesses to Senate committees when providing evidence, highlighting the provisions of Senate Privilege Resolution 6, and indicating that it is the witness's duty to correct any errors or misleading evidence at the earliest opportunity after any such errors are detected or brought to the attention of the witness.

1.29 The committee notes Mr Fry's evidence suggesting that IBA has revised internal processes as a result of its experiences in the two areas that led to the allegations. Mr Fry said:

I have encouraged our executive to use these allegations and this moment in time with IBA to reflect on how we can further improve our operations. To this end, we now have a formal policy with regard to all team-building and conference activities that requires the chief operating officers to provide oversight to ensure that there is consistency and appropriateness in all program areas. We have also identified the need to better communicate the board's decisions and strategic decisions to all staff. The IBA board has now engaged Deloitte to undertake a further review of our governance

framework as part of an ongoing governance review. Like the first Deloitte report, this subsequent report will be publicly viewed.<sup>24</sup>

1.30 The committee concludes that IBA has learned lessons from recent experience and implemented reforms accordingly.

1.31 The committee concludes, on the evidence available, that Mr Fry had not intended to mislead the committee and that there is no basis, therefore, for the committee to raise this as a matter of privilege.

**Senator Claire Moore**

**Chair**

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24 Mr Fry, CEO, IBA, *Proof Committee Hansard*, 11 May 2012, p. 3.

# **Appendix 1**

## **Anonymous Letter of Complaint**

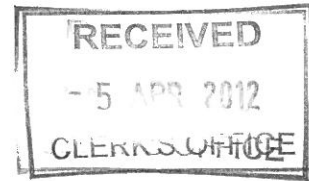
**5 April 2012**





3 April 2012

Dr Rosemary Laing  
Clerk of the Senate  
Parliament House  
CANBERRA ACT 2600



Dear Dr Laing

Cc Senator Scullion

I refer to a Senate Committee hearing on 17 February 2012 where efforts were made by Senator Scullion to establish the facts surrounding the operations of an Australian Government Authority called Indigenous Business Australia (IBA),

Senator Scullion sought information on two particular matters:

- a meeting held at a venue on the Gold Coast for twelve staff, and those staff spending a full day at Movie World at taxpayers' expense, and
- millions of dollars in expenditure being approved for redevelopment and operations of Tjapukai Cultural Centre when independent professional advice found that Tjapukai is a marginal prospect at best, and appears to have a bleak future.

My concern, and the concern of a number of my IBA colleagues, is not only that there has been blatant misuse of funds and serious failure of governance, but also that Mr Fry and IBA's Chair, Ms Dawn Casey, are dismissive of Senator Scullion's requests. Mr Fry is most reluctant to provide Senator Scullion with those documents because they confirm the extent and nature of Mr Fry's and Ms Casey's improper actions in each matter.

Mr Fry has an additional concern to explain why he knowingly misled the Senate Committee in denying he had no knowledge of the Movie World fiasco when he examined all aspects of the meeting program, including costs, and gave his approval.

We are of the view that accountability will only be upheld if Senator Scullion and the Senate Committee are provided with all documents relating to each matter as requested. Your assistance in making this happen would be appreciated.

Yours sincerely

Concerned staff at IBA



## **Appendix 2**

### **Deloittes Consultants' Report**

**13 April 2012**



**Department of Families,  
Housing, Community  
Services and Indigenous  
Affairs**

**Independent investigation into  
anonymous allegations**

**FINAL REPORT**

**13 April 2012**

Mr Simon Crowther  
Branch Manager  
Department of Families, Housing, Community Services and Indigenous Affairs  
Centra Plaza  
16 Bowes Street  
Woden ACT 2606

13 April 2012

Dear Mr Crowther

**Investigation into anonymous allegations made against two senior executives**

We refer to our engagement letter dated 20 March 2012 in which you have asked Deloitte Touche Tohmatsu (**Deloitte**) to assist the Department of Families, Housing, Community Services and Indigenous Affairs (**FaHCSIA**) in the conduct of an independent investigation in relation to anonymous allegations made against the Chief executive Officer and Chair of Indigenous Business Australia (**IBA**).

We are pleased to provide you with our attached report. If you have any questions, please do not hesitate to contact me on [REDACTED] or [REDACTED].

Yours sincerely



**Graham Newton**  
Partner

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# Important Notice

We understand that FaHCSIA may wish to share this report with IBA. You may do so provided that you ensure that IBA, and each of its Representatives who is a recipient of the report, is made aware that:

- The report is provided only for FaHCSIA's benefit, for the purpose for which we prepared it for you in accordance with our engagement letter dated 20 March 2012, and was not undertaken on behalf of, or to serve the needs of any other party, including IBA and its Representatives;
- It is provided for their information only in connection with the purpose;
- They may not use or rely on our report for any purpose without our prior consent;
- Our report is confidential and that they must treat it as such. They cannot disclose the report to anyone else without our consent; and
- Our responsibility for the Services and any Work is limited to FaHCSIA and we do not owe or accept a duty of care to anyone else unless this is expressly specified in writing by us.

“Representative” means only IBA's employees, officers or directors.

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# 1 Executive summary

## 1.1 Introduction

On 13 March 2012, the Hon. Jenny Macklin, Minister for FaHCSIA and members of the Board of IBA received an anonymous letter from a complainant alleging that Mr Chris Fry (**Mr Fry**) and Dr Dawn Casey (**Dr Casey**) had contravened sections of the *Commonwealth Authorities and Companies Act 2007 (CAC Act)*. The letter contained allegations summarised as follows:

- An IBA conference held at the Gold Coast from 31 October 2011 to 3 November 2011 was an inappropriate use of government funding
- That IBA's CEO, Mr Fry knew about the trip and more specifically that he approved the program and associated expenses of the conference
- The Chair of IBA, Dr Casey has never declared a conflict of interest in relation to her alleged family association with a current employee of Tjapukai Aboriginal Cultural Centre (**Tjapukai**) in Cairns and her connections to the general Cairns area
- That IBA Board decisions made relating to investments in Tjapukai were not properly considered and were improperly influenced by Mr Fry and Dr Casey.

More specifically the following allegations were raised against Mr Fry in relation to the 2011 IBA conference:

- Mr Fry contravened the CAC Act, most notably Division 4, Conduct of Officers, Subdivision A: General Duties
  - Section 22 (2d) Care and Diligence – An officer of a Commonwealth authority who makes a business judgment is taken to meet the requirements of subsection (1), and their equivalent duties under the general law, in respect of the judgment if he or she rationally believes that the judgment is in the best interests of the Commonwealth authority
  - Section 23 (1a) Good Faith – An officer of a Commonwealth authority must exercise his or her powers and discharge his or her duties in good faith in the best interests of the Commonwealth authority
  - Section 24 (1b) Use of Position – An officer or employee of a Commonwealth authority must not improperly use his or her position to cause detriment to the Commonwealth authority or to another person
  - Section 26 (1a) (1c) (1d) (2b) Good Faith - An officer of a Commonwealth authority commits an offence if he or she is reckless and fails to exercise his or her powers and discharge his or her duties:
    - In good faith in what he or she believes to be in the best interests of the Commonwealth authority; or
    - for a proper purpose
  - Section 26: Use of position – An officer or employee of a Commonwealth authority commits an offence if he or she uses his or her position dishonestly and recklessly as to whether the use may result in him or her or someone else directly or indirectly gaining an advantage, or in causing detriment to the Commonwealth authority or to another person.

Allegations made against Dr Casey were that she had failed to declare a conflict of interest and had interfered in the administration of IBA. More specifically it was alleged that:

- Dr Casey did not notify the Board of her material personal interest in Tjapukai and therefore has contravened Section 27F (1) of the CAC Act:
  - A director of a Commonwealth authority who has a material personal interest in a matter that relates to the affairs of the authority must give the other directors notice of the interest unless subsection (2) says otherwise.

As a result of the above allegations, it was determined that an independent investigation into the allegations was required. FaHCSIA engaged Deloitte on 20 March 2012 to conduct the investigation and report findings.

In addition IBA set up a hotline to the Deloitte investigation team for individuals to volunteer further information regarding the anonymous allegations that were made in the letter dated 10 March 2012. As at 11 April 2012 we have not received any additional information through this hotline.

## 1.2 Summary of key findings

Detailed findings appear in Section 5 of this report. A summary of our key findings are shown below.

### 1.2.1 Gold Coast conference

#### **Process for arranging the conference**

- Mr Fry delegated overall authority to Mr Smith for the conference. In his position as Assistant General Manager at the time of organising the conference, Mr Smith had the authority under the ATSI Act to approve purchase orders or invoices for the provision of supplies and services not in excess of \$100,000
- On 25 August 2011 Mr Fry asked Mr Smith to be *“be mindful of costs since I am going to benchmark across all programs on an annual basis”*
- Mr Smith consulted with Mr Fry about the proposed conference location and the budgeted costs. Mr Fry endorsed the funding of the conference on the condition that the costing was justified and prudent
- Approximately seven to ten days prior to the Conference Mr Fry compared the cost of the 2011 conference to the cost of other conferences held across IBA to satisfy himself that the overall expense to be incurred was not excessive
- Whilst Mr Fry was not involved in the authorisation of costs in relation to the Gold Coast conference there is email evidence that he has displayed an interest in the appropriateness of the overall cost through his email communications with Mr Smith in August 2011.

#### **Financial Analysis**

Deloitte undertook financial analysis comparing budgeted costs to actual figures, prior years and other conferences held across IBA. The key findings were as follows:

- Budgeted cost comparisons were prepared by IBA Senior Investment Manager Mr Chris Smith (**Mr Smith**) and Ms Effie Poulus (**Ms Poulus**), Program Coordinator, which showed that the Gold Coast was the cheapest option
- The budgeted amount for the Gold Coast (\$23,960) was the cheapest option. This amounted to a budgeted cost of \$1,104.75 per person as 21 people were scheduled to attend. Townsville was the next cheapest with an overall budgeted cost of \$24,087.50 amounting to a cost of \$1,147.02

- Mr Smith did not include a 'day rate' amount in the budget for the Gold Coast as he said "*they were preliminary costings*". He added "*with hindsight maybe I should have included it*". If he had, the Gold Coast would not have been the cheapest option as Townsville was only \$891.50 more expensive at that time
- The budgeted calculations prepared by Mr Smith for the conference to be held in Canberra were round figure estimates. Mr Smith was not able to provide detailed explanations for the basis of the calculations relating to Canberra
- Actual expenditure of \$28,717.62 exceeded budget by 23.8% as 22 people attended the conference compared to the 21 that were budgeted and the travel allowance was not included in the budgeted costs. Mr Smith confirmed the travel allowance expense was not included in any of the budget calculations
- The total cost of the Movie World 'team activity' was \$1,199.85 (\$79.99 per person) for 15 tickets and all attendees had to purchase their own food and beverages.

### **Allegations against Mr Fry**

It was alleged that Mr Fry had breached Division 4: Conduct of Officers, Subdivision A: General Duties of the CAC Act, in particular, Sections 22 (2d), 23 (1a), 24 (1b) and 26 (1a, 1c, 1d and 2b) of the act.

Mr Fry does not believe his actions had contravened the CAC Act and we found the following:

- Mr Fry delegated overall responsibility for the conference to Mr Smith who had authority under the ATSI Act to approve purchase orders or invoices for the provision of supplies and services not in excess of \$100,000
- Even though Mr Fry had delegated overall responsibility to Mr Smith emails between Mr Fry and Mr Smith in August 2011 indicate that Mr Fry took an interest in the appropriateness of the overall cost
- We have seen calculations prepared by Mr Fry that he said were prepared at the time that compares the cost of the 2011 conference to other conferences held across IBA to satisfy himself that the overall expense to be incurred was not excessive
- Mr Fry said he kept this note for future reference for subsequent conference costings, and to allay any queries from other Heads of program areas that the Gold Coast was a more expensive option than for their offsite conference locations
- In an interview with us on 4 April 2012 Mr Fry said he was not aware of the team activity to Movie World prior to him being questioned about this at the Senate Estimates Committee on 17 February 2012. We have found no evidence to show otherwise
- Based on our keyword searches of Mr Fry's mailbox, we did not identify any explicit emails of interest that corroborated the allegations made by the complainant in the letter dated 10 March 2012
- The first email that we found in Mr Fry's email account containing the keyword 'movieworld' was sent by him on 19 February 2012 at 3:56pm. This email was sent to Mr Smith, Mr Leo Bator (**Mr Bator**), Ms Louise Biddle (**Ms Biddle**) and Ms Kaely Woods (**Ms Woods**). In this email he detailed the thoughts of Dr Casey following the Senate Estimates Committee
- Mr Fry's statement to Deloitte that there was a cost comparison prepared by Mr Smith in relation to the 2011 conference is corroborated by emails indicating that Alice Springs and Cairns were also considered as possible venues
- As a result of the work we have conducted we have not identified any evidence to recommend consideration of breaches of the CAC Act in relation to Mr Fry.

### 1.2.2 Tjapukai

Throughout 2011 a number of discussions were held by the Board of IBA and the Finance and Investment Committee (**F&I Committee**) relating to the proposal of investing into the redevelopment of Tjapukai. From our review of relevant documentation and interviews with several key staff we found the following:

- On 7 May 2009 Dr Casey completed and signed her Private Interests Declaration stating that she was not aware of any matters which would give rise to a conflict of interest
- The IBA Board Meeting held on 9-10 July 2009 was the first meeting that Dr Casey chaired
- She was said to be a collaborative chairwoman that liked to hear the views of all Board members and actively encouraged individuals with contrary views to contribute to discussion
- On 10 September 2010 Dr Casey signed a Declaration of Interest stating that she has several superannuation accounts in managed funds and that she is Director of the Museum of Democracy Board, NAISDA Dance College Board and the Queensland Government Design Council
- In the Board meeting dated 14 September 2010, brief discussions were held regarding Dr Casey's involvement with Tjapukai. The Board agreed that Dr Casey did not have a material personal interest in Tjapukai stating that any advice that Dr Casey offered to the business was done so on a 'no payment' basis
- On 8 July 2011 The Board approved a \$12m capital injection to significantly upgrade the infrastructure and product offering at Tjapukai along with an additional \$2m capital injection to be used for working capital and the recruitment of a new CEO at Tjapukai
- In the minutes of that Meeting it was noted that Ms Diane Rimington (**Ms Rimington**), Deputy CEO, had a different position on the redevelopment and did not sign off on it. It was noted that her recommendation would have been the minimum refurbishment option balancing the opportunity cost of the funds employed
- In that same meeting Dr Casey expressed her disappointment that management did not have a consensus view on the redevelopment and she said it needed to be documented that the Investments team did not support the proposed investment
- On 11 August 2011 Dr Casey declared in an email to Mr Paul Coker (**Mr Coker**), Executive Officer at IBA, that she had no material interest in matters for discussion in relation to the IBA Board meeting to be convened on 13 September 2011
- On 18 November 2011 Dr Casey signed a Declaration of Interest stating that she had been appointed as Chair of Indigenous Land Corporation. She outlined details of superannuation funds and shares that she owns.

### 1.2.3 Allegations against Dr Casey

It was alleged in the complainant's anonymous letter dated 10 March 2012 that the Chair had failed to declare a conflict of interest and had interfered in administration of IBA. More specifically it was alleged that Dr Casey had not notified the Board of her material personal interest in Tjapukai and therefore has contravened Section 27F (1) of the CAC Act:

Dr Casey does not believe she has contravened Section 27 of the CAC Act and we found the following:

- The decision to invest in Tjapukai was ongoing and has been the subject of numerous Board level discussions
- Dr Casey declared a potential conflict of interest relating to Tjapukai in the Board Meeting dated 14 September 2010. This did not directly relate to Dr Casey's actual, perceived or potential

conflict with Tjapukai employee/s but rather her association with museums and cultural centres and the work she has previously overseen on these projects

- The board discussed Dr Casey's potential conflict and decided that that she did not have a material personal interest in Tjapukai and stated that any advice that Dr Casey offered to the business was done so on a 'no payment' basis
- Dr Casey completed and signed the conflict declarations each year but believed this declaration related to 'financial interests' only
- Dr Casey has told us that, in 2009, she declared to the IBA Board a perceived conflict of interest due to her distant family connection to a current Tjapukai employee, Mr David Hudson (**Mr Hudson**). We have not been able to locate this
- Dr Casey confirmed that Mr Hudson works at Tjapukai as the current CEO and is not a close family member. She said he is not a sibling, dependent, uncle, first cousin or parent
- She said that prior to her appointment as the Chair she had not seen or spoken to him since 1992 and she did not believe he has personally benefitted as a result of the redevelopment
- Following Board discussion of the need for the CEO to have a particular skillset and other matters Dr Casey said that she and Mr Fry would meet with Mr Hudson, staff and Indigenous partners as soon as possible
- As a result of the work we have conducted we have not identified any evidence to recommend consideration of breaches of the CAC Act in relation to Dr Casey. In particular we have not identified evidence of Dr Casey allowing her personal interests, or the interests of any associated person or organisation, to influence her conduct or duty to act in the best interests of IBA.

## 2 Terms of Reference

### 2.1 Objectives

The objective of our work was to investigate the anonymous allegations that were made in the letter dated 10 March 2012 and to assess if the actions carried out by Mr Fry and Dr Casey have contravened the CAC Act.

### 2.2 Scope

Deloitte performed the following work as part of our investigation:

- Performed background searches on named individuals and related entities
- Reviewed all relevant documentation regarding the company and the allegations that we were provided with
- Performed key word search interrogation across the IBA email account of Mr Fry
- Considered responses made to the hotline that was set up in relation to the anonymous allegations made in the letter dated 10 March 2012
- Conducted interviews with appropriate staff and directors
- Conducted interviews with Mr Fry and Dr Casey
- Reviewed the relevant sections of the CAC Act as detailed in the complainant's anonymous letter.

### 3 Limitations

This report has been prepared using resources from the Australian Deloitte Forensic practice.

Deloitte has interviewed the persons set out in Appendix C. We have not spoken to the anonymous complainant nor have we spoken to any person who has indicated support for these allegations. This may not represent all persons who may be in possession of relevant information. As a result, our investigative work could be incomplete.

We were informed that Dr Casey did not have an active IBA email account therefore we did not extract or examine any emails for Dr Casey. Had Deloitte undertaken further investigation work, our findings may have been different.

Deloitte Forensic staff are not lawyers, and our report should not be relied upon as legal advice.

This report has been prepared based on work completed as at 4 April 2012. Deloitte has not updated its work since that date. Deloitte assumes no responsibility for updating this report for events and circumstances occurring after the date of this report.

This report has been prepared exclusively for the purposes of FaHCSIA. The distribution of this report is limited to authorised recipients of FaHCSIA and will not be otherwise distributed without the written consent of Deloitte. This report should not be used for any other purpose without our prior written consent and, if it is used otherwise, neither Deloitte nor its partners or staff accept any liability or responsibility for loss suffered by any party.

We reserve the right to alter the findings reached in this report should information that is relevant to our findings subsequently become available after the date of this report.

For the purposes of preparing this report, reliance has been placed upon the material, representations, information and instructions provided to us. Original documentation has not been seen (unless otherwise stated) and no audit or examination of the validity of the documentation, representations, information and instructions provided has been undertaken, except where it is expressly stated to have been.



# 4 Background

## 4.1 Indigenous Business Australia

Established in 1990, IBA is an Australian Government organisation based in Canberra that ‘promotes and encourages self-management, self-sufficiency and economic independence for Aboriginal and Torres Strait Islander people’. IBA is governed by a Board of Directors and an Executive team lead by their Chief Executive Officer. The Chair of the Board, Dr Casey was appointed in 2009, who along with other directors develop policies for the Executive team to administer. In 2011, Mr Fry was appointed as the Chief Executive Officer. Mr Fry, supported by his executive team, is responsible for the day to day administration of IBA.

## 4.2 Governing Laws

As a statutory authority of the Australian Government, IBA is accountable to the Parliament and the Minister of FaHCSIA. IBA’s principal legislative basis is the Aboriginal and Torres Strait Islander Act 2005 (ATSI Act), which sets out its powers, functions, administrative and operational arrangements. The Act also provides the constitution and appointment of the Board and covers certain operations of the meetings of the Board.

IBA is required to fulfil the requirements of the Commonwealth Authorities and Companies Act 1997 (CAC Act), which regulates certain aspects of the financial affairs of commonwealth authorities, their reporting obligations, accountability, banking and investment obligation and the conduct of IBA Directors and officers.

The purposes of IBA are set out in Section 146 of the ATSI Act. *IBA is established:*

*To assist and enhance Aboriginal and Torres Strait Islander self-management and economic self-sufficiency;*

*To advance the commercial and economic interest of Aboriginal persons and Torres Strait Islanders by accumulating and using a substantial capital base for the benefit of the Aboriginal and Torres Strait Islander peoples’*

## 4.3 IBA Code of Conduct

The IBA Code of Conduct states:

*‘IBA employees must disclose, and take reasonable steps to avoid, any conflict of interest (real or apparent) in connection with their employment’. This may include actual, perceived or potential conflicts of interest and includes, but is not limited to the following circumstances:*

- *Involvement in an assessment panel or committee (including recruitment and procurement)*
- *Assessment of a loan or grant application;*
- *Decision-making by a delegate (see below); or*
- *Outside employment.*

*The IBA Executive and other positions identified by the Chief Executive Officer must provide a standing conflict of interest declaration to the Chief Executive Officer through the General Counsel, and include those interests that could present an actual, potential or perceived conflict with the employee’s duties’.*

## 4.4 Anonymous allegations

On 13 March 2012, the Hon. Jenny Macklin, Minister for FaHCSIA, and members of the Board of IBA received an anonymous letter from a complainant. The letter contained allegations summarised as follows:

- An IBA conference held at the Gold Coast from 31 October 2011 to 3 November 2011 was an inappropriate use of government funding
- That IBA's CEO, Mr Fry knew about the trip and more specifically that he approved the program and associated expenses of the conference
- The Chair of IBA, Dr Casey has never declared a conflict of interest in relation to her alleged family association with a current employee of Tjapukai in Cairns and her connections to the general Cairns area
- That IBA Board decisions made relating to investments in Tjapukai were not properly considered and were improperly influenced by Mr Fry and Dr Casey.

# 5 Detailed Investigations

## 5.1 Background Research

Deloitte performed business intelligence research on a number of key individuals and entities to establish their background and commercial relationship/s. The key findings from our research for the main individuals and entities appear below.

### 5.1.1 Mr Fry

The key points of interest are as follows:

- Mr Fry was appointed CEO of IBA in February 2011
- Mr Fry was appointed to the ILC Tourism Advisory Committee (TAC) in 2005 along with Ms Judy Freeman from Tjapukai
- Mr Fry was appointed as Chair of the ILC's Mossman Gorge Development Steering Committee in 2008.

### 5.1.2 Dr Casey

The key points of interest are as follows:

- Dr Casey is a director of two companies, NAISDA Ltd (appointed on 11 September 2009) and National Indigenous Pastoral Enterprises Pty Ltd (NIPE) (appointed on 17 February 2012)
- NIPE is a wholly owned subsidiary of the Indigenous Land Corporation (ILC)
- Dr Casey was appointed onto the board of the ILC as chairperson in October 2011
- Dr Casey was appointed Chair of the Board of IBA on 29 June 2009
- The IBA website identifies that Dr Casey is a Director of the Museum of Applied Arts and Sciences.

### 5.1.3 IBA Pty Ltd

- An ASIC historical company extract identified that the sole director of IBA Pty Ltd is Mr Chris Smith who was appointed on 22 November 2007
- Mr Smith is a Director of multiple companies including Cape Don Pty Ltd and Wildman Wilderness Lodge Pty Ltd of which Mr Stephen Barry (Mr Barry) is a director of both
- IBA has a 100% shareholding in IBA Pty Ltd.

### 5.1.4 Tjapukai Pty Ltd

- An ASIC historical company extract identified that Mr Stephen Barry (Mr Barry) and Mr Christian Barcza (Mr Barcza) are the Directors of Tjapukai Pty Ltd
- IBA has a 100% shareholding in the majority of the company's share classes.

## 5.2 Forensic Email Review

### 5.2.1 Methodology

On 26 March 2012 Deloitte requested the email account for Mr Fry and Dr Casey. We were informed by Mr Ronae Camaggi (Mr **Camaggi**), Acting IT Services Manager that IBA's external IT provider, Managed Business IT Solutions (MBITS), would need to be contacted to request the information.

On 28 March 2012 we were advised by Mr Camaggi that Dr Casey did not have an active IBA email account and that it was his understanding that Dr Casey uses her Powerhouse Museum email account. We did not therefore extract or examine any emails for Dr Casey.

The emails for Mr Fry were extracted by MBITS for the period 17 October 2010 through to 28 March 2012 and provided to Deloitte on two CD-ROM's on 29 March 2012. A forensic copy of the email data was created at the Deloitte forensic laboratory and searches across the data were performed.

### 5.2.2 Results

Key search terms were created and applied to Mr Fry's mailbox in order to forensically review the contents of the emails to assist in identifying any relevant emails and documents. See Appendix B for a list of search terms applied to Mr Fry's mailbox.

Based on our keyword searches we identified a number of emails relating to the Gold Coast conference and Tjapukai both before and after the anonymous letter of 10 March 2012.

#### Gold Coast conference

The key emails of interest are shown below:

- On 9 August 2011 at 2.06pm, Mr Smith sent an email to the IBA Investments team and stated *"the investments planning and strategy meeting was agreed and will be held at the Alice Springs resort from Monday 31 October to Thursday 3 November"*
- On 25 August 2011 at 4.28pm, Mr Smith sent an email to the Investments team in which he wrote *"the investments planning and strategy is proceeding on 31 October to 3 November in Cairns. Unfortunately due to excessive flight costs into Alice Springs the location has been changed to Cairns"* (See Appendix D)
- On 25 August 2011 at 5.03pm, Mr Fry responded to the email that was sent to the investments team at 4.28pm that day. Mr Fry stated to Mr Smith *"be mindful of costs since I am going to benchmark across all programs on an annual basis. Thanks for reviewing flights to Uluru"* (See Appendix E)
- On 26 August 2011 at 12.52pm, Mr Fry sent an email to Mr Smith relating to the Conference and wrote *"Chris, I will spend a day with the team"*
- On 19 February 2012 at 3:56pm Mr Fry sent an email to Mr Smith, Mr Bator, Ms Biddle and Ms Woods. In this email he detailed the thoughts of Dr Casey following the Senate Estimates Committee. This was the first email to contain the search term 'movieworld'. (See Appendix F)
- On 21 February 2012 at 4.07pm, Mr Smith sent an email to Mr Fry with a Brief attached relating to the Senate Estimates question that set out the details of the conference held at the Gold Coast. The Brief outlined the basis for the conference, external speakers, venue selection, costing analysis and information on the 'team activity' at Movie World. The Brief stated that the total cost of the three days including airfares, transfers, accommodation, conference room costs,

catering and incidentals was \$18,735 (ex GST) an average of \$936 per person<sup>1</sup> (See Appendix G)

- On 14 March 2012 at 6.11pm, Mr Fry emailed Ms Biddle, Executive Officer and wrote *“Louise, can you please find out how much it would cost to take say 16 adults to movie world”*

### Tjapukai

- On 4 August 2011 at 4:18pm, Mr Coker, Executive Officer at IBA, sent an email to all Directors, including Dr Casey and wrote *“Dear IBA Directors, I have attached the agenda for the 13 September IBA Board meeting. Could you please flag any material personal interests that you may have by return email”*
- On 11 August 2011 at 6.27pm, Dr Casey responded to Mr Coker and the other Directors included on the initial email and wrote *“Hi Paul. I have no material interest. Dawn”* (See Appendix H)
- On 9 November 2011 at 4.35pm, Mr Fry sent an email to Dr Casey to inform her of his recent trip to Tjapukai. He wrote *“The consistent message was that the product offer has not evolved and is tired, infrastructure is tired and staff management is poor.”* He added *“The meetings went well with both agreeing that they want Tjapukai to remain open. It needs significant upgrade and they agreed to ceasing call option”*
- On 9 November 2011 at 5.27pm, Dr Casey responded to Mr Fry and wrote *“The Board knows the product hasn’t evolved and all the other things you state below and we have known for a couple of years hence the proposal for redevelopment including new organisational and governance structures which is now long overdue. The Board is going to ask why isn’t this happening?”*
- On 10 November 2011 at 6.27am, Dr Casey sent an email to Mr Fry and wrote *“I agree your visit and your meeting with the stakeholders, with the partners has been a great move forward and I was not being critical of you yesterday but rather frustrated as will be the other Board members about the discussion around the product and management not having improved. On this, action should have been taken over 12 months ago”*(See Appendix I)
- On 5 December 2011 at 2.59pm, Mr Hanz Spier (**Mr Spier**) Manager Djabugay Corporations, sent an email to Mr Barry and wrote *“we are thus not surprised that three years later we find ourselves meeting IBA again to discuss the sorry state Tjapukai is in. Buda:Dji Directors do not want to see Tjapukai go down. We fully support David Hudson and his vision for Tjapukai and if of any assistance we would like to be closely involved in future development of Tjapukai”*.

### 5.2.3 Findings – Forensic email review

- On 11 August 2011 Dr Casey declared that she had no material interest in matters for discussion in relation to the IBA Board meeting to be convened on 13 September 2011
- Mr Fry’s statement to Deloitte that there was a cost comparison prepared by Mr Smith in relation to the 2011 conference is corroborated by emails indicating that Alice Springs and Cairns were also considered as possible venues
- On 25 August 2011 Mr Fry asked Mr Smith to be *“be mindful of costs since I am going to benchmark across all programs on an annual basis”*
- Based on our keyword searches of Mr Fry’s mailbox, we did not identify any explicit emails of interest that corroborated the allegations made by the complainant in the letter dated 10 March 2012

<sup>1</sup> This did not include the budgeted costs for the ‘team activity’ or the Draculas dinner

- Whilst Mr Fry was not involved in the authorisation of costs in relation to the Gold Coast conference there is evidence that he has displayed interest in the appropriateness of the overall cost through his email communications with Mr Smith in August 2011.

## 5.3 Gold Coast Conference

### 5.3.1 Purpose

Between 31 October 2011 and 3 November 2011 IBA's Investment Team held their annual conference at the Gold Coast, Queensland. The event was held over three nights and four days and involved 18 members of the Investments team, internal counsel and two external speakers from Mallesons Stephen Jaques Lawyers (**Mallesons**). In attendance were individuals from Brisbane, Canberra, Perth and Sydney, as well as CEO Mr Fry who did not attend for the full duration of the conference<sup>2</sup>. See Appendix J for a list of conference attendees.

The purpose of the conference was to bring the team together that operate in different states and address them on IBA's strategic direction over the next 12 months and reflect on performance. On the third day of the conference, 15 of the 22 participants, excluding Mr Fry, visited the Movie World theme park as the 'team activity'. See Appendix K for the agenda distributed at the conference.

### 5.3.2 Process for authorising the conference

As a result of our investigation we have been able to establish the following process was undertaken in relation to the 2011 annual conference.

- An informal committee was set up comprising of the following senior management personnel:
  - Mr Smith, Senior Investment Manager
  - Mr Ray McInnes (**Mr McInnes**), Senior Portfolio Manager
  - Ms Christine Dragisic (**Ms Dragisic**), Senior Manager Governance & Retail Portfolio
  - Mr David Vigar (**Mr Vigar**), Head of Acquisitions
  - Mr Barry, Senior Manager Tourism and Hospitality
- The committee was led by Mr Smith who co-ordinated with other committee members to decide on an appropriate destination and a respective agenda for the conference. In previous years management has decided to hold the conference in locations where IBA owns an asset, usually a hotel or nearby tourist attraction
- Mr Smith engaged with the committee to suggest ideas for the conference destination. Alice Springs, Cairns, Canberra, Gold Coast and Townsville were locations put forward by the team
- Budgeted cost comparisons were prepared by Mr Smith and Ms Poulus which showed that the Gold Coast was the cheapest option
- With the support of the committee, Mr Smith consulted with Mr Fry about the proposed conference location and the budgeted costs. Mr Fry endorsed the funding of the conference on the condition that the costing was justified and prudent
- Mr Fry delegated overall authority to Mr Smith for the conference. In his position as Assistant General Manager at the time of organising the conference, Mr Smith had the authority under the ATSI Act to approve purchase orders or invoices for the provision of supplies and services not in excess of \$100,000

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<sup>2</sup> One person attended the conference from both Perth and Sydney and two attended from Brisbane

- Mr Smith approved funding for the Gold Coast conference, budgeted at \$23,196, and Ms Poulos organised the logistics of the trip.

### 5.3.3 Financial Analysis

#### Budgeted Costs for 2011

Deloitte obtained the budget and expenditure statements from IBA to provide an analysis of expenses relating to the Gold Coast conference. For the detailed breakdown of costs see Appendix L.

The purpose of this financial analysis was to establish how the cost of the Gold Coast compared to other destinations that IBA were contemplating when selecting a conference destination. The original cost comparisons had been prepared by Mr Smith and Ms Poulos. See the table below for the budget comparisons for the suggested locations.

	Gold Coast	Alice Springs	Townsville	Cairns	Canberra <sup>3</sup>
Flights	\$6,471.00	\$13,499.56	\$6,297.50	\$9,159.00	\$2,000.00
Accommodation	\$7,875.00	\$6,864.00	\$6,600.00	\$6,600.00	\$9,000.00
Day Rate	\$0.00	\$3,234.00	\$2,970.00	\$2,970.00	\$3,000.00
Lunch	\$1,890.00	\$1,320.00	\$2,940.00	\$2,940.00	\$2,400.00
Dinner	\$4,410.00	\$5,280.00	\$5,280.00	\$5,280.00	\$6,000.00
Car Hire	\$1,500.00	\$0.00	\$0.00	\$0.00	\$1,800.00
Taxi	\$1,050.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total</b>	<b>\$23,196.00</b>	<b>\$30,197.56</b>	<b>\$24,087.50</b>	<b>\$26,949.00</b>	<b>\$24,200.00</b>
Variance		\$7,001.56	\$891.50	\$3,753.00	\$1,004.00
% Variance		30.18%	3.84%	16.18%	4.33%

The key points to note are as follows:

- The budgeted amount for the Gold Coast (\$23,196) was the cheapest option for 21 people. This amounts to a cost of \$1,104.75 per person
- Mr Smith did not include a 'day rate' amount in the budget for the Gold Coast as he said "*they were preliminary costings*". He added "*with hindsight maybe I should have included it*". If he had, the Gold Coast would not have been the cheapest option as Townsville was only \$891.50 more expensive at that time
- Mr Smith said the calculations for hosting the conference in Canberra were an estimate prepared at the same time as the other locations.
- Mr Smith was not able to provide detailed explanations for the basis of the calculations relating to Canberra
- Mr Smith said that even though the cost to hold the conference in Canberra was likely to be the cheapest he took the decision to hold the conference on neutral ground

<sup>3</sup> These are approximate figures that Mr Smith prepared. See Appendix K for calculations

- Initially Alice Springs and Cairns were suggested as locations for the 2011 conference but the excessive cost of flights meant that these options were not financially viable
- Taxi costs were included in the Gold Coast budget to cover the cost of employees travelling from their homes to the respective airports
- Car hire costs were included in the Gold Coast budget to provide ease of access to transport if required. These three hire cars were used to transport employees to the team activity at Movie World
- The budgeted costs for the Gold Coast do not include the cost of tickets to Movie World or dinner at Draculas restaurant on the first evening or the day delegate package<sup>4</sup>.

### Budget vs. actual costs for 2011

The actual cost of the Gold Coast conference was \$5,521.62 greater than the original budget.

See the table below for a summary of comparison costs.

	Budgeted Expenses	Actual Expenses	Variance	% Variance
Flights	\$6,471.00	\$7,920.00	\$1,449.00	22.39%
Accommodation	\$7,875.00	\$7,824.85	(\$50.15)	(0.64%)
Travel Allowance	\$0.00	\$3,003.50	\$3,003.50	Undefined
Hire Car	\$1,500.00	\$931.17	(\$568.83)	(37.92%)
Taxis	\$1,050.00	\$800.00	(\$250.00)	(23.81%)
Lunch	\$1,890.00	\$2,804.00	\$914.00	48.36%
Dinner	\$4,410.00	\$5,434.10	\$1,024.10	23.22%
<b>Total</b>	<b>\$23,196.00</b>	<b>\$28,717.62</b>	<b>\$5,521.62</b>	<b>23.80%</b>

The key points to note are as follows:

- 22 people attended the conference held at the Gold Coast and the budgeted figures were prepared on the basis that 21 people would be attending
- Actual expenditure of \$28,717.62 exceeded budget by 23.8%
- \$3,003.50 of the increase related to the travel allowance. Mr Smith confirmed this expense was not included in any of the budget calculations
- There was an increase in the actual lunch costs as the final costs included the day delegate package and the audio visual hire cost
- Accommodation costs were lower than budgeted costs as Mr Smith was able to negotiate a favourable rate with Crowne Plaza of \$125 per person/per night. See Appendix M for a copy of the Crowne Plaza and Dracula dinner invoices
- Flight costs were 22.4% higher than expected as flight prices had increased by the time they were booked and Mr Fry's business class flight was not included in the budget.

<sup>4</sup> The day delegate rate includes the cost of coffee, morning and afternoon tea, lunch, room hire



### Comparison to prior years

In both 2009 and 2010 the annual conference was held in Townsville at the Holiday Inn owned by IBA. See the table below for a comparison of actual costs incurred for the three conferences.

	Nights	Pers	Flights	Accomin	Travel allowance	Total	Ave pp/ni
2009							
Townsville	4	18	\$9,498.09	\$15,071.40	\$1,749.15	<b>\$26,318.64</b>	<b>\$365.54</b>
2010							
Townsville	3	21	\$15,154.89	\$10,060.22	\$2,837.75	<b>\$28,052.86</b>	<b>\$445.28</b>
2011 Gold Coast	3	22	\$7,920.00	\$16,077.35	\$3,003.50	<b>\$27,000.85</b>	<b>\$409.10</b>

The key points to note are as follows:

- The above costs for the 2011 Conference at the Gold Coast do not include the cost of taxis and car hire. If these costs had been included this would bring the total to \$28,732.02 resulting in a cost per person per night of \$435.33. Mr Smith said that he did not include the relative taxi and car hire costs in the 2009 and 2010 comparatives either
- The cost per person of the Gold Coast conference cost less than the 2010 conference even though the 'team activity' in 2010 was provided free of charge
- Whilst the duration of the Gold Coast conference was only three nights in 2011 compared to four nights in 2009, four extra people attended the 2011 conference
- Accommodation was more expensive in 2011 than in previous years as the previous two conferences were held at the Holiday Inn in Townsville, an investment owned by IBA
- The Movie World 'team activity' cost \$1,199.85 (\$79.99 per person) for 15 tickets and the cost of this is included within accommodation costs<sup>5</sup>. This cost did not include individual expenses one inside the theme park
- The 2010 'team activity' was a Masterchef style cooking class that was provided free of charge by the hotel.

### Comparison to other conferences

When we interviewed Mr Fry he told us that he wanted to be personally satisfied that the estimates prepared by Mr Smith were cost effective relative to other IBA conferences held offsite. He told us that approximately seven to ten days prior to the conference he made inquiries and determined for himself the cost of four other IBA conferences as a comparison before being satisfied of the decision made by Mr Smith. Mr Fry told us that he made handwritten notes to reflect the results of his inquiries. A copy of Mr Fry's handwritten note showing his calculation can be seen at Appendix N.

See the table below for the cost comparisons that Mr Fry told us he calculated.

Department	Days	No of Staff	Total	Cost per person
Corporate Branch	2	32	\$6,000	\$187.50
Enterprise Branch	3	68	\$75,000	\$1,102.94

<sup>5</sup> Only 15 of the 22 attendees went to Movie World. Mr Fry, Ms Gowans and the individuals from Malleasons are amongst those that did not attend

Homes Branch	4	20	\$27,000	\$1,350.00
Policy Branch	1	10	\$4,000	\$400.00
Investments Branch				\$1,020.00

### 5.3.4 Findings – Gold Coast conference

- An informal committee was established to determine the venue for the 2011 IBA Investment team conference. This committee was led by Mr Smith and did not involve Mr Fry
- Budgeted cost comparisons were prepared by Mr Smith and Ms Poulus which showed that the Gold Coast was the cheapest option
- With the support of the committee, Mr Smith consulted with Mr Fry about the proposed conference location and the budgeted costs. Mr Fry endorsed the funding of the conference on the condition that the costing was justified and prudent
- Mr Fry delegated overall authority to Mr Smith for the conference. In his position as Assistant General Manager at the time of organising the conference, Mr Smith had the authority under the ATSI Act to approve purchase orders or invoices for the provision of supplies and services not in excess of \$100,000
- The budgeted amount for the Gold Coast (\$23,960) was the cheapest option. This amounted to a budgeted cost of \$1,104.75 per person as 21 people were scheduled to attend. Townsville was the next cheapest with an overall budgeted cost of \$24,087.50 amounting to a cost of \$1,147.02
- Mr Smith did not include a ‘day rate’ amount in the budget for the Gold Coast as he said “*they were preliminary costings*”. He added “*with hindsight maybe I should have included it*”. If he had, the Gold Coast would not have been the cheapest option as Townsville was only \$891.50 more expensive at that time
- Actual expenditure of \$28,717.62 exceeded budget by 23.8% as 22 people attended the conference compared to the 21 that were budgeted and the travel allowance was not included in the budgeted costs. Mr Smith confirmed the travel allowance expense was not included in any of the budget calculations
- The cost per person, per night at the Gold Coast conference in 2011, if all costs are included, was \$435.33 compared to \$445.28 in the previous year
- Approximately seven to ten days prior to the conference Mr Fry compared the cost of the 2011 conference to the cost of other conferences held across IBA to satisfy himself that the overall expense to be incurred was not excessive
- There is no evidence that Mr Fry was aware of the Movie World team activity that conference participants attended prior to him being questioned in relation to this at the Senate Estimates Committee on 17 February 2012.

## 5.4 Tjapukai

### 5.4.1 Overview

Tjapukai was founded more than 20 years ago and is Australia’s largest Indigenous cultural park. The centre is located just north of Cairns, Queensland. Tjapukai was developed on the traditional land of the Tjapukai people to allow visitors to experience the traditional culture of the landowners. IBA acquired its initial interest in Tjapukai in 1996.

Over the period of many months in 2011 discussions were held by the Board of IBA and the IBA Finance and Investment (F&I) Committee relating to the proposal of investing into the redevelopment of Tjapukai. The purpose of the F & I Committee is to determine endorsement, ahead of Board consideration, of the Investment Strategy Synopsis for each investment and issues flowing from a review of each investment strategy and performance.

#### 5.4.2 Review of key documents

We established a chronology of events relevant to the allegations and also the consideration of investments in Tjapukai based on a review of documentation provided by IBA and interviews with key persons of interest. See Appendix O for a timeline of events.

The key dates and events to note are as follows:

Key dates	Events
17 September 2008	The Board makes the decision to buy out IBA's partner in Tjapukai (prior to Dr Casey's appointment)
7 May 2009	Dr Casey completes and signs her Private Interests Declaration. See Appendix P for a copy of this
14 May 2009	Dr Casey attends Board Meeting 58 as an observer
9-10 July 2009	Dr Casey's first attendance at Board meeting 59 as the Chair
8 December 2009	Board meeting 61 – agenda no. 5 Mr Barcza advised the Board on the current state of Tjapukai and recommended a development plan be submitted for \$3,740,000 The recommendation was authorised by Mr Morony
20 April 2010	Board meeting 63 – agenda no.6 Board directors briefed on the recent site visit of Tjapukai by Mr Blair and Mr Smith
6 June 2010	Dr Casey emails Mr Gemmell (IBA CEO as at June 2010) regarding IBA's recent investments into Tjapukai and recommends the appointment of an experienced project management company for Tjapukai  <i>Dr Casey states 'my comments on the redevelopment proposal and suggested strategies for moving forward come from a position of being an expert in the field'</i>
18 August 2010	F&I Committee 5 – agenda no.7c Dr Casey resigns from the F&I Committee Mr Thomas recommends that Tjapukai requires additional funding for the next six months (\$500,000) to continue operations
10 September 2010	Dr Casey signs a Declaration of Interest stating that she has several superannuation accounts in managed funds and that she is Director of the Museum of Democracy Board, NAISDA Board and the Old Govt. Design Council. See Appendix Q for a copy of this
14 September 2010	Board meeting 66 – agenda no. 1 (See Appendix R)  The minutes show that brief discussions were held regarding Dr Casey's involvement with Tjapukai. The Board agreed that Dr Casey did not have a material personal interest in Tjapukai stating that any advice that Dr Casey offered to the business was done so on a 'no payment' basis
19 January 2011	Board meeting 67A – agenda no.1 The then CEO and Deputy CEO Commercial recommends to the Board the need for additional funding of \$50,000 for the redevelopment which is approved by the Board

Key dates	Events
15 February 2011	<p>Board meeting 68 – agenda no.5</p> <p>The Board expresses its support for the vision and direction of the redevelopment after consultants conducted a presentation on the product and the need for a depth of experience at Tjapukai</p>
29 March 2011	<p>Board meeting 69 – agenda no. 5a and 5b</p> <p>The Board requested the administration approach a proponent to identify what could be achieved for \$7-12 million spent on capital works at Tjapukai and requested more detail on the business plan</p>
16 May 2011	<p>Board meeting 70 – agenda no. 11</p> <p>Dr Casey informed the Board that development talks were continuing in regard to cost reductions</p> <p>Dr Casey stated that the development must result in positive cash flow and an improved cultural outcome</p> <p>The Board asked for a paper to be presented at the 7/8 July Board Meeting. This was to include a complete business plan and all capital requirements for Tjapukai</p>
1 July 2011	<p>F&amp;I Committee 9 – agenda no. 4</p> <p>Mr Fry presents details to the F&amp;I Committee about the redevelopment and stated that all financial and non-financial outcomes were considered</p> <p>A capital injection of \$14 million was proposed</p> <p>The F&amp;I Committee endorsed the recommendation for the redevelopment</p>
8 July 2011	<p>Board meeting 71 – agenda no. 6c</p> <p>The Board approved a \$12m capital injection to significantly upgrade the infrastructure and product offering at Tjapukai</p> <p>The Board approved an additional \$2m capital injection to be used for working capital and the recruitment of a new CEO at Tjapukai</p> <p>Ms Rimington said she had a different position on the redevelopment and did not sign off on it. Her recommendation would have been the minimum refurbishment option balancing the opportunity cost of the funds employed</p> <p>Dr Casey expressed her disappointment that management did not have a consensus view on the redevelopment</p> <p>Dr Casey said it needed to be documented that the Investments team did not support the proposed investment</p>
11 August 2011	<p>Mr Coker emails Dr Casey the agenda for the next Board meeting and informs her to flag any potential material interests. Dr Casey responds that she does not have any material interests</p>
13 September 2011	<p>Board meeting 72 – agenda no. 7</p> <p>The Board are informed that their out of session meetings are not fulfilling IBA compliance requirements</p>
10 November 2011	<p>Dr Casey emails Mr Fry and informs him that she is frustrated that redevelopment plans have taken so long. This was in response to an email that Mr Fry had sent Dr Casey after he visited Tjapukai and stated that it was in desperate need of a redevelopment</p>
18 November 2011	<p>Dr Casey signs a Declaration of Interest stating that she has been appointed as Chair of ILC and lists superannuation funds and shares that she owns. See Appendix S for a copy of this</p>
7 December 2011	<p>Board meeting 73 – agenda no. 8b</p> <p>Dr Casey declares her role as ILC Chair</p> <p>She informs the Board that they need to take more control of Tjapukai and become more involved to ensure the success of the cultural centre</p>
25 January 2012	<p>Dr Casey informs the Minister about the recent approval for \$14m funding for the redevelopment of Tjapukai</p>

Key dates	Events
23 February 2012	<p>Board meeting 74 – agenda no. 7</p> <p>The Board considers a further working capital injection of \$4,000,000 required to 2014/15</p> <p>The Board recommends the potential forecasted working capital requirement of \$12,000,000 to maintain operation requirements post development up until 2023</p> <p>The Board’s final recommendation was the need for a forecasted provision of \$7,000,000 over the next 10 years for capital expenditure to refresh the product in 2023</p>

### 5.4.3 Findings – Tjapukai

- The decision to invest in Tjapukai was ongoing and has been the subject of numerous IBA Board level discussions. The decision to approve the redevelopment was made in the Board Meeting dated 8 July 2011
- Dr Casey made known her potential conflict to the Board in relation to Tjapukai and they decided that she did not have a material personal interest in it
- Detailed business plans, financial forecasts and redevelopment plans were prepared throughout the process and finally the Board approved the \$14,000,000 redevelopment funding which was to include \$12,000,000 for capital works and \$2,000,000 to maintain the business on a going concern basis
- An additional \$4,000,000 for further working capital injection was tabled in December 2011
- The budgeted implications for Tjapukai were discussed in the Board Meeting dated 23 February 2012 at which \$18,000,000 was put forward as the capital required plus a potential for a further \$19,000,000 over a 15 year term.

## 5.5 Allegations made against Mr Fry

It was alleged that Mr Fry, in his position as CEO of IBA had authorised the misuse of funds enabling a meeting to be held at the Gold Coast at which the participants spent the day at Movie World. It was also alleged that the cost of this conference was approximately \$30,000 and that Mr Fry had failed in his duty as a Director of IBA to investigate the Movie World misuse of IBA’s/taxpayers’ funds. More specifically the following allegations were raised against Mr Fry:

- Mr Fry contravened the CAC Act, most notably Division 4, Conduct of officers, Subdivision A: General Duties
  - Section 22 (2d) Care and Diligence – An officer of a Commonwealth authority who makes a business judgment is taken to meet the requirements of subsection (1), and their equivalent duties under the general law, in respect of the judgment if he or she rationally believes that the judgment is in the best interests of the Commonwealth authority
  - Section 23 (1a) Good Faith – An officer of a Commonwealth authority must exercise his or her powers and discharge his or her duties in good faith in the best interests of the Commonwealth authority
  - Section 24 (1b) Use of Position – An officer or employee of a Commonwealth authority must not improperly use his or her position to cause detriment to the Commonwealth authority or to another person
  - Section 26 (1a) (1c) (1d) (2b) Good Faith - An officer of a Commonwealth authority commits an offence if he or she is reckless and fails to exercise his or her powers and discharge his or her duties:

- In good faith in what he or she believes to be in the best interests of the Commonwealth authority; or
- for a proper purpose
- Section 26: Use of position – An officer or employee of a Commonwealth authority commits an offence if he or she uses his or her position dishonestly and recklessly as to whether the use may result in him or her or someone else directly or indirectly gaining an advantage, or in causing detriment to the Commonwealth authority or to another person.

### 5.5.1 Interviews of witnesses

We interviewed a number of people in relation to the allegations raised against Mr Fry and the key points are as follows:

- Mr Smith, as Assistant General Manager, said he had overall responsibility for and authority for organising the past three investment team conferences. This had been delegated to him by Mr Fry
- Ms Poulos booked, attended and co-ordinated the Gold Coast conference. She booked 18 flights in total but this did not include flights for Mr Fry, Ms Kirsty Gowans (**Ms Gowans**) or the external speakers from Mallesons
- The previous two conferences were held in Townsville at the IBA owned Holiday Inn and the team activities had been a 'Masterchef style' cooking competition and lawn bowls. The Masterchef activity was held at the hotel and had been provided free of charge
- Mr McInnes, Senior Portfolio Manager, said *'the team is based in different locations and the conference is the one opportunity to get everyone together to refocus on the next year'*. Mr Tynan, Acquisitions Associate, said *'this conference wasn't any different, it wasn't excessive or over the top'*
- To organise the conference Mr Smith co-ordinated with the Conference Committee who looked at various locations at which to hold the conference in 2011
- Mr Barry, Senior Manager Tourism and Hospitality, suggested that the conference be held in either Alice Springs or Cairns due to the tourism/Indigenous aspect. His suggestions were later dismissed due to cost issues
- After performing some cost comparisons with other locations Mr Smith decided to hold the conference at the Gold Coast
- Prior to the conference Mr Smith spoke to Mr Fry about the final decision to hold the conference at the Gold Coast. He said Mr Fry's main concern was that the costing was justified and prudent
- The agenda was given to the attendees on arrival. This outlined the session times for the conference. The Movie World trip was not specifically identified, being described only as a 'team activity'. We were told it was described this way on the agenda in order to try to keep it as a surprise for the attendees
- At Draculas restaurant on the first evening it was noted that each individual had to purchase their own drinks above the meal package
- At Movie World it was only the admission ticket that was provided by IBA. Any food and beverages that the attendees required was paid for individually. These were not recharged to IBA
- The hotel suggested a 'learn to surf' day trip or a fishing expedition as the 'team activity' but Mr Smith said that he did not want the attendees to participate in any physical activity due to a recent workplace safety incident. Mr Smith selected Movie World as it catered for all attendees

- Mr Smith said of the trip to Movie World, *“it was good to get together with the guys for some time away from the intense agenda”*. He said that for a lot of attendees at Movie World *“it was a great opportunity to assess how others in the industry are doing things”*
- Mr Barry said *“for those involved in the tourism industry the trip to Movie World was good as it was a team activity but it also gave them the opportunity to see how other tourism attractions operate”*
- The two external parties invited to the conference attended on a pro-bono basis and IBA only covered the cost of accommodation
- Mr Barry said he could understand how the Gold Coast conference may be perceived by some people to be inappropriate to host a government conference despite the value for money that was achieved in this instance

### 5.5.2 Interview with Mr Fry

Mr Fry was interviewed on 4 April 2012. The key points from that interview are as follows:

- Mr Fry said that annual conferences are held across IBA. He said it was an important event for the investments team as they work in different states and it is their one opportunity to get together and review their performance and agree strategy
- He had no input into the planning or organisation of the conference and added that Mr Smith has the authority to arrange and authorise the conference to his delegation limit
- When he was approached by Mr Smith and told that the conference was to be held at the Gold Coast he said he questioned him about it as he wanted to make sure that the costs were reasonable
- He said he calculated the cost per head for some other IBA conferences to use as a benchmark. He provided us with some handwritten notes that he said were made at the time, seven to ten days prior to the conference. See Appendix N for a copy of Mr Fry’s handwritten note
- Mr Fry said *“I kept this note for future reference for subsequent conference costings, and to allay any queries from other Heads of program areas that the Gold Coast was a more expensive option than for their offsite conference locations”*
- Mr Fry said that he did not know about the Movie World trip until he was questioned about it at the Senate Estimates hearing on 17 February 2012. He said that he was ‘very shocked’ to hear this and questioned Mr Smith about this immediately afterwards. See Appendix T for a copy of the diary entry Ms Tracie Brauer (Ms Brauer) entered into Mr Fry’s outlook calendar when he was invited to the conference. This shows the Movie World trip detailed as ‘team activity’. Appendix U includes a copy of the travel pack that Ms Brauer put together for Mr Fry prior to the conference
- He said that he would have preferred it if the ‘team activity’ had involved an exercise that gave back to the community as they had planned to do the previous year at Palm Island. This trip was cancelled at the last minute due to bad weather
- Mr Fry said that he arrived in Brisbane on the Monday afternoon and took the train to the Gold Coast. On arrival he checked into the hotel then sat through the afternoon’s agenda items. He attended the dinner at Draculas that evening.
- Mr Fry said that he presented to the group first thing on the Tuesday morning and then flew back to Canberra from the Gold Coast later that day. He said that he did not recall the Movie World trip being mentioned whilst he was there
- He added that Movie World might have been mentioned in the introduction at the start of the conference but he had not arrived at that point

- Mr Fry said that he disagreed with the complainants allegations that he sought to evade answering the committee regarding Movie World as he was not aware of it at that time
- Mr Fry said the agenda he received in his travel pack that was prepared by his EA, Ms Brauer did not show the trip to Movie World. Instead it was shown as ‘team activity’. See Appendix U for a copy of this
- Mr Fry said he stood by the comments he made that *“the Gold Coast proved to be the most economical solution, both by cost of transport and accommodation”* and *“it was significantly cheaper than a lot of the other options we looked at”* He said that he still understood that to be the case
- Mr Fry said he was very comfortable with the purpose of the conference and the agenda set for it
- When asked what involvement Dr Casey had with the annual conference he said *“none and she shouldn’t be expected to either”*.

### 5.5.3 Findings – Allegations made against Mr Fry

- Mr Fry delegated overall responsibility for the conference to Mr Smith who had authority under the ATSI Act to approve purchase orders or invoices for the provision of supplies and services not in excess of \$100,000
- Even though Mr Fry had delegated overall responsibility to Mr Smith we can see in emails between Mr Fry and Mr Smith in August 2011 that Mr Fry took an interest in the appropriateness of the overall cost
- We have seen calculations prepared by Mr Fry that compares the cost of the 2011 conference to other conferences held across IBA to satisfy himself that the overall expense to be incurred was not excessive
- In an interview with us on 4 April 2012 Mr Fry said he was not aware of the team activity to Movie World prior to him being questioned about this at the Senate estimates Committee on 17 February 2012. We have found no evidence to show otherwise
- As a result of the work we have conducted we have not identified any evidence to recommend consideration of breaches of the CAC Act in relation to Mr Fry.

## 5.6 Allegations made against Dr Casey

It was alleged in the complainant’s anonymous letter dated 10 March 2012 that the Chair had failed to declare a conflict of interest and had interfered in administration of IBA. More specifically the following allegation was raised.

- Dr Casey did not notify the Board of her material personal interest in Tjapukai and therefore has contravened Section 27F (1) of the CAC Act:
  - A director of a Commonwealth authority who has a material personal interest in a matter that relates to the affairs of the authority must give the other directors notice of the interest unless subsection (2) says otherwise.

The following is an extract from the Chief Executive’s Instruction – CE118 relating to the Management of Conflicts of Interest:

The IBA Code of Conduct states:



*'IBA employees must disclose, and take reasonable steps to avoid, any conflict of interest (real or apparent) in connection with their employment'. This may include actual, perceived or potential conflicts of interest and includes, but is not limited to the following circumstances:*

- *Involvement in an assessment panel or committee (including recruitment and procurement)*
- *Assessment of a loan or grant application*
- *Decision-making by a delegate (see below); or*
- *Outside employment.*

*The IBA Executive and other positions identified by the Chief Executive Officer must provide a standing conflict of interest declaration to the Chief Executive Officer through the General Counsel, and include those interests that could present an actual, potential or perceived conflict with the employee's duties'.*

Appendix 6 of CE118: Guidelines for managing Directors' conflicts of interest including material personal interests [extracted from Board Governance Charter] provides the following:

*In accordance with the Directors' Code of conduct Number 7 'A Director must not allow personal interests, or the interests of any associated person or organisation, to influence the Director's conduct and in particular the Director's duty to act in the best interests of IBA.*

*There are a number of different forms of conflicts of interests. These include potential, perceived and actual'.*

### 5.6.1 Interviews of witnesses

We interviewed a number of people in relation to the allegations raised against Dr Casey and the key points are as follows:

- We were informed by Mr Thomas, Chair of the F&I Committee that Dr Casey established the F&I Committee as she was concerned that investment proposals were going straight to the board as she felt they needed a further level of governance
- Mr Thomas said that the role of the F&I Committee was to consider proposals and to seek further information if required prior to it being sent to the board for consideration
- Mr Fry said that the F&I Committee played a vital role in the investment process
- Mr Fry said that it was noted that Dr Casey was a collaborative Chair that likes to hear the views of all Board members. He also said *"she goes out of her way to hear contrary views"*
- It was understood by many that Dr Casey grew up in North Queensland but she had advised that she was not a Tjapukai person. We were told that Dr Casey has no direct involvement in the day to day operation of Tjapukai but has a very strong positive view and is passionate about the centre
- Mr Thomas told us that Dr Casey was very involved in the discussions but did not force a decision
- Mr McInnes, Senior Portfolio Manager, although not directly involved with Tjapukai, said he knew generally that it was a 'poor performer' and had heard that the Chair of the Board, Dr Casey, along with other senior individuals were heavily pushing to get the project to work
- Many people said that the decision to develop Tjapukai was not a decision that had been taken lightly and a robust discussion was had at most Board Meetings as it was known that Tjapukai was financially tenuous as an investment. It was noted that it was not only a financial investment and that broader issues had to be considered including social and cultural matters

- Mr Thomas said that every Director had shown a far greater interest in Tjapukai than any other investment and believed they were right to do so
- Mr Barry said that from a purely financial perspective, Tjapukai was not a viable investment, but added *“this is more than just a financial outcome. Tjapukai is about the jobs, social issues, education and training it provides”*
- Mr Thomas said that he knew Dr Casey had a distant relative, Mr David Hudson, that was employed at Tjapukai but said that he commenced work at Tjapukai before Dr Casey was appointed to the Board
- At times it had been the responsibility of Dr Casey to deliver bad news to Tjapukai regarding roles that were changed and roles that were lost
- Mr Thomas said *“the Board are ‘at one’ with the decision that they should go ahead with the redevelopment”* and added *“they will really work hard to make this a success”*.

### 5.6.2 Interview with Dr Casey

Dr Casey was interviewed on 4 April 2012. The key points to note from that interview are as follows:

- Dr Casey said she was from Cairns but said her people are from the Gulf region, mainly around Croydon and Normanton
- Dr Casey said *“I have not lived in Cairns since 1984 and the only people I keep in touch with on a regular basis are my brothers and a sister and their children, none of whom have anything to do with Tjapukai”*
- Prior to working at IBA she had never visited Tjapukai
- Dr Casey was appointed as the Chair of IBA in June 2009 and explained that together with the Board she develops policies in relation to housing, economic development in line with IBA legislation
- When she commenced as Chair she said *“there was an Audit and Risk Committee already in place which was outstanding, with an independent audit chair. There was no Finance and Investment Committee at the time, which seemed to me unusual really, in terms of vetting first, and analysing proposals that came through by an experienced group, before it come to the board. So the Board agreed that we set up a Finance and Investment Committee”*
- At the time of joining the board Dr Casey said that the investment decisions were purely commercial. She said *“we’ve had two occasions where it hasn’t been that easy, we’ve said as a board that we need to start looking at what are the areas of social return that we need to consider”*. These two investments are Tjapukai and Tiwi Forestry Project
- Dr Casey explained that ahead of each board meeting the attendees are sent a copy of the agenda and they are asked to respond flagging any material personal interests that they may have. She said *“I’m certain I introduced it because people were getting board papers, even though they had a conflict of interest and they’d come in on the day. It wasn’t deliberate”*
- Dr Casey said that at the meeting, if an individual does have a conflict of interest, in addition to them not receiving a set of the relevant papers they are also excluded from any discussion and decision making. She went on to say that the individual would leave the room
- Dr Casey said that on joining the Board she had declared her potential conflict of interest in Tjapukai but said *“I think I more of a conflict of interest was my background in the Arts and Museums, that was at front of my mind, now that I think about it”*
- She said the board had agreed that a conflict of interest did not exist

- Dr Casey confirmed that her relative, Mr Hudson does work at Tjapukai as the current CEO but stated that he is moving into a more artistic and creative role due to Tjapukai needing a stronger person in this role
- Dr Casey said that he is not a sibling, dependent, uncle or first cousin or parent or in other words a close relative
- She said that prior to her appointment as the Chair she had not seen him or spoken to him since 1992 and she did not believe he has personally benefitted as a result of the redevelopment
- Following a Board discussion of the need for the CEO to have a particular skillset and other matters Dr Casey said that she and Mr Fry would meet with David Hudson, staff and Indigenous partners as soon as possible. Dr Casey told the board *"I'm happy to go up there and I'll tell him, just very quietly and carefully"*
- She said that she did not declare her potential conflict on the annual IBA Conflict declaration as she believed this document was for 'financial' interests only
- Dr Casey said that the board spent a considerable amount of time deliberating and discussing the Tjapukai redevelopment. She confirmed that the social and cultural issues were discussed at length and it was not a decision that could be made based on the financials alone adding *"if it had been done on financials the decision would have been easy as it was not viable on those alone, but this went deeper than that"*
- Dr Casey explained that external consultants provided quotes and drawings at relevant stages of the process and various proposals for the redevelopment were put forward. She said *"we knew that to make this work we needed more than a coat of paint, we needed to give them something that was new"*
- She said that the new design was the only stage of the process at which she had put her view forward as she knew from her previous experience what would work and what would not. She added that she normally facilitated the discussions that were had and encouraged everyone to contribute to the debate. She said *"from my perspective, I think everybody should be part of the decision making, so I give them the opportunity"*
- She said that the decision to invest in the redevelopment was not made by her alone as the Chair. She said that at no time did she want to put it to a vote instead she encouraged a healthy debate and was disappointed when the Deputy CEO Commercial, Ms Rimington, refused to sign the board papers as she did not agree with the decision. Dr Casey said she was disappointed as she wanted it noted that not everyone had agreed
- In relation to the allegations that had been made in the letter Dr Casey said *"it's not true that in June 2011 a recommendation was made recommending that no more money be wasted on Tjapukai and that it be wound down. I can't ever recall that it was written in a paper to wind it down. We did have discussions that touched on that point but that was it"*
- Dr Casey said *"I have never given Chris Fry or any other CEO a direction on what to write in a paper"*
- Dr Casey confirmed there was a board paper that was written that had included the financial details of the redevelopment (\$14m) and the additional funding required (\$4m). She said that she thought these figures were very close to what was documented in the paper
- Dr Casey confirmed there had never been an independent investigation that according to the letter dated 10 March 2012 was allegedly commissioned following the June 2011 Board meeting
- Dr Casey said that it was untrue that Mr Fry's recommendation for the redevelopment had no support from IBA Executive or staff and said that it was also untrue that they were sidelined and excluded from participation
- Dr Casey also said Tjapukai has not become a personal project of hers, as alleged, for any other reason than she is passionate about it

- When asked about Mr Fry's actions in relation to the Gold Coast conference and more specifically the trip to Movie World she said that she had spoken to him when he had finished at the Senate Estimates Committee and she said he sounded shocked and that he told her he did not previously know about that trip
- When asked if she would be advised as a matter of course about the conference and the agenda she said "no".

### 5.6.3 Findings – Allegations against Dr Casey

- Dr Casey declared a potential conflict of interest relating to Tjapukai in the Board Meeting dated 14 September 2010
- This conflict declaration did not directly relate to Dr Casey's actual, perceived or potential conflict with Tjapukai employee/s but rather her association with museums and cultural centres and the work she has previously overseen in these projects
- The board discussed Dr Casey's potential conflict and decided that that she did not have a material personal interest in Tjapukai and stated that any advice that Dr Casey offered to the business was done so on a 'no payment' basis
- Dr Casey completed and signed the conflict declarations each year but believed this declaration related to 'financial interests' only
- Dr Casey has told us that, in 2009, she declared to the IBA Board a perceived conflict of interest due to her distant family connection to a current Tjapukai employee, Mr Hudson. We have not been able to locate the minutes of this Board meeting
- Dr Casey confirmed that Mr Hudson does work at Tjapukai as the current CEO but stated that he is moving into a more artistic and creative role due to Tjapukai needing a stronger person in the CEO role
- She said that prior to her appointment as the Chair she had not seen him or spoken to him since 1992 and she did not believe he has personally benefitted as a result of the redevelopment
- Following Board discussion of the need for the CEO to have a particular skillset and other matters Dr Casey said that she and Mr Fry would meet with Mr Hudson, staff and Indigenous partners as soon as possible
- As a result of the work we have conducted we have not identified any evidence to recommend consideration of breaches of the CAC Act in relation to Dr Casey. In particular we have not identified evidence of Dr Casey allowing her personal interests, or the interests of any associated person or organisation, to influence her conduct or duty to act in the best interests of IBA.

# Appendix A

## Glossary of individuals and entities we have referred to in this report

The individuals and entities referred to in the report are summarised in the table below.

Individual	Position
Mr Chris Fry	Chief Executive Officer, IBA
Dr Dawn Casey	Chair of the Board, IBA
Mr Leo Bator	Chief Operating Officer, IBA
Mr Christian Barzca	Tourism Portfolio Manager, IBA
Ms Louise Biddle	Executive Officer, IBA
Ms Kirsty Gowens	General Counsel, IBA
Ms Effie Poulos	Program Coordinator, IBA
Ms Tracie Brauer	Assistant to Executive, IBA
Mr Hanz Spier	Manager – Djabugay Corporations
Mr David Hudson	Artistic Director – Tjapukai
Mr Will Tynan	Acquisitions Associate, IBA
Mr Chris Smith	Senior Investment Manager, IBA
Mr Ray McInnes	Senior Portfolio Manager, IBA
Mr Ben Tyson	Area Director – InterContinental Hotels Qld & PNG
Ms Christine Dragisic	Senior Manager Governance & Retail Portfolio, IBA
Mr David Vigar	Investments Manager, IBA
Mr Stephen Barry	Senior Manager Tourism and Hospitality, IBA
Mr Paul Coker	Executive Officer, IBA
Mr Ronae Camaggi	Acting IT Services Manager, IBA
Ms Diane Rimington	Deputy Chief Executive Officer (Commercial), IBA

Individuals/Entity	Position
Tjapukai Aboriginal Cultural Centre	Tourist attraction, directed by Mr Hudson
Tjapukai Pty Ltd	Company of Tjapukai, directed by Mr Barry and Mr Barcza
Indigenous Land Corporation	Land acquisition assistance, Chair of the Board is Dr Casey
Public Policy Solutions Pty Ltd	Company directed by Mr Fry
Commercial Freedom Australia Pty Ltd	Company directed by Mr Fry
National Indigenous Pastoral Enterprises Pty Ltd	Company directed by Dr Casey
NAISDA Pty Ltd	Indigenous dance company, directed by Dr Casey
Museum of Applied Arts and Sciences	Museum, directed by Dr Casey
Cape Don Pty Ltd	Company directed by Mr Smith and Mr Barry
Wildman Wilderness Pty Ltd	Company directed by Mr Smith and Mr Barry

# Appendix B

## List of keywords used in the email review of Mr Fry

Emails were extracted from Mr Fry's email account from 17 October 2010 through to 28 March 2012. The list of keywords that were used in the review of Mr Fry's email account are identified below:

Keywords	Key word 'hits'
Movie World	69
Movieworld	341 <sup>6</sup>
Gold Coast	4
Team building	69
Team activity	45
Redevelopment and \$14 million	0
Whistleblower	40
Senate Estimates Committee	68
Tjapukai and Dawn	412
Relatives and Dawn	0
Declaration of interest	25
Conflict of interest and Tjapukai	29
Material personal interest	96
<a href="mailto:christopher.smith@iba.gov.au">christopher.smith@iba.gov.au</a> and authorised	0
<a href="mailto:christopher.smith@iba.gov.au">christopher.smith@iba.gov.au</a> and approved	117
<a href="mailto:christopher.smith@iba.gov.au">christopher.smith@iba.gov.au</a> and approval	120
<a href="mailto:christopher.smith@iba.gov.au">christopher.smith@iba.gov.au</a> and conference	29
<a href="mailto:christopher.smith@iba.gov.au">christopher.smith@iba.gov.au</a> and seminar	5
<a href="mailto:christopher.smith@iba.gov.au">christopher.smith@iba.gov.au</a> and Gold Coast	12
<a href="mailto:christopher.smith@iba.gov.au">christopher.smith@iba.gov.au</a> and Effie Poulos	248
Effie Poulos	48
Chris and request	73
<b>Total</b>	<b>2,033</b>

<sup>6</sup> The first email containing 'Movieworld' was sent by Mr Fry on 19 February 2012

# Appendix C

## List of people interviewed

The following people were interviewed to assist in our investigation:

- Mr Tynan
- Mr McInnes
- Mr Smith
- Ms Poulus
- Mr Barry
- Mr Thomas
- Mr Fry
- Dr Casey.



# Appendix D

**Email notifying the investments team that the location had been changed to Cairns**

**From:** SMITH,Christopher  
**Sent:** Thursday, 25 August 2011 4:28 PM  
**To:** VIGAR,David; KINGDON,Diane; DRAGISIC,Christine; BARRY,Stephen;  
BARCZA,Christian; MORETON,Koorinya; KING,Robert; CLARKE,Kyralee;  
COKER,Paul; APOSTOLAKIS,Chris; MCINNES,Ray; VARLET,Jason;  
WOLVAARDT,Cronje; TWEEDY,Hamish; POULOS,Effie; TYNAN,Will  
**Cc:** FRY,Chris  
**Subject:** Investments Planning and Strategy

Dear Team,

Further to earlier correspondence, please note the Investments Planning and Strategy is proceeding on 31 October to 3 November in Cairns. Unfortunately due to excessive flight costs into Alice Springs the location has been changed to Cairns. As with last year we will be booking flights early next week in an attempt to capitalise on affordable flights.

If you are unable to attend could you please advise myself as a matter of urgency. As the flights will not be flexible, could you please advise myself of any special requirements.

The itinerary and venue will be forwarded within the next few weeks.

Kind Regards,

**Chris Smith | Assistant General Manager | IBA Investments**

**Indigenous Business Australia**

PO Box 38, WODEN ACT 2606

✉ [chris.smith@iba.gov.au](mailto:chris.smith@iba.gov.au)

☎ 02 6121 2657

☎ 02 6246 6274

☎ 0427 013 643

## Appendix E

**Email Mr Fry sent to Mr Smith stating to be mindful of costs in regard to the Gold Coast conference**

**From:** FRY,Chris  
**Sent:** Thursday, 25 August 2011 5:03 PM  
**To:** SMITH,Christopher  
**Subject:** Re: Investments Planning and Strategy

Chris,  
Be mindful of costs since I am going to benchmark across all programs on an annual basis. Thanks for reviewing flights to Ularu.

I have been out of mobile range for 30 hours, so happy to discuss tomorrow

---

**From:** SMITH,Christopher  
**Sent:** Thursday, August 25, 2011 04:28 PM  
**To:** VIGAR,David; KINGDON,Diane; DRAGISIC,Christine; BARRY,Stephen; BARCZA,Christian; MORETON,Koorinya; KING,Robert; CLARKE,Kyralee; COKER,Paul; APOSTOLAKIS,Chris; MCINNES,Ray; VARLET,Jason; WOLVAARDT,Cronje; TWEEDY,Hamish; POULOS,Effie; TYNAN,Will  
**Cc:** FRY,Chris  
**Subject:** Investments Planning and Strategy

Dear Team,

Further to earlier correspondence, please note the Investments Planning and Strategy is proceeding on 31 October to 3 November in Cairns. Unfortunately due to excessive flight costs into Alice Springs the location has been changed to Cairns. As with last year we will be booking flights early next week in an attempt to capitalise on affordable flights.

If you are unable to attend could you please advise myself as a matter of urgency. As the flights will not be flexible, could you please advise myself of any special requirements.

The itinerary and venue will be forwarded within the next few weeks.

Kind Regards,

**Chris Smith | Assistant General Manager | IBA Investments  
Indigenous Business Australia**  
PO Box 38, WODEN ACT 2606  
✉ [chris.smith@iba.gov.au](mailto:chris.smith@iba.gov.au)  
☎ 02 6121 2657  
☎ 02 6246 6274  
☎ 0427 013 643

# Appendix F

**Email Mr Fry sent detailing the thoughts of Dr  
Casey following the Senate Estimates  
Committee**

**From:** FRY,Chris  
**Sent:** Sunday, 19 February 2012 3:56 PM  
**To:** BATOR,Leo; SMITH,Christopher; BIDDLE,Louise  
**Cc:** WOODS,Kaely  
**Subject:** Senate Estimates discussion - confidential [IN-CONFIDENCE:BOARD]

**Categories:** IN-CONFIDENCE:BOARD

Chris,

Following my discussion with Dawn to update her happenings at Senate Estimates, her thoughts were;

- Someone is leaking
- Looks politically motivated, rather than personally motivated to get back at IBA
- Not too worried by Tjapukai details, since a strong due diligence process was followed and very good external consultants accessed
- Is worried by Gold Coast conference since not a good look, and Movie World a worse look
- She wants a briefing on dates for Tjapukai and what Board decisions made (Louise will complete)
- She wants briefing on Gold Coast conference and Movie World event (relative costings, activities, how many staff, which speakers, topics etc) (Chris to complete)
- She wants a communications strategy developed and all requests for media to be advised to her before comment made (Leo to attend, and involve Kaely and Dan as required)
- It is time not to over-react with our messaging with staff, but be prepared in case there is a concerted media focus on us

Louise & Leo,

Please also note action. Let us talk after Executive meeting

Please keep details of my discussion with Dawn confidential between us at this stage.

Thanks again

Chris Fry | Chief Executive Officer | Indigenous Business Australia  
W + 61 2 6121 2600 | M 0488 014 827 | F + 61 2 6246 6668 | PO Box 38, Woden ACT 2606  
[www.iba.gov.au](http://www.iba.gov.au) | Freecall™ 1800 107 107 (Calls to 1800 numbers from your home phone are free but from public and mobile phones may be timed and charged at a higher rate)

# Appendix G

**Email Mr Smith sent to Mr Fry containing an Investments Meeting Brief detailing the events of the Gold Coast conference**

**From:** SMITH,Christopher  
**Sent:** Tuesday, 21 February 2012 4:07 PM  
**To:** FRY,Chris  
**Cc:** BATOR,Leo; VISWANATHAN,Rajiv  
**Subject:** Investments Planning Brief [UNCLASSIFIED]  
**Attachments:** Investments Planning Nov 11 Brief\_Investments 2012.docx

Dear Chris,

As requested, please refer attached Brief pertaining to the Investments Planning and Strategy session held at the Gold Coast.

Should further information or clarification be required, please do not hesitate to contact me.

Regards,

**Chris Smith | Senior Manager | IBA Investments**

**Indigenous Business Australia**

PO Box 38, WODEN ACT 2606

✉ [chris.smith@iba.gov.au](mailto:chris.smith@iba.gov.au)

☎ 02 6121 2657

☎ 02 6246 6274

☎ 0427 013 643





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

## Senate Estimate Question

<b>Branch:</b>	Investments
<b>Author/Title:</b>	Chris Smith, Senior Manager - Investments
<b>Contact Details:</b>	02 6121 2657 or 0427 013 643
<b>Date:</b>	21 February 2012

### **IBA Investments Strategy and Planning, November 2011, Gold Coast Qld**

The IBA Investments branch conducted its annual Strategy and Planning session at the Crowne Plaza Gold Coast from Monday 31 October 2011 to 3 November 2011. The Gold Coast was the fifth time in the past five years that the Branch has conducted such a session. The previous two were held at the Holiday Inn Townsville with the two before being conducted at Bowral NSW. The sessions provide an opportunity to bring together the five interstate based staff together with the Canberra based staff to discuss learnings and process improvement. The event occurs annually with 2011 presenting an opportunity for many new staff to meet face to face with their interstate based colleagues. A total of 16 Investments staff participated in the event.

### **Presentations**

External Speakers who attended the event were;

1. James Luddington, BDA Marketing – Economic overview and presentation on market performance;
2. James Rochin, BDA Marketing – Economic overview and presentation on market performance;
3. Chris Fry, IBA CEO – Executive expectations, behaviours and performance framework;
4. Paul Crawford, Mallesons Stephen Jaques – Legal, Governance, Deal Structuring and Unit and Share issuing;



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*\*Calls to 1800 numbers from your home phone are free. Calls from public and mobile phones may be timed and charged at a higher rate.*

5. Chris Pitson, Mallesons Stephen Jaques – Legal, Governance, Deal Structuring and unit and share issuing;
6. Kirsty Gowans, IBA Legal – Workplace Health and Safety, record keeping and Native Title;
7. Grant Hunt, Anthology & Chairman Tourism Tasmania – Tourism opportunities and management structure; and
8. Ben Tyson, Director Finance and Business Support IHG – Cost saving initiatives and enhanced management reporting.

BDA and Mallesons representatives did not charge IBA for flights or time spent at the sessions. The Mallesons representative stayed one night which provided the team with an opportunity to discuss deal progress and seek additional clarification on a number of pending matters. Ben and Grant also provided their services on a pro bono basis.

### **Venue Selection**

The venue was selected following a rigorous review of multiple locations. Other venues considered were;

1. Alice Springs (IBA Investment, Alice Springs Resort);
2. Cairns (IBA Investment, Tjapukai);
3. Darwin (IBA Investments, Grand Medina Vive Hotel); and
4. Gold Coast.

Alice Springs, Cairns and Darwin, presenting opportunities for direct Indigenous engagement in the team building activity, required two connecting flights to reach the destination with airfares exceeding and average price of over \$800 per person. Quoted Accommodation charges started from \$135.00 per person per night on a room only basis.

### **Costing Analysis**

The Gold Coast offered direct flights from Canberra to Gold Coast with Virgin Australia at an average cost of \$421 per person. The Crowne Plaza rate negotiated was \$125 per person per night for bed and breakfast. IBA Staff did not receive travel allowance for those meals provided.

The Total cost for the three days including airfares, transfers, accommodation, conference room costs, catering and incidentals was \$18,735 (ex GST). The average cost per attendee was \$936 (ex GST).

### **Team Building Activity**

In the previous year the team participated in a Master Chef cooking class conducted in house at the Hotel. Because of IBA significant investment in Hotels this presented the team with practical exposure to Hotel operations.

The 2011 activity involved the team spending approximately three hours at Movie World following a robust morning session where staff were provided with an opportunity to ask hard questions of management while a debrief on the key outtakes from the previous days was presented. The previous sessions commenced at 8:30am with the days officially concluding at 5:30pm. The team building activity resulted in staff from different locations, departments and various backgrounds with an opportunity to associate in an informal environment and learn more about each other and foster relationships. While the activity has drawn adverse attention, the day was very successful and achieved the goal of broadening relationships.

In addition to team building, portfolio managers and acquisition staff obtained secondary benefits from the visit to the Tourism venue. Staff observed the product offering, continued new development and extensive capital required to operate the business. Marketing collateral was collected with particular attention to Park visitor flow. The ticketing process and multiple distribution channels were observed and discussed in the context of the Tjapukai operation and redevelopment. The internal Park displays and signage were noted. The IBA team could draw parallels from the visit as the majority of the IBA Investments are public facing tourism assets. Acquisitions and Portfolio managers, in particular observed evidence of stringent complex procedures being implemented and noted the processes of work place health and safety being implemented.

Other key operational areas reviewed included;

- Food and Beverage Operations
- Ticketing

- Crowd Control
- Security
- First Aid

The team rated the 2011 event as the best, most productive and informative session when compared with previous years. The guest presenters contributed to the success of the event.

### **2012 Investments Planning and Strategy**

The 2012 selection with apply due analysis of value for money, ease of access, locality to IBA owned Investments will be key considerations coupled with political interest.

# Appendix H

**Email from Dr Casey to Mr Coker detailing  
that she had no material personal interests**

**From:** Casey, Dawn  
**Sent:** Thursday, 11 August 2011 6:27 PM  
**To:** COKER,Paul; gra@kepakurl.com.au;itrust@wunan.org.au;  
jason@eades.com.au; jenny.boddington@qbelmi.com; judymhardy@gmail.com;  
leah.armstrong@exemail.com.au; peter.thomas@tfginternational.com;  
val.cooms@aiatsis.gov.au  
**Cc:** FRY,Chris; WOODS,Kaely; BRAUER,Tracie  
**Subject:** RE: Agenda for 13 September IBA Board Meeting BM72 and Material Personal Interest

Hi Paul

I have no material interest.

Dawn

-----  
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---

**From:** COKER,Paul [mailto:Paul.COKER@iba.gov.au]  
**Sent:** Thursday, 4 August 2011 4:18 PM  
**To:** Casey, Dawn; gra@kepakurl.com.au;itrust@wunan.org.au; Jason@eades.com.au;  
jenny.boddington@qbelmi.com; judymhardy@gmail.com; leah.armstrong@exemail.com.au;  
Peter.Thomas@tfginternational.com; Val.Cooms@aiatsis.gov.au  
**Cc:** FRY,Chris; WOODS,Kaely; BRAUER,Tracie  
**Subject:** Agenda for 13 September IBA Board Meeting BM72 and Material Personal Interest

Dear IBA Directors

I have attached the agenda for the 13 September IBA Board meeting. Could you please flag any material personal interests that you may have by return email.

Many thanks,

Paul

Paul Coker  
Executive Officer  
Indigenous Business Australia  
Level 5 Bonner House West  
PO Box 38  
WODEN ACT 2606  
Ph: (02) 6121 2606  
Fax: (02) 6246 6219  
Email: paul.coker@iba.gov.au

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# Appendix I

**Email Dr Casey sent to Mr Fry regarding his  
visit to Tjapukai**

**From:** Casey, Dawn  
**Sent:** Thursday, 10 November 2011 6:27 AM  
**To:** FRY,Chris  
**Subject:** RE: Tjapukai

Hi Chris

I agree your visit and your meeting with the stakeholders with the partners has been a great move forward and I was not being critical of you yesterday but rather frustrated as will be the other Board members about the discussion around the product and management not having improved. On this action should have been taken over 12 months ago.

bye for now

Dawn

-----Original Message-----

From: FRY,Chris [mailto:Chris.Fry@iba.gov.au]  
Sent: Wed 11/9/2011 8:59 PM  
To: Casey, Dawn  
Subject: Re: Tjapukai

Dawn,

I believe that the benefit is that the Indigenous partners and other stakeholders still have belief in the product and will support our moves for change, and acknowledge some disruption along the way.

Initially one of the Indigenous partners was pushing for retaining the call option, closing the park and returning it in a small way back to Kuranda. This would not have been good.

From the meetings I believe we will have a clear timeline for the future.

It is right to ask that with the trends over time why then it has taken so long

----- Original Message -----

From: Casey, Dawn [mailto:dawnc@PHM.GOV.AU]  
Sent: Wednesday, November 09, 2011 05:27 PM  
To: FRY,Chris  
Subject: RE: Tjapukai

Hi Chris

The Board knows the product hasn't evolved and all the other things you state below and we have known for a couple of years hence the proposal for redevelopment including new organisational and governance structures which is now long overdue. The Board is going to ask why isn't it happening?

Dawn

---

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-----Original Message-----

From: FRY,Chris [mailto:Chris.Fry@iba.gov.au]  
Sent: Wednesday, 9 November 2011 4:35 PM  
To: Casey, Dawn  
Subject: Tjapukai

Dawn,



We have just completed our Tjapukai visit after meeting key staff, local stakeholders, competitors and inspecting night and day offer.

It was invaluable having Jason along. The consistent message was that the product offer has not evolved and is tired, infrastructure is tired and staff management is poor.

I also met with both Indigenous partners separately. Meetings went well, with both agreeing that they want Tjapukai to remain open, it needs significant upgrade and they agree to ceasing call option.

We are preparing a report for next Board meeting

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# Appendix J

## List of attendees at the Gold Coast conference

# Attendance List

## Staff

Chris Fry (Arrived Late Day 1, attended all Day 2)

Chris Smith

Kirsty Gowans

Effie Poulous

Ray McInnes

Christian Barcza

Stephen Barry

Chris Apostolakis

Jason Varlet

Paul Coker

Koorinya Moreton

Kyralee Clarke

David Vigar

Will Tynan

Bob King

Hamish Tweedy

Cronje Woolvaardt

Liam Allen

Paul Crawford Malleison's Stephens Jaques

Chris Pitson Malleison's Stephens Jaques

# Appendix K

**The three day agenda for the Gold Coast  
conference**

## IBA Investments 31 October – 3 November 2011 Planning Agenda

Time	Day 1 – Monday 31 October
	Cronje in Gold Coast Sunday 30 October
0925	Canberra staff arrive in Gold Coast
0930	Sydney & Brisbane staff arrive in Gold Coast
1000 - 1015	Check In & Familiarisation
1015 – 1030	Morning Tea in Pre Function Area
1030 - 1045	Welcome & Introduction – Chris Smith
1045 - 1100	CEO Overview – <i>now on Day 2</i>
1100 - 1300	BDA Economic Market Presentation
1300 - 1400	Buffet Lunch in Relish Restaurant
1400 – 1530	Acquisitions Strategy and Overview – David Vigar  Regional Acquisition Update; <ul style="list-style-type: none"> <li>- Hamish Tweedy - NSW, VIC &amp; Tas</li> <li>- Cronje Wolvaardt – WA &amp; SA</li> <li>- Will Tynan - QLD</li> <li>- David Vigar – QLD, NT &amp; Other</li> </ul>
1530 – 1545	Afternoon Tea in Pre Function Area
1545 – 1700	Acquisition and Divestment process – David Vigar
1700	Finish
1700 – 1800	Free Time
1800	Depart at 1800 for Dinner at Dracula's Cabaret

Time	Day 2 – Tuesday 1 November (Melbourne Cup Day)
0630 – 0830	Buffet Breakfast in Relish Restaurant
0830	Arrival Tea & Coffee
0830 – 1030	Legal, Governance and Compliance <ul style="list-style-type: none"> <li>- Paul Crawford, MSJ]</li> <li>- Kirsty Gowans, IBA</li> <li>- Liam Allen</li> </ul>
1030 – 1045	Morning Tea in Pre Function Area
1045 – 1230	Legal, Governance and Compliance – Kirsty Gowans <ul style="list-style-type: none"> <li>- Workshop and training</li> </ul>
1230 - 1315	Buffet Lunch in Relish Restaurant
1315 - 1330	Investments Section Structure – Chris Smith
1330 - 1500	Investment Portfolio Presentation <ul style="list-style-type: none"> <li>- Stephen Barry</li> <li>- Di Kingdon</li> <li>- Paul Coker</li> <li>- Christine Dragisic</li> <li>- Christian Barcza</li> <li>- Chris Apostolakis</li> <li>- Ray McInnes</li> <li>- Chris Smith</li> </ul>
1500 – 1530	Afternoon Tea, Melbourne Cup Sweep and Viewing in First Bar Tavern (outside of the hotel)
1530 - 1730	Investment Portfolio Presentation continued
1730	Finish
1730 – 1900	Free Time
1900 – 2000	Pre dinner drinks at Relish Bar
2000	Dinner at Four Winds Revolving Restaurant

Time	Day 3 – Wednesday 2 November
0630 - 0830	Buffet Breakfast in Relish Restaurant
0830 - 1000	Debrief and Q&A Session – David Vigar and Chris Smith
1000 - 1600	Team Activity
1900	Dinner in Relish Restaurant

Time	Day 4 – Thursday 3 November
0630 - 0800	Buffet Breakfast in Relish Restaurant
0800 - 0900	Check out and depart for airport  <i>Note: IBA is covering accommodation costs only. Mini bar, in house movies &amp; any other hotel services is to be paid by each individual.</i>
0905 1000	Cronje departs Gold Coast All other staff depart Gold Coast



# Appendix L

## **Breakdown of budgeted costs at the Gold Coast conference**

BUDGET

**IBA Investments Strategy and Planning Retreat - Monday 31 October 2011 to Thursday 3 November 2011**

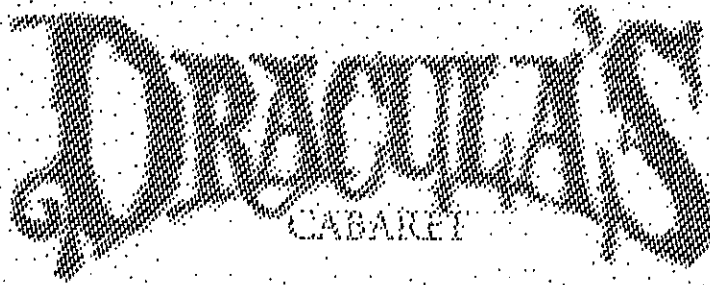
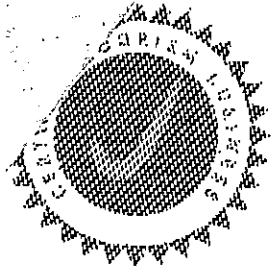
Location: Gold Coast

	Name	No of Nights	Room Rate Inc B/Fast	Total Accom	Airfare	Monday		Tuesday		Wednesday		Hire Car	Taxi	Total
						Lunch	Dinner	Lunch	Dinner	Lunch	Dinner			
1	Chris Smith	3	\$ 125.00	\$ 375	\$ 330	\$ 30	\$ 50	\$ 30	\$ 80	\$ 30	\$ 80	\$ 300	\$ 50.00	\$ 1,355.00
2	Effie Poulos	3	\$ 125.00	\$ 375	\$ 330	\$ 30	\$ 50	\$ 30	\$ 80	\$ 30	\$ 80		\$ 50.00	\$ 1,055.00
3	Christine Dragicis	3	\$ 125.00	\$ 375	\$ 330	\$ 30	\$ 50	\$ 30	\$ 80	\$ 30	\$ 80		\$ 50.00	\$ 1,055.00
4	Ray McInnes	3	\$ 125.00	\$ 375	\$ 330	\$ 30	\$ 50	\$ 30	\$ 80	\$ 30	\$ 80	\$ 300	\$ 50.00	\$ 1,355.00
5	Christian Barcza	3	\$ 125.00	\$ 375	\$ 330	\$ 30	\$ 50	\$ 30	\$ 80	\$ 30	\$ 80		\$ 50.00	\$ 1,055.00
6	Diane Kingdon	3	\$ 125.00	\$ 375	\$ 330	\$ 30	\$ 50	\$ 30	\$ 80	\$ 30	\$ 80		\$ 50.00	\$ 1,055.00
7	Stephen Barry	3	\$ 125.00	\$ 375	\$ 330	\$ 30	\$ 50	\$ 30	\$ 80	\$ 30	\$ 80	\$ 300	\$ 50.00	\$ 1,355.00
8	Chris Apostolakis	3	\$ 125.00	\$ 375	\$ 330	\$ 30	\$ 50	\$ 30	\$ 80	\$ 30	\$ 80		\$ 50.00	\$ 1,055.00
9	Jason Varlet	3	\$ 125.00	\$ 375	\$ 330	\$ 30	\$ 50	\$ 30	\$ 80	\$ 30	\$ 80	\$ 300	\$ 50.00	\$ 1,355.00
10	Paul Coker	3	\$ 125.00	\$ 375	\$ 330	\$ 30	\$ 50	\$ 30	\$ 80	\$ 30	\$ 80		\$ 50.00	\$ 1,055.00
11	Koornya Moreton	3	\$ 125.00	\$ 375	\$ 330	\$ 30	\$ 50	\$ 30	\$ 80	\$ 30	\$ 80		\$ 50.00	\$ 1,055.00
12	Kyralae Clarke	3	\$ 125.00	\$ 375	\$ 330	\$ 30	\$ 50	\$ 30	\$ 80	\$ 30	\$ 80		\$ 50.00	\$ 1,055.00
13	David Vigar	3	\$ 125.00	\$ 375	\$ 100	\$ 30	\$ 50	\$ 30	\$ 80	\$ 30	\$ 80	\$ 300	\$ 50.00	\$ 1,125.00
14	Will Tynan	3	\$ 125.00	\$ 375	\$ 100	\$ 30	\$ 50	\$ 30	\$ 80	\$ 30	\$ 80		\$ 50.00	\$ 825.00
15	Bob King	3	\$ 125.00	\$ 375	\$ 220	\$ 30	\$ 50	\$ 30	\$ 80	\$ 30	\$ 80		\$ 50.00	\$ 945.00
16	Hamish Tweedy	3	\$ 125.00	\$ 375	\$ 220	\$ 30	\$ 50	\$ 30	\$ 80	\$ 30	\$ 80		\$ 50.00	\$ 945.00
17	Cronje Wolvaardt	3	\$ 125.00	\$ 375	\$ 551	\$ 30	\$ 50	\$ 30	\$ 80	\$ 30	\$ 80		\$ 50.00	\$ 1,276.00
18	Liam Allen	3	\$ 125.00	\$ 375	\$ 330	\$ 30	\$ 50	\$ 30	\$ 80	\$ 30	\$ 80		\$ 50.00	\$ 1,055.00
19	IBA	3	\$ 125.00	\$ 375	\$ 330	\$ 30	\$ 50	\$ 30	\$ 80	\$ 30	\$ 80		\$ 50.00	\$ 1,055.00
20	IBA	3	\$ 125.00	\$ 375	\$ 330	\$ 30	\$ 50	\$ 30	\$ 80	\$ 30	\$ 80		\$ 50.00	\$ 1,055.00
21	IBA	3	\$ 125.00	\$ 375	\$ 330	\$ 30	\$ 50	\$ 30	\$ 80	\$ 30	\$ 80		\$ 50.00	\$ 1,055.00
<b>Total</b>				<b>\$ 7,875</b>	<b>\$ 6,471</b>	<b>\$ 630</b>	<b>\$ 1,050</b>	<b>\$ 630</b>	<b>\$ 1,680</b>	<b>\$ 630</b>	<b>\$ 1,680</b>	<b>\$ 1,500</b>	<b>\$ 1,050</b>	<b>\$ 23,196.00</b>

Average per attendee \$ 1,104.57

# Appendix M

**Invoices from Crowne Plaza and Draculas  
restaurant on the Gold Coast**



**Tax Invoice**  
**Booking No: 1286552**  
**Fax No: 0262466295**

**Dracula's Pty Ltd**

ABN 86 010 724 508

1 Hooker Boulevard, Broadbeach Qld 4218. Tel: 07-55751000 Fax: 07-55753515

Web: [www.draculas.com.au](http://www.draculas.com.au) Email: [qldboxoffice@draculas.com.au](mailto:qldboxoffice@draculas.com.au)

Date of Issue: **31/10/2011**  
 Customer/Surname: **SMITH**  
 First Name: **CHRIS**  
 Other ID/ABN:  
 Address: **PO BOX 38**  
**WODEN ACT 2606**  
**0262466295**

Date of Performance:	<b>31/10/2011</b>	Price per Seat (inclusive of GST):	<b>\$83.00</b>
No of Seats Booked:	<b>22</b>	Amount Paid (inclusive of GST):	<b>\$1660.00</b>
Number of Seats Paid:	<b>20</b>	Balance Due (inclusive of GST):	<b>\$0.00</b>
		Balance Due Date:	

**Details of Supply:**

Lon Chaney' B Reserve tickets include a 3 course meal and live show. All drinks are extra on the night.  
 Bela Lugosi' A Reserve tickets include a 3 course meal, live show, premium upstairs seating, a VIP gift bag, finger food and a glass of champagne. All drinks are extra on the night.

**Terms and Conditions:**

Tickets will be issued on payment. Please note there are NO REFUNDS, EXCHANGES OR CHANGE OF DATE once paid. Payment may be made by Credit Card, Money Order or Cash. We do not accept personal cheques, AMEX or Diners. Seats that are not paid for by the due date will be automatically released to our waiting list.

**General Information:**

Our doors creek open at 6:00pm and you may choose to ride the Ghost Train into the 'Theatre of the Vampire'. Prompt arrival is essential to catch the last train at 6:30PM. Dress is smart casual – no thongs or beach attire. Dracula's is a non-smoking restaurant, although designated smoking areas are provided. We are Fully Licensed (no BYO) with drinks at Lounge Bar prices. Our quality three course dinner offers a choice of 5 main meals, including a vegetarian option. We can also organise special menus for guests with allergies. Celebration Cakes can be purchased with 48 hours notice. On-site parking is limited.

For more information please visit our website at [www.draculas.com.au](http://www.draculas.com.au) or call our Box Office on 07 5575 1000.

**Customer Details:**

CHRIS SMITH  
 PO BOX 38  
 WODEN ACT 2606  
 Australia



10002980

INVOICE TO BE PAID BY IBA

  
**CROWNE PLAZA**  
SURFERS PARADISE  
THE PLACE TO MEET.

Cost Centre 7201  
GL Code: 20610  
Recoverable to IBA: Yes / No *Please circle as appropriate*

**Tax Invoice**

ABN 70 087 814 666  
Po Box 730, Surfers Paradise QLD 4217

Recoverable from?  
Goods or Services Received: Expenses  
PRINT NAME: Elle Poulos  
Approved for Payment:  
PRINT NAME: Chris Smith  
TITLE: Manager Investments

Attn: Ms Effie Poulos  
Indigenous Business Australia  
Bonner House  
Po Box 38  
Woden ACT 2606

Date of Invoice: Tuesday 8th November 2011  
Invoice Number: 9200  
Date of Function: Sunday 30th October - Wednesday 2nd November 2011  
CONFERENCE NAME: Indigenous Business Australia Investments Conference

DATE		P/UNIT	DEBIT	CREDIT	BALANCE
14-Sep-11	1 Deposit - Bank Transfer		\$4,300.00	\$4,300.00	
30-Oct-11	1 Accommodation package	\$125.00	\$125.00		
31-Oct-11	19 Accommodation package	\$125.00	\$2,375.00		
	20 Day delegate packages	\$58.00	\$1,160.00		
1-Nov-11	18 Accommodation package	\$125.00	\$2,250.00		
	22 Day delegate packages	\$58.00	\$1,276.00		
	2 Less Afternoon tea from package	-\$8.00	-\$16.00		
	1 Audiovisual hire as per Videoplus	\$440.00	\$440.00		
	20 Dinner packages	\$89.50	\$1,790.00		
2-Nov-11	15 Accommodation package	\$125.00	\$1,875.00		
	15 MovieWorld Tickets	\$79.99	\$1,199.85		
	17 Dinner packages	\$42.50	\$722.50		
	1 A la Carte 3 course dinners	\$1,204.00	\$1,204.00		

**POSTED**  
*by 11/11/11*

Payment required within 3 days of the date of this invoice

\*All credit card payments relating to Australian hotels incur a merchant service fee of 1.5% in addition to the total amount payable.

	\$ 14,401.35	\$ 4,300.00
		Total GST: \$ 1,309.21
		<b>TOTAL OWING \$10,101.35</b>

**Crowne Plaza Surfers Paradise Bank Details:**  
Hotel: Crowne Plaza Surfers Paradise  
Bank: NAB 12 - 14 Albert Ave BROADBEACH QLD 4218  
BSB #: 084 716  
Account #: 495893196  
Account Name: Goodearth Hotels Australia (Gold Coast) P/L  
T/A Crowne Plaza Surfers Paradise

# Appendix N

**Handwritten note prepared by Mr Fry  
comparing recent IBA conferences**

- CORPORATE  
: 2 DAYS  
: \$6K, 32 STAFF = \$200/HD.

- ENTERPRISE  
: 3 DAYS  
: \$75K, 66 STAFF = \$1100/HD  
(INCL FLIGHTS)

- HOMES  
: 4 DAYS  
: \$27K, 20 STAFF = \$1350/HD

- POLICY  
: 1 DAY,  
: \$4000 = \$4000/HD

- INVEST.  
: = \$1020/HD



# Appendix O

## Timeline of events in relation to Tjapukai



# Appendix P

**Dr Casey's Private Interests Declaration dated  
7 May 2009**

In Confidence

The Hon. Jenny Macklin MP  
Minister for Families, Housing, Community Services and Indigenous Affairs  
Parliament House  
CANBERRA ACT 2600

Dear Minister

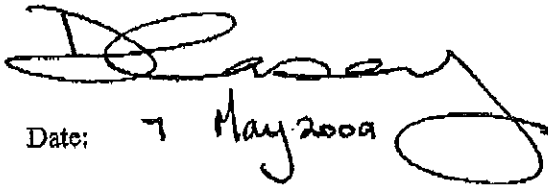
I am writing in relation to the proposed appointment of a Chairperson of Indigenous Business Australia.

I confirm that I am willing for my name to be put forward for consideration.

I have reviewed the Code of Conduct principles for Commonwealth statutory office-holders and wish to provide you with my assurance that I am not aware of any matters which would give rise to a conflict of interest between my responsibilities as the Chairperson of Indigenous Business Australia and my employment, business and financial interests (including taxation affairs).

I enclose my completed private interests declaration form.

Yours sincerely

  
Date: 7 May 2009

# APPOINTMENTS - IN - CONFIDENCE

## PRIVATE INTERESTS DECLARATION

POSITION	CHAIRPERSON, INDIGENOUS BUSINESS AUSTRALIA
----------	--

Please answer the following questions by circling the reply that applies to your personal circumstances. If you answer "yes" to any question, please provide details in an attachment to this form. Please note that answering "yes" to any question does not necessarily preclude you from being appointed. Your response will be treated as confidential and will only be used for purposes connected with this proposed appointment.

1. Do you have any disclosable criminal convictions, i.e. convictions as an adult that form part of your criminal history other than those protected by the Spent Convictions Scheme (see Part VIIC of the <i>Crimes Act 1914</i> )?	Yes/No
2. Are you, or have you been, the respondent or defendant in any civil or criminal court action (including as a company director or other office holder)?	<del>Yes/No</del>
3. (a) Have you ever been declared bankrupt, or protected by the <i>Bankruptcy Act 1966</i> to the disadvantage of creditors? (b) If you are in a partnership, has your partner ever been declared bankrupt?	Yes/No Yes/No or N/A
4. Has any business or commercial enterprise for which you, or if applicable your partner(s), have had responsibility ever gone into receivership or a similar scheme or arrangement?	Yes/No
5. During the last 10 years have you, or if applicable your partner(s), been the subject of a court order in connection with monies owing to another party?	Yes/No
6. Have you ever been summonsed or charged concerning non-payment of tax or outstanding tax debts, investigated for tax evasion or defaults, or negotiated with the Australian Taxation Office over outstanding tax debts?	Yes/No
7. Have you ever been the subject of a complaint to a professional body which has been substantiated, or is currently under investigation?	<del>Yes/No</del>
8. Have you ever been dismissed from employment because of a discipline or misconduct issue?	Yes/No
9. Do you or your immediate family have any financial interest in any company or business, or are you or your immediate family employed or engaged by any company or business, which might have dealings with, or an interest in the decisions of, the office to which you may be appointed?	Yes/No
10. Is there any other information which could be relevant to your suitability for the proposed appointment?	Yes/No

### ASSURANCE

I advise that to the best of my knowledge my private, business and financial interests, including taxation affairs, would not conflict with my public duties or otherwise cause embarrassment to myself or to the Government during my term of appointment.

I also undertake to advise the responsible minister should a situation arise in the future which might cause a conflict of interest with my responsibilities under this appointment.

<p style="font-size: 1.2em; font-family: cursive;">DAWN CASEL</p> <p>.....</p> <p>Name</p>	<p style="font-size: 1.5em; font-family: cursive;">D Casey</p> <p>.....</p> <p>Signature</p>	<p style="font-size: 1.2em; font-family: cursive;">7 May 2009</p> <p>.....</p> <p>Date</p>
--	--	--

## APPOINTMENTS - IN - CONFIDENCE

# Appendix Q

**Dr Casey's Declaration of Interest dated 10  
September 2010**

## BOARD-IN-CONFIDENCE [WHEN COMPLETED]



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

### IBA Board Declaration of Interests Template

In accordance with Appendix 6 of the IBA Board Governance Charter, a register of interests will be maintained by the Board Secretary and will include those interests that could present an actual, potential or perceived conflict with the Director's duties. At the time when the draft Board Agenda is circulated, Directors will be asked to notify of any changes to the register.

I declare that:


- the following list includes those interests<sup>1</sup> that could present an actual, potential or perceived conflict with my duties and responsibilities as a Board Director at IBA;
- I will immediately inform the IBA Chairperson and Chief Executive Officer of any changes to my circumstance that could affect the contents of this declaration and to provide an amended declaration using this pro forma.

I have no interest that could conflict with my role. I have Superannuation in managed funds: PSSAP  
GESB  
ASGAR

I am on the Museum of Democracy Board, NAISDA Board and the old fort Design Council

#### Director's Declaration

Name: DR DAWN CASEY PSM FAHA

[Signature]  [Date] 10/9/10

<sup>1</sup> Please list any interests that could present an actual, potential or perceived conflict with my duties and responsibilities at IBA. These could include any private interests which could or could be seen to influence the decisions you are taking or the advice you are giving. The types of interests that may need to be disclosed include real estate investments, shareholdings, trusts or nominee companies, company directorships or partnerships, other significant sources of income, significant liabilities, gifts, private business, employment, family, voluntary, social or personal relationships that could or could be seen to impact upon your responsibilities

# Appendix R

**Extract of Board Minutes dated 14 September  
2010**





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

## Minutes

Meeting of:	The IBA Board – 66th Meeting		
Venue:	IBA Boardroom, Level 9, 300 Elizabeth Street, Surry Hills, Sydney		
Present:	Chair: Dr Dawn Casey Deputy Chair: Ian Trust Directors: Jenny Boddington, Judy Hardy, Leah Armstrong, Gail Reynolds-Adamson, Valerie Cooms and Peter Thomas		
Invitees:	Chief Executive Officer (General Manager IBA): Bruce Gemmell Deputy Chief Executive Officer (Business Support): Kaely Woods Deputy Chief Executive Officer (Commercial): Dianne Rimington Executive Officer: Paul Coker  For specific items: Chair of the Audit and Risk Committee; Jenny Morison Chief Financial Officer: Satish Kumar A/g Assistant General Manager Investments: Chris Smith Acquisitions Manager: David Vigar A/g Assistant General Manager Enterprises: Simon Barker		
Apologies:	Nil.		
Date:	Tuesday, 14 September 2010	Time:	9:00am – 4:15pm

Dr Casey opened the meeting and, with Jenny Morison needing to leave by 11:00am, started with those agenda items under the purview of the Audit and Risk Committee; specifically the Audit & Risk Committee Report, Chief Finance Officer's Report, Commonwealth Authorities and Companies Act (1997) Compliance Report, and the Risk Management Report.

*Mr Gemmell, Ms Rimington, Ms Woods and Mr Coker joined the meeting as did Ms Morison and Mr Kumar.*

### 1. Audit & Risk Committee Report (Agenda Item No. 4)

The Audit & Risk Committee Chair, Ms Jenny Morison, provided a verbal report on the outcomes of the 31 August 2010 meeting of the Audit & Risk Committee. Key discussion points were:

- The Committee considered the following significant matters:
  - 2009-2010 financial statements for IBA.
  - 2009-2010 financial statements for the Indigenous Economic Development Trust.
  - CAC Compliance Report.
  - 2010-2011 Risk Management Plan.
- To smooth workload and in terms of matters brought forward to the Board by the Audit & Risk committee, it was suggested that the equivalent Board meeting next

## COMMERCIAL IN CONFIDENCE

year should focus on IBA's accounts only, with other matters programmed for earlier meetings.

- Following on from a comment by Dr Casey that she would like to see the Audit and Risk Committee playing a larger role, and with regard to the audits of IBA's subsidiaries, it was suggested that the Audit & Risk Committee determine which ones the Board needed to look at. The Board agreed to this approach.
- In observing that there were very few findings made by the ANAO in auditing IBA's accounts, Ms Morison noted IBA's accounts were one of the most complex in the Commonwealth and applauded the CFO for his efforts and those of his team. It was noted that two members of the Finance team were leaving IBA and there was a need to have a process for training and growing staff as well as ensuring that appropriate pay levels were in place.

*At this point Ms Morison, with the permission of the Chair, chose to turn to the CFO's Report, followed by the CAC Compliance Report and then the Risk Management Report. For continuity purposes these minutes will show the balance of the Audit and Risk Committee Report immediately below.*

- In discussing IBA's performance management system and performance bonuses, Ms Hardy commented that there was a need for consistency. Mr Gemmell commented that the current system is useful in counselling under-performers as well as providing a paper trail. Dr Casey observed that there was a feeling that performance was not being managed well across the organisation.
- IBA's 'risk appetite' was discussed. The Board took the view that time needs to be set aside to look at risk appetite across the whole organisation and not just individual program areas. It was observed that IBA's diverse portfolio of assets helped reduce risk. Mr Trust commented that there was a perception that IBA was too risk averse. Dr Casey said that with a renewed focus on regional matters there will be an expectation by the government that IBA will be more involved.
- IBA's 2010-2011 Internal Audit Program was discussed. Ms Morison observed that security in IT was a big issue and that there was a need for security systems to be robust. Ms Morison said that some organisations establish IT committees to facilitate this. A view was expressed that auditing anti money laundering each year was somewhat of an overkill; it was agreed that the need would be reviewed by management and considered by the Audit and Risk Committee.

The Board:

1. **NOTED** the Audit and Risk Committee Report
2. **APPROVED** the Internal Audit Program for the 2010-2011 financial year.

## 2. Chief Financial Officer's Report (Agenda Item No. 3)

### Financial statements for the year 2009-10 of IBA Corporation and Consolidated Entity

Mr Kumar spoke to the paper and advised the Board of the various trends and highlights in IBA's financial statements. Significant matters included:

- There was a net consolidated deficit of \$56.5 million due to a sizeable loan valuation discount, loss on the transfer of the IBA subsidiary, Outback Stores, to FaHCSIA, and loss on the disposal and revaluation of investments.
- A reduction of total assets at 30 June 2010 of \$80 million as compared to the previous year, impacted by the transfer of Outback Stores, significant reductions in market values of loan portfolios triggered by increases in interest rates, and the net deficit in the income statement.
- Due to changes in classification of four entities from associates to subsidiaries, the 2007-08 and 2008-09 accounts had to be restated for comparison purposes, involving two weeks of work. There was very little material difference in the two sets of accounts.

Ms Morison said that it was the biggest deficit that she had encountered this year in the various agencies to which she provides audit and risk service and that it would be advisable

## COMMERCIAL IN CONFIDENCE

to take a direct approach in explaining the reasons for the result and the drop in net assets in such documents as IBA's Annual Report. The chair asked that a set of talking points explaining the deficit be provided to Board members and the executive.

The Board **APPROVED** the financial statements for the year 2009-10 of IBA Corporation and Consolidated Entity.

### Audited financial statement of the Indigenous Economic Development Trust

Mr Kumar presented the 2009-2010 financial statements for the Indigenous Economic Development Trust (IEDT). IEDT has assets of \$1.76 million and is expected to be revenue neutral next year.

Ms Hardy commented that if the assets of IEDT increase substantially then it may become a significant job looking after it. She noted that the Audit and Risk Committee has sought a briefing on the IEDT and this will also be provided to the Board. Dr Casey pointed to such considerations as insurance and asbestos; that we need to be mindful of the risks; and that the Board be made cognisant of significant changes through the Audit & Risk Committee.

The Board **APPROVED** the financial statements of the Indigenous Economic Development Trust for the year 2009-10.

### 3. Commonwealth Authorities and Companies Act (1997) Compliance Report (Agenda Item No. 5)

It was noted that the CAC Compliance report for the 2009-2010 year must be provided to the Finance and Portfolio Ministers by 15<sup>th</sup> October 2010.

Ms Morison noted that there were no reported non-compliance for 2009-10 and made the point that we ensure that we refer to previous year's compliance activities in the current reporting period.

The Board:

1. **NOTED** their duties as a director as detailed in the CAC Act.
2. **CERTIFIED** that the 2009-2010 CAC Compliance Report was true and correct and authorised the Chairperson to sign the Report on behalf of the Board.

### 4. Risk Management Report (Agenda Item No. 6)

Ms Morison explained that the Risk Management Framework and Practice Strategy was the responsibility of the Audit & Risk Committee and the Risk Management Plan the responsibility of management. Mr Gemmell made the following points in relation to the 2010-2011 Risk Management Plan:

- The Plan was not significantly different than the previous iteration.
- Risk 5, the high waiting list to access an IBA home loan, was likely to be an enduring risk due to capital constraints even taking into account the HOIL transfer.

There followed a range of discussion points in relation to the HOP waiting list:

- Dr Casey said that we should keep trying for additional funding and we should continue to present the case, particularly in light of the large amounts of funding that will be going to regional Australia and the continuing problems associated with Indigenous housing.
- Ms Boddington would like to see more detail on the basis of IBA's split loan product with banks.
- Dr Casey asked for background information on IBA's discussions and dealings with banks.

## COMMERCIAL IN CONFIDENCE

In considering the 2010-2011 Risk Management Plan the Board identified two additional risks, namely:

1. Risk of instability arising from senior vacancies and loss of senior staff, including the CEO.
2. Changes in political and policy environment. For example, issues such as land tenure.

Ms Morison emphasised the importance of having regular conversations about risk.

Ms Hardy and Ms Reynolds-Adamson expressed their appreciation of Ms Morison's help and assistance in relation to the Audit & Risk Committee.

Dr Casey thanked Ms Morison, Ms Rimington, Mr Kumar and Mr Gemmell and, on behalf of the Board, Mr Lolicato, IBA's Governance Officer.

The Board:

1. **NOTED** the risk management report.
2. **APPROVED** the Risk Management Framework and Practice Strategy.
3. **APPROVED** the 2010-2011 Risk Management Plan.

*Ms Morison and Mr Kumar left the meeting, as did Mr Gemmell, Ms Rimington, Ms Woods and Mr Coker.*

Starting at 10:30am and finishing at 11:15am the Board held an In-Camera session. During this session CEO Remuneration (Agenda Item No. 17) was discussed.

The following decision was recorded in the form of a decision sheet:

The Board **APPROVED** the application of the Remuneration Tribunal's revised remuneration reference rate of \$312,670 for the IBA Chief Executive Officer position to Mr Gemmell with effect from 1 August 2010 as permitted by the Remuneration Tribunal.

*Mr Gemmell, Ms Rimington, Ms Woods and Mr Coker rejoined the meeting.*

### 5. Declaration of Material Personal Interests (Agenda Item No. 1)

Dr Casey invited the Board to declare any material personal interests arising from the Agenda. There were two declarations, both having been made by the Directors concerned following the circulation of the meeting agenda and prior to the despatch of Board papers to Directors:

Ms Cooms declared that she may have a material personal interest in the Minjerribah Camping, Stradbroke Island agenda item (10(b)(ii)) because she comes from the area.

Mr Trust indicated that he may have a material personal interest with the Tiwi Island Project agenda item (10(b)(iii)) because he is a Board member of the ILC.

There was brief discussion about Dr Casey's involvement with Tjapukai. It transpires that any advice Dr Casey offered the business was done so on a 'no payment' basis.

The Board:

1. **AGREED** that Ms Cooms had a material personal interest in the Minjerribah Camping, Stradbroke Island agenda item and that she should excuse herself from the meeting during any discussion of the matter.
2. **AGREED** that Mr Trust did not have a material personal interest in the Tiwi Island Project agenda item.
3. **AGREED** that Dr Casey did not have a material personal interest in the Tjapukai agenda item.

# Appendix S

**Dr Casey's Declaration of Interest dated 18  
November 2011**

## BOARD-IN-CONFIDENCE [WHEN COMPLETED]



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

### IBA Board Declaration of Interests Template

In accordance with Appendix 6 of the IBA Board Governance Charter, a register of interests will be maintained by the Board Secretary and will include those interests that could present an actual, potential or perceived conflict with the Director's duties. At the time when the draft Board Agenda is circulated, Directors will be asked to notify of any changes to the register.

I declare that:

- the following list includes those interests<sup>1</sup> that could present an actual, potential or perceived conflict with my duties and responsibilities as a Board Director at IBA;
- I will immediately inform the IBA Chairperson and Chief Executive Officer of any changes to my circumstance that could affect the contents of this declaration and to provide an amended declaration using this pro forma.

I have been appointed to Chair the Indigenous Land Corporation. This will be handled in accordance with IBA policy on Board conflict.

I have superannuation in a range of funds as follows:

First State Super  
AGEST  
Asgard  
PSSap.

A small amount of shares in IAG

I don't believe any of the above will present an actual conflict.

#### Director's Declaration

Name: DAWN CASBY

[Signature]

*[Handwritten Signature]*

[Date]

18 November 2011

<sup>1</sup> Please list any interests that could present an actual, potential or perceived conflict with my duties and responsibilities at IBA. These could include any private interests which could or could be seen to influence the decisions you are taking or the advice you are giving. The types of interests that may need to be disclosed include real estate investments, shareholdings, trusts or nominee companies, company directorships or partnerships, other significant sources of income, significant liabilities, gifts, private business, employment, family, voluntary, social or personal relationships that could or could be seen to impact upon your responsibilities

# Appendix T

**Copy of Mr Fry's diary entry**

## BRAUER, Tracie

**Subject:** Investments Planning Agenda - CROWNE PLAZA SURFERS PARADISE  
**Location:** 2807 GOLD COAST HIGHWAY - SURFERS PARADISE.  
**Start:** Tue 1/11/2011 10:00 AM  
**End:** Tue 1/11/2011 6:30 PM  
**Recurrence:** (none)  
**Organizer:** FRY,Chris  
**Categories:** Purple Category

**When:** Monday, 31 October 2011 10:00 AM-8:30 PM (GMT+10:00) Canberra, Melbourne, Sydney.

**Where:** Crown Plaza Gold Coast

**Note:** The GMT offset above does not reflect daylight saving time adjustments.

\*~\*~\*~\*~\*~\*~\*~\*~\*~\*

### IBA Investments 31 October – 3 November 2011 Planning Agenda

Time Day 1 – Monday 31 October

Cronje in Gold Coast Sunday 30 October

0925 Canberra staff arrive in Gold Coast  
0930 Sydney & Brisbane staff arrive in Gold Coast  
1000 - 1015 Check In & Familiarisation  
1015 - 1030 Morning Tea in Pre Function Area  
1030 - 1045 Welcome & Introduction – Chris Smith  
1045 - 1100 CEO Overview *(MOVED TO DAY 2)*  
1100 - 1300 BDA Economic Market Presentation  
1300 - 1400 Buffet Lunch in Relish Restaurant  
1400 - 1530 Acquisitions Strategy and Overview – David Vigar

Regional Acquisition Update;

- Hamish Tweedy - NSW, VIC & Tas
- Cronje Wolvaardt – WA & SA
- Will Tynan - QLD
- David Vigar – QLD, NT & Other

1530 - 1545 Afternoon Tea in Pre Function Area  
1545 - 1700 Acquisition and Divestment process – David Vigar  
1700 Finish  
1700 - 1800 Free Time  
1800 Depart at 1800 for Dinner at Dracula's Cabaret

Time Day 2 – Tuesday 1 November (Melbourne Cup Day)

0630 - 0830 Buffet Breakfast in Relish Restaurant  
0830 Arrival Tea & Coffee  
0830 - 1030 Legal, Governance and Compliance

- Paul Crawford, MSJ]
- Kirsty Gowans, IBA

*CEO OVERVIEW  
FIRST  
(1 HR?)*



- Liam Allen
- 1030 – 1045 Morning Tea in Pre Function Area
- 1045 – 1230 Legal, Governance and Compliance – Kirsty Gowans
- Workshop and training
- 1230 - 1315 Buffet Lunch in Relish Restaurant
- 1315 - 1330 Investments Section Structure – Chris Smith
- 1330 - 1500 Investment Portfolio Presentation
- Stephen Barry
- Di Kingdon
- Paul Coker
- Christine Dragisic
- Christian Barcza
- Chris Apostolakis
- Ray McInnes
- Chris Smith
- 1500 – 1530 Afternoon Tea, Melbourne Cup Sweep and Viewing in First Bar Tavern (outside of the hotel)
- 1530 - 1730 Investment Portfolio Presentation continued
- 1730 Finish
- 1730 – 1900 Free Time
- 1900 – 2000 Pre dinner drinks at Relish Bar
- 2000 Dinner at Four Winds Revolving Restaurant

Time Day 3 – Wednesday 2 November

- 0630 - 0830 Buffet Breakfast in Relish Restaurant
- 0830 - 1000 Debrief and Q&A Session – David Vigar and Chris Smith
- 1000 - 1600 Team Activity
- 1900 Dinner in Relish Restaurant

# Appendix U

**Mr Fry's travel pack for the conference**

# ITINERARY

CHRIS FRY

31 October to 1 November 2011

Trip No 60011038

FCM BOOKING # 4171703

VIRGIN AIRLINES

FOR CHANGES: FCM TRAVEL – CONTACT 1300 365 570

AFTER HOURS – 1300 727 720

<u>MONDAY 31 OCTOBER 2011</u>	
<u>FLIGHTS</u>	
12:30 13:10	VIRGIN DJ 1217– CANBERRA TO BRISBANE
AIRTRAIN FROM BRISBANE AIRPORT TRAIN DEPARTS EVERY ½ HOUR.	TRAIN TO NERANG STATION
INVESTMENTS PLANNING AGENDA FROM ARRIVAL TO DEPARTURE ON 1 NOVEMBER 2011	Venue - CROWNE PLAZA HOTEL, 2807 GOLD COAST HIGHWAY, SURFERS PARADISE  (Program provided)
<u>TUESDAY 1 NOVEMBER 2011</u>	
<u>FLIGHTS</u>	
04:00PM 06:35PM	VIRGIN DJ 532 – COOLANGATTA TO SYDNEY
07:35PM 08:30PM	VIRGIN DJ 670 – SYDNEY TO CANBERRA

Total Cost of Flights

TOTAL  
AU\$939.00

## Booking References

MOVEMENT REQUISITION NUMBER 60011038

e-Ticket to be issued on 27-Oct-2011. Photo ID required at airport check-in.

### CHECK IN DETAILS - DOMESTIC FLIGHTS:

Qantas, Virgin Blue, Regional Express - at least 45 minutes prior to departure. Jetstar advises to check in at least 1 hour prior as the gate closes 30 minutes out. All baggage will be security screened.

### HOTEL GUARANTEES & CANCELLATIONS

In order for your hotel booking to be held after 6pm, your arrival has to be guaranteed with a credit card or an FCM Guarantee.

We will always use the credit card number in your FCM Travel Profile, or your Company's credit card if that is the policy. If we do not have a credit card to guarantee your arrival, the hotel is within their rights to cancel your reservation at 6pm.

If you intend arriving at your accommodation later than 8pm, please contact your accommodation to make arrangements for late check-in.

Should you "no show" for your hotel reservation, cancellation penalties and/or charges may apply. Hotels can charge a cancellation penalty, dependent on the notice given. Conditions vary, especially during special event periods.

Please refer to your itinerary for the cancellation period relative to your hotel booking(s)

### SEATING

Seating requests are not guaranteed by airlines and may be changed without notice

### FLIGHT NO-SHOWS

A no-show for your flight may cause all onward reservations to be cancelled. You may also be required to upgrade your ticket to a higher fare type.

### SYDNEY -

\* Flights QF1-QF399 operate from Terminal 1 (Sydney International terminal)

\* Flights QF400-QF1599 operate from Terminal 3 (Qantas Domestic terminal)

\* Virgin Blue, Regional Express, Aeroperlan, Horizon, Qantas QF1600 and above, Jetstar, QF5000 (Jetstar) operate from Terminal 2

### ALL OTHER CITIES -

\* Flights QF1-QF399 operate from the International Terminal.

\* All other Airlines and Qantas QF400 above operate from Domestic terminal.

### VIRGIN AUSTRALIA / AIR NEW ZEALAND CODE SHARE

\*\*NZ flight series 7000 - flights operated by Virgin Australia - checkin at the Virgin counter

\*\*DJ flight series 8000 - flights operated by Air New Zealand - checkin at the Air New Zealand counter

### AFTER HOURS TRAVEL ASSISTANCE

If dialling from within Australia, phone 1300 727 720. If dialling from abroad, phone +61 7 3011 7823.

PLEASE NOTE: Between 6pm-8am AEST week days and on weekends, our After Hours Service is for urgent bookings/amendments. It is operated by our own staff for personalised service. We access same systems and profiles. Voicemail is actioned in order of receipt.

## Rules of Carriage

### DJ - Y\_BX32

Virgin Australia Flexi Fare Gold Velocity

Baggage: 32 KG check in baggage allowance on domestic flights.

Changes: Up until 24 hours after scheduled departure time.

Change Fees: No Change fee applies. Only fare difference

Cancellation: Cancellation permitted up to 24hrs after scheduled departure

Cancellation Fee: Domestic cancellation fees range from \$ 80 - \$100

Cancellation: Balance will be held in credit for future use - within 12 months of original booking

Refunds: \$100 fee per guest per refund or credit shell available

Check in: Priority check-in available

Entertainment: includes Live2Air in-flight entertainment, where fitted.

Food: Included Food and Drink

Multiple fare rules could exist for this selected fare. Please contact your Travel Manager for the complete rules and conditions of your airfare.

Booking #: 4171703  
Cost Centre: 9203  
Date: 26-Oct-2011  
Consultant: KYLIE MARTIN  
Email: kylie.martin@fcmtravel.com.au  
Ordered By: BRAUER / TRACIE MS  
GDS Reference: SMFM88



## Passenger

FRY / CHRIS MR.

DJ - 2107438535

## Your Itinerary

Mon 31 Oct 2011 at 1230

Departing: Virgin Australia (DJ1217)  
CANBERRA at 1230  
Arriving: BRISBANE (Terminal D) at 1310  
Class of Service: J - Business Class [J-DJPREM] \*  
Flight Status: Confirmed [AK]  
Airline Reference: TCYRYN  
Ticket Number (FRY / CHRIS MR): 444 TCYRYN  
Aircraft: EMBRAER EM  
Number of Seats: 1  
Number of Stops: 0  
Flight Time: 1 hrs 40 mins

Tue 01 Nov 2011 at 1600

Departing: Virgin Australia (DJ532)  
GOLD COAST - COOLANGATTA at 1600  
Arriving: SYDNEY at 1825  
Class of Service: Flexi Gold Velocity [Y\_BX32] \*  
Flight Status: Confirmed [AK]  
Airline Reference: U648SC  
Ticket Number (FRY / CHRIS MR): 444 U648SC  
Number of Seats: 1  
Number of Stops: 0  
Flight Time: 1 hrs 25 mins

Tue 01 Nov 2011 at 1935

Departing: Virgin Australia (DJ670)  
SYDNEY at 1935  
Arriving: CANBERRA at 2030  
Class of Service: Flexi Gold Velocity [Y\_BX32] \*  
Flight Status: Confirmed [AK]  
Airline Reference: U648SC  
Ticket Number (FRY / CHRIS MR): 444 U648SC  
Number of Seats: 1  
Number of Stops: 0  
Flight Time: 55 mins

\* Please check the booking terms and conditions for the rules of carriage for each flight on your itinerary.

## Your Flight Charges

## IBA Investments 31 October – 3 November 2011 Planning Agenda

Time	Day 1 – Monday 31 October
	Cronje in Gold Coast Sunday 30 October
0925	Canberra staff arrive in Gold Coast
0930	Sydney & Brisbane staff arrive in Gold Coast
1000 - 1015	Check In & Familiarisation
1015 – 1030	Morning Tea in Pre Function Area
1030 - 1045	Welcome & Introduction – Chris Smith
1045 - 1100	CEO Overview – <i>now on Day 2</i>
1100 - 1300	BDA Economic Market Presentation
1300 - 1400	Buffet Lunch in Relish Restaurant
1400 – 1530	Acquisitions Strategy and Overview – David Vigar  Regional Acquisition Update; <ul style="list-style-type: none"> <li>- Hamish Tweedy - NSW, VIC &amp; Tas</li> <li>- Cronje Wolvaardt – WA &amp; SA</li> <li>- Will Tynan - QLD</li> <li>- David Vigar – QLD, NT &amp; Other</li> </ul>
1530 – 1545	Afternoon Tea in Pre Function Area
1545 – 1700	Acquisition and Divestment process – David Vigar
1700	Finish
1700 – 1800	Free Time
1800	Depart at 1800 for Dinner at Dracula's Cabaret

Time	Day 2 – Tuesday 1 November (Melbourne Cup Day)
0630 – 0830	Buffet Breakfast in Relish Restaurant
0830	Arrival Tea & Coffee
0830 – 1030	Legal, Governance and Compliance <ul style="list-style-type: none"> <li>- Paul Crawford, MSJ</li> <li>- Kirsty Gowans, IBA</li> <li>- Liam Allen</li> </ul>
1030 – 1045	Morning Tea in Pre Function Area
1045 – 1230	Legal, Governance and Compliance – Kirsty Gowans <ul style="list-style-type: none"> <li>- Workshop and training</li> </ul>
1230 - 1315	Buffet Lunch in Relish Restaurant
1315 - 1330	Investments Section Structure – Chris Smith
1330 - 1500	Investment Portfolio Presentation <ul style="list-style-type: none"> <li>- Stephen Barry</li> <li>- Di Kingdon</li> <li>- Paul Coker</li> <li>- Christine Dragisic</li> <li>- Christian Barcza</li> <li>- Chris Apostolakis</li> <li>- Ray McInnes</li> <li>- Chris Smith</li> </ul>
1500 – 1530	Afternoon Tea, Melbourne Cup Sweep and Viewing in First Bar Tavern (outside of the hotel)
1530 - 1730	Investment Portfolio Presentation continued
1730	Finish
1730 – 1900	Free Time
1900 – 2000	Pre dinner drinks at Relish Bar
2000	Dinner at Four Winds Revolving Restaurant

Time	Day 3 – Wednesday 2 November
0630 - 0830	Buffet Breakfast in Relish Restaurant
0830 - 1000	Debrief and Q&A Session – David Vigar and Chris Smith
1000 - 1600	Team Activity
1900	Dinner in Relish Restaurant



Time	Day 4 – Thursday 3 November
0630 - 0800	Buffet Breakfast in Relish Restaurant
0800 - 0900	Check out and depart for airport  <i>Note: IBA is covering accommodation costs only. Mini bar, in house movies &amp; any other hotel services is to be paid by each individual.</i>
0905 1000	Cronje departs Gold Coast All other staff depart Gold Coast

**Products Information**

- [Brisbane](#)

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- [Gold Coast](#)

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- [Inter-Terminal Transfers](#)

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- [Fare Calculator](#)

**Airtrain Timetable**

The Airtrain timetable outlines the regular uninterrupted service that operates between the Brisbane Airport, Brisbane City and the Gold Coast. When travelling to the Gold Coast, you do not need to change trains after boarding the train at the airport. If you need timetable information for other stations, and information on where to change trains, please use the Interactive Map.

This timetable is also available in PDF format.

**Service Announcements**

Trackwork and events will affect services on the following dates:

Saturday 25th October

Sunday 30th October

Full details of these changes

Click on the timetable section below to collapse or expand that part of the timetable. For public holidays, please refer to the Sunday timetable.

**Brisbane CBD Timetables**

- [Airport to CBD - Monday to Friday](#)
- [Airport to CBD - Saturday](#)
- [Airport to CBD - Sunday](#)
- [CBD to Airport - Monday to Friday](#)
- [CBD to Airport - Saturday](#)
- [CBD to Airport - Sunday](#)

**Gold Coast Timetables**

- [Airport to Gold Coast - Monday to Friday](#)

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- [Can I purchase tickets to the airport from my local station?](#)
- [Why can't I book my travel online from my local station to the airport?](#)
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- [How often do trains depart from the airport?](#)
- [Where are the airport train stations located?](#)

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Domestic	International	Coopers Plains	Loganlea	Beerbisigh	Ormeau	Coomera	Helensvale	Norang	Robina	Varsity Lakes
06:00	06:03	06:46	07:03	07:11	07:19	07:26	07:32	07:37	07:43	07:48
06:28	06:31	07:16	07:32	07:40	07:48	07:53	07:59	08:04	08:10	08:15
06:56	07:01	07:45	08:02	08:10	08:18	08:23	08:29	08:34	08:40	08:45
07:28	07:31	08:15	08:32	08:40	08:48	08:53	08:59	09:04	09:10	09:15
07:56	08:01	08:45	09:02	09:10	09:18	09:23	09:29	09:34	09:40	09:45
08:29	08:32	09:15	09:32	09:40	09:48	09:53	09:59	10:04	10:10	10:15
08:59	09:02	09:45	10:02	10:10	10:18	10:23	10:29	10:34	10:40	10:45
09:28	09:31	10:15	10:32	10:40	10:48	10:53	10:59	11:04	11:10	11:15
09:58	10:01	10:45	11:02	11:10	11:18	11:23	11:29	11:34	11:40	11:45
10:28	10:31	11:15	11:32	11:40	11:48	11:53	11:59	12:04	12:10	12:15
10:58	11:01	11:45	12:02	12:10	12:18	12:23	12:29	12:34	12:40	12:45
11:28	11:31	12:15	12:32	12:40	12:48	12:53	12:59	13:04	13:10	13:15
11:58	12:01	12:45	13:02	13:10	13:18	13:23	13:29	13:34	13:40	13:45
12:28	12:31	13:15	13:32	13:40	13:48	13:53	13:59	14:04	14:10	14:15
12:58	13:01	13:45	14:02	14:10	14:18	14:23	14:29	14:34	14:40	14:45
13:28	13:31	14:15	14:32	14:40	14:48	14:53	14:59	15:04	15:10	15:15
13:58	14:01	14:45	15:02	15:10	15:18	15:23	15:29	15:34	15:40	15:45
14:28	14:31	15:15	15:32	15:40	15:48	15:53	15:59	16:04	16:10	16:15
14:58	15:01	15:45	16:02	16:10	16:18	16:23	16:29	16:34	16:40	16:45
15:28	15:31	16:15	16:32	16:40	16:48	16:53	16:59	17:04	17:10	17:15
15:58	16:01	-	-	17:09	17:17	17:22	17:28	17:33	17:39	17:44
16:13	16:16	-	-	17:24	17:32	17:37	17:43	17:48	17:54	17:59
16:28	16:31	-	-	17:39	17:47	17:52	17:58	18:03	18:09	18:14
16:48	16:51	-	-	18:00	18:08	18:13	18:19	18:24	18:30	18:35
17:02	17:05	-	18:05	18:13	18:21	18:26	18:32	18:37	18:43	18:48
17:30	17:33	-	18:32	18:40	18:48	18:53	18:59	19:04	19:10	19:15
17:58	18:01	-	19:02	19:10	19:18	19:23	19:29	19:34	19:40	19:45
18:28	18:31	19:15	19:32	19:40	19:48	19:53	19:59	20:04	20:10	20:15
18:58	19:01	19:45	20:02	20:10	20:18	20:23	20:29	20:34	20:40	20:45
19:28	19:31	20:15	20:32	20:40	20:48	20:53	20:59	21:04	21:10	21:15
20:00	20:03	20:45	21:02	21:10	21:18	21:23	21:29	21:34	21:40	21:45



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\* Required Field

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Address

Country\*

City\*

Zip Code

-OR-

Airport Code

[Find Code](#)

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### Transportation To and From Hotel

#### Coolangatta (OOL)

- Distance: 13.67 MI/22.0 KM NORTH to Hotel
- Time by Taxi: 45 minutes
- From Coolangatta Airport, head north-west towards Longa Ave Cont. straight onto Longa Ave At roundabout take 2nd exit onto Terminal Dr Slight left on to Gold Coast Hwy Slight right onto Gold Coast Hwy Make a u-turn at Wharf Rd Crowne Plaza Surfers Paradise

#### Brisbane (BNE)

- Distance: 52.82 MI/85.0 KM SOUTH to Hotel
- Taxi Charge (one way): \$ 50.00 AUD
- Time by Taxi: 1.25 hours
- Head south Slight right toward Nancy Bird Way At roundabout take 2nd exit onto Nancy Bird Way At roundabout take 1st exit onto Moreton Drive ramp Take ramp to M1, merge on M1 Take exit 66 merge onto Smith St Motorway Turn right onto Gold Coast Hwy View Less

#### Train

- Station Name: Nereng
- Distance: 6.21 MI/10.0 KM EAST to Hotel

### Driving Directions

[Print Directions](#)

From Coolangatta Airport, Queensland 1. Head east towards Adina Ave 37 m 2. Slight left at Kirribin St 110 m 3. Take the 2nd left on to Gold Coast Hwy 18.8 km 4. Turn left at Genoa St 190 m 5. Genoa St turns right and becomes Cannes Ave 230 m 6. Slight left at Gold Coast Hwy 14 m 7. Turn right to stay on Gold Coast Hwy Hotel will be on the left. View Less

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## **Appendix 3**

**Transcript of Public Hearing  
Held in Parliament House, Canberra**

**Friday 11 May 2012**





COMMONWEALTH OF AUSTRALIA

# Proof Committee Hansard

## SENATE

COMMUNITY AFFAIRS LEGISLATION COMMITTEE

**Indigenous Business Australia**

(Public)

FRIDAY, 11 MAY 2012

CANBERRA

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**SENATE**  
**COMMUNITY AFFAIRS LEGISLATION COMMITTEE**  
**Friday, 11 May 2012**

**Members in attendance:** Senators Heffernan, Moore, Scullion and Siewert.

**Terms of reference for the inquiry:**

To inquire into and report on:  
Indigenous Business Australia

**WITNESSES**

**BATOR, Mr Leo, Chief Operating Officer, Indigenous Business Australia ..... 1**  
**FRY, Mr Chris, Chief Executive Officer, Indigenous Business Australia ..... 1**  
**GOWANS, Ms Kirsty, General Counsel, Indigenous Business Australia ..... 1**

**BATOR, Mr Leo, Chief Operating Officer, Indigenous Business Australia**

**FRY, Mr Chris, Chief Executive Officer, Indigenous Business Australia**

**GOWANS, Ms Kirsty, General Counsel, Indigenous Business Australia**

**Committee met at 08:36**

**CHAIR (Senator Moore):** Good morning. There is quite a significant opening statement, which I am going to read because of the process we are involved with in this hearing. I declare open this public hearing. The Senate community affairs legislation committee is inquiring into the administration of Indigenous Business Australia in relation to certain evidence given to the Senate community affairs Committee. Today is the committee's only scheduled public hearing for this inquiry.

This is not an estimates hearing; it is a hearing convened under standing order 25(2) examining the administration of an agency. The committee has agreed that it is confined to examining claims made in correspondence received by the Clerk on 5 April, 2012 referred to in this committee and available to everybody. You have all seen the letter that is being referred to.

These are public proceedings; however, the committee may agree to have some of its evidence heard in camera, if requested. A witness requesting that proceeding be held in camera should state the reason for that request and the committee may also at any time decide to take evidence in camera. I remind the witnesses that in giving evidence to the committee they are protected by parliamentary privilege. It is unlawful for anyone to threaten or disadvantage a witness on account of evidence given to a committee and such action may be treated by the Senate as a contempt. It is also a contempt to give false or misleading evidence to a committee.

If a witness objects to answering a question, the witness should state the ground upon which the objection is taken and the committee will determine whether it will insist on an answer, having regard to the ground which is claimed. If the committee determines to insist on an answer, a witness may request that the answer be given in camera. Such a request may also be made at any time.

Welcome and thank you for making yourselves available for this meeting. I believe you are familiar with information on parliamentary privilege and the protection of witnesses. Should you require further information, you may ask the secretariat. I remind witnesses that the senators resolve that an officer of a department of the Commonwealth or of the state shall not be asked to give opinions on matters of policy and should be given reasonable opportunity to refer questions asked of the officer to superior officers or to a minister. That reminder should be given to the senators as well. This resolution prohibits only questions asking for opinions on matters of policy and does not preclude questions asking for explanations of policies or factual questions about when or how policies were adopted.

The committee thanks you for your correspondence and has received the report by Deloitte regarding matters that were being considered by the committee. I now invite you to make a short opening statement. Mr Fry, I believe you are going to do that. At the conclusion of your remarks, we will have questions from the committee. Thank you.

**Mr Fry:** Thank you, Senators, for the opportunity to present before you. Firstly, I wish to clarify two points I made in my prior appearance before this committee at the last Senate estimates on 17 February. I talked about two elements, the first one being that approximately 12 people attended the Gold Coast conference that was being questioned at the time, whereas Deloitte's list 20 people who actually attended. I can confirm my answer, to the best of my knowledge at the time, recalling the layout of a large room to which I was presenting. Also at that time, our legal people were having a side meeting for some of the time of the conference. Secondly, I said that the conference was held over two days, whereas the agenda, subsequently I have been able to determine, states it was over two full conference days, and the third day consisted of a summary and a team-building exercise. I was not present on the third day at all.

Also, with regard to the subsequent question on notice 321: IBA answered this question as presented but, on further reflection on Senator Scullion's question as recorded in *Hansard* and from my reading of that again in recent days, the question may have been in relation to the costs associated directly with the conference on the Gold Coast. If so, then these answers are captured in the independent Deloitte report, or I can provide that data separately.

I am somewhat new to the Public Service after 25 years in corporate life. In all my presentations before this committee I have answered the questions to the best of my knowledge in a truthful and constructive way, based on the best of the knowledge at the time. I recognise that the role of the Senate estimates committee is to seek answers and transparencies to the operations of public agencies. I have not sought to defer any of my answers to

questions on notice if I believed I could answer them in a constructive and truthful way. However, I do apologise to the committee for having to make those two minor adjustments. I have not updated the committee prior to this date because I was awaiting the release of the Deloitte's independent report which occurred on Wednesday of last week.

I understand this committee is meeting to deal with some serious allegations that I misled the committee in my knowledge of what happened at the Movie World team activity. The allegations are contained in an anonymous letter, and that letter contains a series of untruths and no supporting evidence. This, I believe, was found on the basis of the independent Deloitte's report.

I stand by the evidence I gave to the committee at the time, and I can advise the committee that IBA, for longer than 12 months, has had an independent and confidential whistleblower hotline. Not one person has raised any of the allegations through this independent hotline over this time. Following the first allegation letter, all staff received an email from our chief operating officer, Mr Bator, inviting them to list any concerns either with the independent whistleblower hotline or by speaking directly to the Deloitte's investigating team. Names and contact details for that investigating team were provided to staff. Our chief operating officer also spoke to almost all staff advising them of the same.

Over a three-week investigation by the Deloitte's audit team, neither any of our staff nor other parties spoke to either the whistleblower hotline or the Deloitte's team. This evidence clearly demonstrates that the writer of the anonymous letter does not have the majority of staff support as claimed, and also lacks the courage of their convictions to discuss their concerns or provide any evidence.

In addition to the key allegations found to have no substance by Deloitte's, I can also confirm that, contrary to what is in the allegation letters, there has been no witch-hunt to find the author of these letters. Not one person has been interviewed, and there have been no investigations of staff emails and phone records. However, we have taken this moment and I have encouraged our executive to use these allegations and this moment in time with IBA to reflect on how we can further improve our operations. To this end, we now have a formal policy with regard to all team-building and conference activities that requires the chief operating officers to provide oversight to ensure that there is consistency and appropriateness in all program areas. We have also identified the need to better communicate the board's decisions and strategic decisions to all staff. The IBA board has now engaged Deloitte's to undertake a further review of our governance framework as part of an ongoing governance review. Like the first Deloitte's report, this subsequent report will be publicly viewed.

Finally, I wish to reiterate that I did not mislead this committee. The forensic investigators found no evidence of this. Further, not one staff member has taken the opportunity to raise concerns.

**CHAIR:** Before I go to Senator Scullion—as you know, his concerns have been raised in this committee—I want to put on record that I am very disturbed about the process of anonymous letters. It is not a process I appreciate in terms of getting information shared. But as the anonymous letter was directed to the Clerk it reached the status where our committee needed to respond to it. I just wanted to make that statement.

**Senator SCULLION:** Mr Fry, Ms Gowans and Mr Bator, thanks very much for all the effort you have put into this and thanks for appearing here today. I want to make a couple of things clear. The Chair indicated before that the nature of this inquiry is not to determine whether or not there has been a breach in the CAC Act. That is a matter for a different forum. It is a matter for the minister, and that is why she wrote to Deloitte's to have that inquiry. I am here to determine if the evidence you provided to the committee and to me primarily and, from there, to the Senate on 17 February regarding the itinerary and the cost of the October 2011 IBA investment branch conference that was held on the Gold Coast and also on the approval process of the investment into the Tjapukai tourist attraction near Cairns was correct or not.

Whilst we have had some opening remarks from the Chair that indicate the process of the committee, I will just remind you that this is really being held as a consequence of a letter to Dr Rosemary Laing, the Clerk of the Senate, on 3 April. I wrote to the Clerk asking about the actual convention regarding the giving of false or misleading evidence and the Clerk's response was: 'Your understanding of the convention is correct. Witnesses who have given false or misleading evidence to a committee should correct it as soon as possible. This is a requirement of the Senate, which has declared in privilege resolution 6 that "a witness before the Senate or a committee shall not give any evidence which the witness knows to be false or misleading in a material matter or which the witness does not believe on reasonable grounds to be true or substantially true in every particular."'

I wrote to you, Mr Fry, as you would be aware, on 19 March. It was a letter basically giving you an opportunity. I indicated that I would raise a number of issues and that I had sent a letter to Ms Macklin and, as a matter of courtesy, I advised you that I would be speaking about some of those matters on Friday, 1 June, which I

will be. I also said you had an opportunity to supply any other information, clarification or corrections that you were able to. That was on 19 March. You wrote back on 2 May, saying: 'Thank you for your letter,' and you summarised what you have told us this morning—that Deloitte's report found no evidence to support the allegations. You went on to say that you would be delighted to tell me about the important work that IBA does and how you create wealth and accumulate assets et cetera. Thank you for that letter.

What I would like to do is go through some things in the *Hansard*. You have dealt with a couple of matters, and we can just crystallise those. I asked you on page 55 of the *Hansard*—this was all from the same day—on how many days that meeting was held. You said:

... our investment areas have an annual review and, from memory, that went over two days.

I understand you have corrected the record now and it was, in fact, according to the evidence provided in the investigation, four days and three nights. That is on the *Hansard* record in your correction this morning. So you have corrected the record to that extent. Was that four days and three nights?

**Mr Fry:** I may have a different page numbering here, Senator.

**Senator SCULLION:** This is the *Hansard*, page 55. I was just taking a direct quote from it. That was the question about how many days was that meeting held over.

**Mr Fry:** I recognise that, Senator. I am just making sure that I have the correct context because my page numbers are different.

**Senator SCULLION:** We do sometimes have that challenge, depending on how you actually print it out of *Hansard*. If you can just take the quote that starts, 'Over how many days was that meeting held?'. You then said:

The planning meeting you are referring to ... our investment areas have an annual review and, from memory, that went over two days.

You brought up exactly the same reference this morning. There was only one reference.

**Mr Fry:** With regard to my answer in *Hansard* on 17 February, I referred that from my memory, that it was over two days.

**Senator SCULLION:** That is fine. So you are taking the opportunity to correct the record.

**CHAIR:** What exactly did you correct this morning?

**Mr Fry:** This morning I said it was over a full two conference days, and the third day was a summary day and team-building activity.

**Senator SCULLION:** Thanks very much for correcting the record. I then went on to ask about the other 12-person meeting and where that was held. You told me:

That was held on the Gold Coast, because we were bringing in members from Brisbane, Sydney and Canberra. It proved to be the most economical solution, both by cost of transport and by cost of accommodation in the down season. It was significantly cheaper than a lot of other options that we looked at.

I said:

What was the total number of staff that attended that particular planning meeting?

You said, '12'. I understand this morning that you have now corrected that to 22. Is that what you said this morning?

**Mr Fry:** If I can refer to the Deloitte Appendix J, from memory, I think they have identified 20 people in that reference.

**Senator SCULLION:** I am not interested in what the Deloitte report indicated. I would like to know from your record: you have indicated that 22 people from IBA attended. Is that correct?

**Mr Fry:** Over the space of the full two working days of the conference I understand there were 22 people. That is not to say all of them were present at the time at which I was presenting.

**Senator SCULLION:** That is okay, that is just a number. So you are taking the opportunity to correct that record. I went on to say:

I have to say that I am a bit surprised. If seven out of the number actually live in Canberra, one would have thought there would be significant savings.

You went on to say:

I share your surprise, because I was at the time, and I questioned it. I actually got it quantified.

I said:

Can you tell me the cost of this planning meeting? There are a number of them over time, and you will be able to break those down for me. This is one you had mentioned, so I am just trying to get some detail.

If we can just deal with the statement you made with regard to the relative costings that you had done to compare the costs of a conference in Canberra and a Gold Coast conference. Do you stand by the statement that you made to me that you had the relative costs of Canberra and Gold Coast conferences quantified?

**Mr Fry:** If I can clarify that, Senator: similar to my understandings and recollections at the time I gave the answer, I certainly recall speaking to Mr Smith prior to the conference with regard to questioning him on what was the most cost-effective solution for the conference. He then advised me that he had looked at a range of different options. In that conversation I also queried him about whether he had assessed Canberra as an option. I asked him to go away and determine some costings on that basis. He gave me a call, which from memory was the subsequent day, and said that he had concluded that investigation.

**Senator SCULLION:** Did you see the figures?

**Mr Fry:** No.

**Senator SCULLION:** The figures for the comparative analysis. If people do a comparative analysis there should be a budget with the relative comparison, which should be straightforward for you to understand as the CEO of IBA, with the sorts of credentials that you bring with you. I understand there were a number of venues. That would normally have been how Mr Smith would have evaluated something. He would have looked at the costs associated with each of the venues. I noticed in the Deloitte report that you provided a financial analysis to Deloitte and there is a framework that has been provided to them that I assume reflects the workings that you were referring to.

**Mr Fry:** To answer your question specifically: at the time, speaking to Mr Smith before the conference, I did not view or seek the actual figures. I make the point that Mr Smith is a senior executive in the organisation of over 10 years standing. He is well considered internally and externally for his professionalism. I had no reason to investigate further, given that it was within his delegation.

**Senator SCULLION:** You are standing by the assertion that the relative costs of Canberra, versus the Gold Coast, which is my question, have been quantified and that you have said, 'Yes, that's the case.' You have indicated—I have asked you whether you saw the figures—

**Mr Fry:** I did not see them.

**Senator SCULLION:** You did not see them. Do you know whether the figures that were provided to Deloitte are the figures under which Mr Smith took the advice to you?

**Mr Fry:** From the moment of the call, or the suggestion, in fact, that an investigation be conducted into these anonymous allegations I removed myself in all respects from the process and handed it over to Mr Bator, who had the discussions and engagements with Deloitte. With regard to having knowledge of how those figures were determined with respect to the Deloitte report, I have no knowledge.

**Senator SCULLION:** The information that is given to Deloitte indicates:

The original cost comparisons had been prepared by Mr Smith and Ms Poulos. See table below for budget comparisons for the suggested locations.

That is on page 18 of the Deloitte report. We have a copy of those figures. In fact, the figures indicate that the Gold Coast does come up cheaper, as Mr Smith would indicate. There seem to be a couple of anomalies in there. The Gold Coast does not have a day rate and is the only destination out of the five—Gold Coast, Alice Springs, Townsville, Cairns and Canberra—that does not have a day rate. In the key points to the table it is noted that Mr Smith did not include a day rate in the amount for Gold Coast preliminary costings: 'with hindsight maybe I should have included it'. We understand from the report that if he had included it in the costings the Gold Coast would not have been the cheapest, would it, Mr Fry?

**Mr Fry:** With regard to the scope of this inquiry and my answers, I think we are getting into details, with respect—

**Senator SCULLION:** I do not need you to answer the question; it was a rhetorical question. That exactly sets out the case. I just thought you had familiarised yourself with the report and its key findings. I will go now to the original cost comparisons, which have been provided in the report. They are the cost comparisons that were done before I spoke to you at Senate estimates. That is an important point, because this table reflects the cost comparisons. These were done then and you had made a decision, or you had satisfied yourself that Mr Smith had done these figures. Have you looked at these figures since? I take it you have read this report, Mr Fry.

**Mr Fry:** I have read this report.

**Senator SCULLION:** Because the day rate has been left out the Gold Coast is immediately the cheapest. But it is interesting that you can flick through anywhere you like in the costings, whether it be for accommodation, dinner or car hire, and see that the figures given are rounded off to figures of 10—for example, \$6,864, \$4,410, \$2,970—except for the Canberra ones, which are rounded off in thousands. Being a forensic sort of individual who looks at budgets and those sorts of things and given that you had made to this inquiry a submission that this work was done prior to my speaking to you, didn't the fact that those figures had been rounded off to thousands rather than the remainder jump out at you and cause you to wonder why that might have been the case?

**Mr Fry:** If I can clarify and reiterate what I may not have said as clearly as I hoped earlier in this response, Mr Smith advised me verbally via the phone that he had looked at a range of options in regard to different locations. I think that was subsequently supported by the evidence in the Deloitte report. In that same telephone conversation, prior to the conference, I then said to him that I also wanted him to look at the Canberra option. That is not to say that my thinking at the time was that we were necessarily going to Canberra, but I wanted him to assess that. He subsequently—I believe it was the next day—came back to me and said he had done some figures with regard to the Canberra option, and he assured me that the Gold Coast was still cost-competitive.

**Senator SCULLION:** Obviously you are saying you did not see the Canberra figures, and you have just taken the work.

**Mr Fry:** Yes, it was within his delegation and his prior standing in the organisation.

**Senator SCULLION:** I understand that clearly. Subsequent to that, you have looked at these figures. The Canberra figures are \$9,000 for accommodation—that is more than any other venue—yet only five staff attending this conference were from outside Canberra. In the Gold Coast you managed to accommodate 21 people for \$7,875, but on the Canberra figures that were provided to you, which were provided as the basis for why we made that decision, we have \$9,000 for accommodation for five people in Canberra. What did you say to Mr Smith about that?

**Mr Bator:** Perhaps I could help with that. My long experience in holding conferences in Canberra and throughout Australia would be that, where you do have a conference in Canberra, you encourage people to stay overnight. The reason for that is that you can continue working into the evening, you have people there in the morning and you have an audience ready to work. If the concern there is that perhaps the accommodation cost in Canberra is higher, that is true: accommodation costs in Canberra are higher. If your concern is that we probably accommodated people who live in Canberra, experience is—you will find this throughout the Public Service—that by and large they will ask people to stay overnight for the range of reasons that I have outlined.

**Senator SCULLION:** My questioning is not about how well you spent the money—we might get to that in a moment. This is a table that was apparently prepared before estimates. What this table does is tell you two things. First of all, it is a comparative analysis: which is going to be cheapest? Mr Fry agreed with me about how surprised I was that it is cheaper for everybody to fly to the Gold Coast and have a conference there than it was to have it in Canberra. Clearly, from the Canberra figures—\$9,000 for accommodation and the rounding off in the figures—this looks to me like a comparative analysis that was done post estimates. This has been done specifically to say, 'The Gold Coast is the place to go, because we've fudged the figures.' Canberra has just been added as an option later, because all of the figures for the Gold Coast, Alice Springs, Townsville and Cairns are to the nearest \$10 while Canberra is to \$1,000. Surely you must see that, Mr Fry.

**CHAIR:** That is a specific allegation, Senator—

**Senator SCULLION:** It is indeed, and I wonder if you can respond to that.

**CHAIR:** I am sorry, Senator. I was speaking, and I prefer to have my words finished before you start—and the same with the witnesses. That is a specific allegation, and you understand—I just want to make this really clear—that that is the first time this allegation has been made. Now it has been made, so I call on whoever is going to answer that question.

**Senator HEFFERNAN:** Can I just say for the record—because I have to go to the Main Committee Room—that I have some evidence that is going to put a few people out of business when I put it to the committee.

**CHAIR:** Senator, this may or may not be the place for that evidence to be brought forward. The reason for this inquiry is quite specific, and if that evidence relates to the questions we have on record then I will take it. If not, it goes to another forum. Now I call on whoever is going to answer the allegation made by Senator Scullion about the creation of the figures.

**Mr Fry:** Can I just ask you, for clarity, to—

**Senator SCULLION:** What I am saying is that at estimates you said you had asked Mr Smith. Mr Smith had prepared a comparative analysis between the Gold Coast and Canberra. You have said you have spoken to Mr Smith, and Mr Smith relied upon that. The information that has now been given to Deloitte is the table before us in the report. What I am saying is that there seem to be some issues within this that would point out that this was actually created after the event; this is not something that was created for the event. No doubt you have read that financial analysis, and the key dot point from the Deloitte report was:

- Mr Smith said that even though the cost to hold the conference in Canberra was likely to be the cheapest he took the decision to hold the conference on neutral ground

Did Mr Smith share that with you as part of the discussion that you said you had, Mr Fry?

**Mr Fry:** With regard to the discussion I had with Mr Smith prior to the conference, I did not see or see the need for those figures. In the words you said to me previously, I said I was surprised. I was surprised at that time because I questioned Mr Smith on the basis of, I recall, how the two compared. He said he was able to negotiate a deal very favourably with the Gold Coast option, which I recall came in at \$125 a night. That was the end of my further investigation given that Mr Smith has the authority for the conference and, I took it, had done due diligence.

**Senator HEFFERNAN:** Perhaps you should have said that upfront.

**Senator SCULLION:** Mr Smith has given evidence to Deloitte's and he has said that even though the cost to hold the conference in Canberra was likely to be the cheapest that was all rubbish. That is what he has said. That is the evidence he has given. It is written in the report as a key note. So he had said that, and he has given evidence that, he believed the conference in Canberra was likely to be the cheapest. You are telling me you had a discussion with him before the conference and he indicated that the Gold Coast was the cheapest. So what he has told you specifically, and what you have said in evidence, and what you are telling me, is that the evidence that he gave you and the evidence that he gave Deloitte's was completely different—180 degrees in the other direction.

**Ms Gowans:** Mr Fry has answered a number of times that the evidence he gave about the inquiries he made in relation to the costings of the conference—he has given his evidence a number of times—is correct, and it is shown to be correct by an independent investigative report that shows he did in fact make those inquiries of Mr Smith. You are asking now about how Mr Smith calculated his figures. That is not a matter we have informed ourselves of today.

**Senator SCULLION:** I am sorry, Ms Gowan, that is not the question. I will clarify the question again. Mr Fry gave evidence to me and has said again today that he relied on a conversation with Mr Smith that the Gold Coast was the cheapest option, and he relied on the fact that Mr Smith had given him evidence that he had quantified that, through a table. What I am saying is that Mr Smith has given evidence since then that before the conference—and I will quote again—even though the cost to hold the conference in Canberra was likely to be cheaper he took another decision. That statement reflects a position of a decision on the conference, so that would have been before the estimates process. So Mr Smith would have been aware of that comment when he had the discussion with Mr Fry. I am simply asking for a response from Mr Fry. He has told me that the nature of the discussion he had with Mr Smith was that Canberra was the cheapest. Mr Fry is telling me that his reflection of the conversation—it was the only conversation he had with him—was that he said that the Gold Coast was the cheapest. They are completely diametrically opposed pieces of information. I am giving Mr Fry an opportunity to perhaps give some information about why it would be the case that Mr Smith has said that his decision was that Canberra would be the cheapest but he just decided to go to the Gold Coast and why, perhaps, he would have told Mr Fry that the Gold Coast was the cheapest. That is the question I am asking Mr Fry. He might be able to throw some light on it.

**Mr Fry:** I can hopefully provide some more clarity again to the discussion I had with Mr Smith before the conference. I had said, in the words of the *Hansard* that you referred to, that I had that quantified. When I asked Mr Smith to investigate what the cost of the conference would have been at Canberra he came back to me the following day, as I recall. He told me he had done some figures—some preliminary figures, or they might have been draft figures; I cannot remember the actual term—on the Canberra option. I did not query him further. So the word 'quantifiable', if you are referring to that in my evidence before you on 17 February, is a term of reference I am using to say that I asked him the question of whether he had done some further analysis. He assured me that he had done that further analysis. I took him to be right by the manner in which he responded and the fact that I had no reason to doubt that.

**Senator SCULLION:** That was then—that is what you have told me and I accept that—but since then he has held the view that a conference in Canberra was likely to be the cheapest. Is it reasonable for us to assume that Mr



Smith misled you and that is why you gave the evidence to Senate estimates? He said here that Canberra was the cheapest—but in effect he has told you that the Gold Coast was the cheapest. I am just wondering if you can explain that. I take it that Mr Smith has misled you completely and that is why you misled me—in the sense that—

**Ms Gowans:** Mr Fry has given evidence that, when he gave his evidence about the costings for Movie World and for the Gold Coast conference, they were true to the best of his knowledge. He has given that evidence. He has not misled the committee—not now and not previously.

**Senator SCULLION:** You have read this report. Mr Smith says that the Canberra option was the cheapest. I am drawing a conclusion from that. Obviously, he has given you information that you did not have when you came to Senate estimates. Perhaps you could explain that. Have you had a conversation with Mr Smith about why that is the case?

**Mr Fry:** I will provide some clarity there because you are getting quite specific in your questions, Senator.

**Senator HEFFERNAN:** Can I just say that, with Indigenous Business Australia, this is the very least of it.

**CHAIR:** Thank you, Senator Heffernan. Senator Scullion, in terms of the process of today's hearing, we are looking at the evidence that was given to us by Mr Fry. I take it you are referring to the statement in our document that says: 'That was held on the Gold Coast. We were bringing in members and that proved to be the most economic solution by both cost of transport and cost of accommodation.' That is the one area to which you are referring, is that right?

**Senator SCULLION:** That is it. But there was another part about which I asked. It was about the process of getting to that. There is no difficulty with understanding that.

**Mr Fry:** I would like to answer your question, Senator, about the reference you just made. Firstly, subsequent to the Senate Estimates meeting on 17 February, with the exception of one meeting that I had with Mr Smith and two other members of my executive on an unrelated matter—it was about a board appointment for one of our investments—I have not spoken purposely to Mr Smith. That is because, as I said earlier, I have removed myself from any of the matters that might go before the proposed inquiry, which was undertaken subsequently by Deloitte. Subsequent to the release of this report I have had one brief discussion with Mr Smith on this matter in the presence of another member of the executive. I queried him with regard to the figures recorded here for the Gold Coast. He made the comment that you can look at the figures and do the costings on a number of bases—whether it includes purely the investment staff that were present at the time, or whether it included other parties similar to legal counsel and me, and whether it included full travel and so forth. So, without understanding the reference and the terms of how Mr Smith derived these figures here—whether it was within one of those three ranges—I cannot comment further, to be honest.

**Senator SCULLION:** I accept that that may well be the case. But you are not able to tell me if this has been created retrospectively. My allegation with my assumptions from this is that these have in fact not only been created retrospectively but in a way that gives an impression that there was a process for selection that talked about efficiency and all those sorts of things. You are not able to tell me whether or not this has been fabricated because you have not asked the question of Mr Smith.

**CHAIR:** The word 'fabricated' is very dangerous, Senator.

**Senator SCULLION:** No—because he told me he has not had the opportunity to talk to Mr Smith about it. Is that what you are telling me?

**Mr Fry:** That is correct. Perhaps I could make a final point on this. I would assume that not many people have gone through a forensic audit investigation. I can say, through my first personal experience of this, that it is very detailed. The interviews given are recorded. Deloitte have interviewed five people that were present at that conference of the investment team. They have done forensic analysis of emails and so forth, and again they found no evidence to suggest some of the aspects that you are alluding to.

**Senator SCULLION:** That is your interpretation, Mr Fry; it is not mine. But we are not talking about that interpretation. Just for the record, do you have any degree of faith in these figures? You would have read the report, you have seen the figures, and you think that this is an accurate representation? You do this all the time, Mr Fry. You are a lot better at this than me. You would look at a budget; you would look at a comparison analysis; and sometimes it is for tens of millions of dollars. So you have looked at this and you think that it is a genuine representation of an assessment of cost-effectiveness for that travel?

**Mr Fry:** When I look at these figures, I see—and this is my understanding; this is my perception—that the investment team looked at a range of options for where to hold their conference. They have gone to some level of

depth. Deloitte subsequently found that they changed the location of their preference—from Alice Springs, from memory, to the Gold Coast. I do not believe it was within their viewpoint to consider Canberra, in the first instance, until such time that I queried Mr Smith prior to the conference and asked him to do some figures on how the Gold Coast would compare to Canberra. When I look at the Canberra figures I see that they are rounded, and I think they have been done within the framework of having done more analysis initially on the other options, because that was their intention.

**Senator SCULLION:** I would note that Mr Smith has indicated that, if he had in fact done the figures correctly, Townsville would have been the cheaper option. You have indicated that you have not had a discussion with Mr Smith. I assume you will be having a discussion with Mr Smith about the matters I have raised today?

**Mr Fry:** My understanding, or my approach—

**Senator SCULLION:** I will have an opportunity then to have another conversation with you at estimates. If you are going to have a conversation with Mr Smith about these matters, then I will be able to ask you similar questions and you will perhaps be able to give me a more informed answer.

**Mr Fry:** If I could take that question on notice—

**CHAIR:** Absolutely, Mr Fry.

**Senator SCULLION:** Certainly. I just give you the heads-up about what will be happening on Friday. I go to the *Hansard*. I asked you the question:

Were there any other activities involved around the planning meeting—team-building sorts of things?

You responded by saying:

During the full morning to early evening sessions, it was all in the room and all involved what we would call normal business. From the report, I notice that the published agenda, a copy of which was provided to you prior to the conference, contained the line 'Day 3: 10 o'clock to 14:00, team activity'. That is consistent with, I understand, prior conferences of the investment branch, where they program in a team building activity. And I understand that last year it was a masterclass cooking class. The fact that I got from the report does not seem to accord with the evidence that you gave.

**Mr Fry:** If I refer to the *Hansard* that you are relating to—

**Senator SCULLION:** Your response was to say:

During the full morning to early evening sessions, it was all in the room and all involved what we would call normal business. I asked the question, 'Were there any other activities, like team-building sorts of things?' and you indicated that it was not the case.

**Mr Fry:** On reflection, I believe I answered that question with respect to the period of time that I was there.

**CHAIR:** Which was?

**Mr Fry:** From recollection, it was approximately two o'clock on the first day to approximately 24 hours on the second day. I have reference to the Deloitte's report in there—it actually gives my travel itinerary. That would need to be checked. I believe I was answering that within the turn that I was at.

**Senator SCULLION:** It is no big deal. Your answer actually says, 'During the full morning to early evening sessions, it was all in the room and all involved what we would call normal business.' If you would like to correct the record, because the Deloitte's report indicates that, in fact, the agenda that you had actually contains team activity for a full day—from 10 o'clock to four o'clock.

**CHAIR:** On which day was that?

**Senator SCULLION:** That was on day 3 of the agenda. I cannot recall exactly what the day was. Is that reasonable that we take that opportunity to correct that evidence, Mr Fry?

**Mr Fry:** With the hindsight of understanding the manner in which you ask your question, if you were referring at the time that there was an agenda item which included teambuilding, I now acknowledge that is on the record. I believe I was answering the question within the frame of reference of the time that I was there.

**Senator SCULLION:** Thanks. There is no mischief. It is a good opportunity to correct the record. Again in *Hansard*, I went on to say, having moved from the previous question, 'Are you aware of any meeting attendees visiting Movie World, the theme park?' You said to me, 'None whatsoever'. I said, 'Are you just not aware of that?' You said, 'I was there for in excess of a day and it was not on the agenda; I am not familiar with that.' I said, 'That was not actually part of the conference, and you are completely unaware of the attendees going there?' and you said, 'That is right.' Do you want to correct the record on that, Mr Fry?

**Mr Fry:** I still stand by the evidence I gave. I was not aware to my knowledge at the time I gave the answer with regard to the members of that conference going specifically to Movie World.

**Senator SCULLION:** For these sorts of conferences we make these investments; you have had some comparative analysis of the conferences financially such as they are. One would think it is pretty normal process to have a bit of a, 'And how did that go? How did the conference work?' Did you have a bit of a rundown of proceedings and did you talk to people in the organisation about how the conference went? Was it a good conference? Were people happy? Did you get a lot done? Did you do an appraisal of the success or otherwise of the event?

**Mr Fry:** I am not aware that a formal appraisal was done in terms of a written document and so forth. However, that may have occurred but it would normally be done within the program area. I do recall after the conference, subsequent to returning, asking a number of staff, including from memory Ms Gowans, and subsequently one of the people from Mallesons, what their independent assessment of the conference was. From memory, they thought the conference agenda was a full agenda and done in a very proactive way; people seemed to get a lot out of the conference. I specifically like to seek out more independent people for opinions, because it is more at arm's length. So that is what I recall.

**Senator SCULLION:** Nobody mentioned to you what a great time and what a great learning experience they had at Movie World?

**Mr Fry:** I have no recollection of that.

**Senator SCULLION:** It appears that, obviously, the participants knew about it—a lot of people in IBA knew about it—and certainly the person or persons that provided the information. I certainly knew about it when I asked you. In any event, perhaps we can just talk about that activity, Mr Fry. I understand that the justification given for the Movie World day, gives an opportunity to see firsthand how the entertainment culture works, how you handle food and beverage operations, ticketing, crowd control. How many IBA investment branch personnel actually run businesses where the lessons learnt at Movie World—at a cost of some \$80 per person—can be put into practice?

**Mr Fry:** To provide a specific answer, I will need to take that on notice. We have a heavy weighting on tourism in our investment portfolio. To be specific, I will need to come back to you.

**Senator SCULLION:** All right. That is fine.

**CHAIR:** Senator, in terms of why we are here today, that is not an appropriate question—

**Senator SCULLION:** Yes. All right.

**CHAIR:** because it is not to do with the answers given in previous Senate estimates.

**Senator SCULLION:** Perhaps then I will go to the issues that were dealt with in the IBA letter in terms of Tjapukai. Let us move away from the Gold Coast. There were two allegations—one, that Dr Casey had an undeclared conflict of interest due to a family member being manager of Tjapukai; and the other, that inappropriate influence was exerted by Dr Casey to reverse an IBA Board decision. The forensic auditors discussed the conflict of interest; they allegedly raised the potential conflict of interest with the board. I note that, unfortunately, the minutes of that board meeting appear to be missing or, at least, cannot be located. That is the evidence in the report. Who keeps the minutes of the IBA Board meetings?

**Mr Fry:** Can I just clarify that, Senator. Are you—

**Senator SCULLION:** The Deloitte report says that the minutes of that meeting could not be located.

**Mr Fry:** If I can just clarify: which board meeting are you referring to?

**Senator SCULLION:** We are talking about the board meeting where Dr Casey allegedly raised her potential conflict of interest with the board. Deloitte said they would look at the meetings. When she first went to the board meeting, she said, 'I may have a conflict of interest with Tjapukai,' and the board had a discussion about it. Deloitte asked them for copy of the minutes of the meeting, and unfortunately, as Deloitte say in their report: We have not been able to locate the minutes of this Board meeting ...

In any event, that is in the report.

**Mr Fry:** Can I just clarify that, Senator, because to my understanding—

**Senator SCULLION:** The question is: who keeps the minutes of the IBA Board meetings?

**Ms Gowans:** IBA's executive officer keeps those minutes. There are a couple of minor errors in the Deloitte report, and it may be that the suggestion that we have lost the minutes is such an error. I have personally seen them.

**Senator SCULLION:** Well, that is excellent. So—

**CHAIR:** Senator, I am pulling you up here. There will be many questions coming from this, and we have now come to the end of the session—

**Senator SCULLION:** We still have another three minutes.

**CHAIR:** I want to put something forward first. Ms Gowans, we have been working on the Deloitte report, which has been made public and was given as evidence to this committee, for some time, and this is the first time we have heard about errors in the report. Has there been any public statement about errors in the Deloitte report?

**Ms Gowans:** There was this one error that I found, which is why I made the comment. It is actually not an error; it is correct but it is irrelevant, and it refers to IBA Pty Ltd.

**CHAIR:** Okay. But we would be interested in that as a committee, because I am sure there will be more questions coming up if there are errors in the report.

**Ms Gowans:** I would be happy to check that for you.

**Senator SCULLION:** There is clearly another error in the report, because Deloitte have indicated that IBA were unable to provide the minutes of that particular board meeting but you have indicated that they are there—

**CHAIR:** No, that was not the indication; it was that they would check it out.

**Ms Gowans:** I said it may be an error and I am happy to check that.

**Senator SCULLION:** I understood that you said you had seen the minutes of the meeting.

**Ms Gowans:** I have.

**Senator SCULLION:** So they clearly exist.

**Ms Gowans:** Yes.

**Senator SCULLION:** Would you be able to provide those to the committee, please.

**Ms Gowans:** All I am saying, Senator, is I have seen them. I cannot say they have not gone missing subsequently, but that may be incorrect and I will check.

**Senator SCULLION:** All right. When did you see them?

**Ms Gowans:** It would have been some time ago. I used to take the minutes of the board meetings.

**Senator SCULLION:** So there is no real reason for them to be lost?

**Ms Gowans:** No.

**Senator SCULLION:** You believe that you will be able to find them?

**Ms Gowans:** I may well be able to find them.

**Senator SCULLION:** Excellent. If you can, could you provide those to Deloitte and to us. In terms of the investigation, I thought the quality of the report—although you say there might be a couple of inconsistencies—was very good. I am interested in the discussions you had with the parties and individuals concerned about the original decision to not provide funding, and we have discussed some of that. The investment branch said, 'No, we shouldn't provide Tjapukai with further funding,' and decided not to sign it, but the board themselves went ahead. We will have an opportunity to look at the details of that at a later stage. It will be very interesting to see to what extent Dr Casey was involved in the discussion.

Perhaps you could pass on a request to Dr Casey. I understand that the email account she used was her Powerhouse Museum email account. So, in the same way we were able to clarify a number of things and support many of your statements, Mr Fry, through that forensic audit by Deloitte, I was wondering if you could ask Dr Casey if she would be prepared to release the Powerhouse Museum email account in a very similar way that Deloitte were provided with your account. Would you be able to ask her that?

**CHAIR:** Senator, can you relate that question to anything in the Senate estimates responses? I am fine for you to ask the question, as you can ask questions of the department at any stage, but once again for today's hearing I have looked at what we have had. Which of the questions on notice or the evidence to the committee are you thinking that question relates to?

**Senator SCULLION:** This question is in regard to the report provided by Ms Macklin concerning the allegations of impropriety, which is what we are discussing today. It is just simply a request because it might be very useful to get that information, that access. I am sure she will be able to consider that.

**Mr Fry:** Take that on notice?

**CHAIR:** On notice, Mr Fry.

**Senator SCULLION:** I am just asking you to request her for that and you can provide me with an answer. Mr Fry, you will be having a discussion with Mr Smith. We has obviously provided you with information that you provided to the committee. I have asserted that these figures and the conversation you rely on were fabricated. Can you clarify that—I will be asking that question at estimates—and whether or not this was made after the set of estimates rather than beforehand, so that I can clarify that at the next set of estimates.

**Mr Fry:** I will take that on notice.

**CHAIR:** Thank you very much, Mr Fry, Mr Bator and Ms Gowans. A number of questions have been raised on notice. I think you can feel certain that you will be requested at Senate estimates in two weeks time and there are a number of specific things you took on notice from this hearing.

**Committee adjourned at 09:31**



## **Appendix 4**

### **Answers to Questions on Notice from Indigenous Business Australia**

**31 May 2012**





**Community Affairs Legislation Committee**  
**ANSWERS TO QUESTIONS ON NOTICE**  
**INDIGENOUS BUSINESS AUSTRALIA**  
**11 May 2012**

**Topic: IBA**

**Question No: 1**

**Hansard Page: CA8**

**Senator Scullion** asked:

How was the decision made to hold the Conference on the Gold Coast? Was Canberra the cheaper option for the Conference?

**Answer:**

The Deloitte Report stated that, the then Acting Assistant General Manager of Equity and Investments, had delegated authority under the *Aboriginal and Torres Strait Islander Act 2005* to approve expenditures of up to \$100,000.

The Acting Assistant General Manager of Equity and Investments convened an informal committee of Equity and Investments team members to consider possible venues for the Conference to be held from 31 October to 3 November 2011. Following this, a preliminary budget was prepared setting out the estimated costs of hosting the Conference in Alice Springs, Townsville or the Gold Coast.

As a result of the preliminary budget, the Gold Coast option was considered the most cost competitive venue. Favourable rates had been quoted for conference facilities and accommodation at the Gold Coast venue.

Upon being informed of the proposal to host the conference at the Gold Coast, the Chief Executive Officer asked the Acting Assistant General Manager of Equity and Investments to assess how the costs compared against hosting the Conference in the Canberra region.

The estimate for Canberra was only prepared for the purposes of a high level comparison with other venues.

The estimate, reproduced in the Deloitte Report, indicates that the cost of hosting the Conference in the Gold Coast, as set out in the estimate, was comparable with hosting the Conference in the Canberra region. As indicated in the Deloitte Report the Gold Coast was also considered to be a neutral location.

When informed about the proposal to hold the Conference at the Gold Coast, the Chief Executive Officer made enquiries to satisfy himself that the relative cost effectiveness of the Gold Coast had been considered.

The Acting Assistant General Manager of Equity and Investments had the necessary delegation to approve the expenditure and approved the Gold Coast as the venue for the Conference, acting under this authority.

**Community Affairs Legislation Committee**  
**ANSWERS TO QUESTIONS ON NOTICE**  
**INDIGENOUS BUSINESS AUSTRALIA**  
**11 May 2012**

**Topic: IBA**

**Question No: 2**

**Hansard Page: CA9**

**Senator Scullion** asked:

How many IBA investment branch personnel actually run businesses where the lessons learnt at Movie World can be put into practice?

**Answer:**

Eleven IBA Equity and Investments personnel are involved in the acquisition or management of tourism and hospitality related businesses. Many of these personnel hold directorships on the boards of the entities through which IBA holds its financial interest.

Movie World offered the opportunity to experience food and beverage, retail and merchandising, and tour and ticketing operations. IBA has a financial interest in 9 active tourism or hospitality related businesses across Australia, and is in the process of settling another 3 tourism related businesses. Of the 9 active businesses, all maintain food and beverage operations, 5 maintain retail and merchandising operations, and 3 offer tours for which an understanding of ticketing and related facilities is relevant.

**Community Affairs Legislation Committee**  
**ANSWERS TO QUESTIONS ON NOTICE**  
**INDIGENOUS BUSINESS AUSTRALIA**  
**11 May 2012**

**Topic: IBA**

**Question No: 3**

**Hansard Page: CA9**

**Senator Scullion** asked:

Please provide a copy of the minutes of the Board meeting where Dr Casey allegedly raised her conflict of interest with the Board?

**Answer:**

The Deloitte report states at page 9: “Dr Casey told us that, in 2009, she declared to the Board a perceived conflict of interest due to her distant family connection to a current Tjapukai employee, Mr David Hudson”.

Dr Casey told IBA directors about her distant relationship with David Hudson, General Manager of Tjapukai Aboriginal Cultural Park (Tjapukai), and also her childhood connection to Cairns, at a Board meeting in 2009. Dr Casey did not, and still does not, consider that this relationship gives rise to a material personal interest under the *Commonwealth Authorities and Companies Act 2005*.

The IBA Board again discussed Dr Casey’s potential conflict of interest in relation to Tjapukai at its 66<sup>th</sup> meeting in September 2010. The Board resolved that Dr Casey did not have a material personal interest to declare. A copy of the relevant extract from those minutes is attached. The minutes of this meeting are also attached at Appendix R to the final Report of the Independent Investigation into anonymous allegations provided to the Department of Families, Housing, Community Services and Indigenous Affairs by Deloitte Touche Tohmatsu.

In addition to any declarations that are made at a Board meeting each Board Director signs an annual standing Declaration of Personal Interest.

The Deloitte report found no evidence of any conflict of interest by Dr Casey in relation to Tjapukai.

# Extract of Board Minutes dated 14 September 2010 (Meeting 66)

## 5. Declaration of Material Personal Interests (Agenda Item No. 1)

Dr Casey invited the Board to declare any material personal interests arising from the Agenda. There were two declarations, both having been made by the Directors concerned following the circulation of the meeting agenda and prior to the despatch of Board papers to Directors:

Ms Cooms declared that she may have a material personal interest in the Minjerribah Camping, Stradbroke Island agenda item (10(b)(i)) because she comes from the area.

Mr Trust indicated that he may have a material personal interest with the Tiwi Island Project agenda item (10(b)(iii)) because he is a Board member of the ILC.

There was brief discussion about Dr Casey's involvement with Tjapukai. It transpires that any advice Dr Casey offered the business was done so on a 'no payment' basis.

The Board:

1. **AGREED** that Ms Cooms had a material personal interest in the Minjerribah Camping, Stradbroke Island agenda item and that she should excuse herself from the meeting during any discussion of the matter.
2. **AGREED** that Mr Trust did not have a material personal interest in the Tiwi Island Project agenda item.
3. **AGREED** that Dr Casey did not have a material personal interest in the Tjapukai agenda item.

**COMMERCIAL IN CONFIDENCE**

**Community Affairs Legislation Committee**  
**ANSWERS TO QUESTIONS ON NOTICE**  
**INDIGENOUS BUSINESS AUSTRALIA**  
**11 May 2012**

**Topic: IBA**

**Question No: 4**

**Hansard Page: CA10**

**Senator Scullion** asked:

Would Dr Casey be prepared to release the Powerhouse Email account?

**Answer:**

The Department of Families, Communities, Housing and Indigenous Affairs engaged Deloitte Touche Tohmatsu to conduct an independent forensic investigation into various anonymous allegations concerning officers of IBA. Deloitte determined the methodology for its investigation.

IBA provided Deloitte with full access to all documents, all witnesses and its IT system. All emails between Dr Casey, directors of IBA and IBA Executives are available on the IBA email system. Deloitte had full access to these emails.

**Community Affairs Legislation Committee**  
**ANSWERS TO QUESTIONS ON NOTICE**  
**INDIGENOUS BUSINESS AUSTRALIA**  
**11 May 2012**

**Topic: IBA**

**Question No: 5**

**Hansard Page: CA11**

**Senator Scullion** asked:

Was the comparison of costs for the Conference carried out before or after Estimates?

**Answer:**

The cost comparison for all conference venues, including Canberra was completed before the Conference (31 October to 3 November 2011). The budget comparison spreadsheet was created in July 2011 and last amended on 27 October 2011. This is before the date of the Conference and the Senate Estimates hearing of 17 February 2012.

## **Appendix 5**

### **Correspondence from Indigenous Business Australia**

**19 June 2012**







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

19 June 2012

Senator Claire Moore  
Senator for Queensland  
Chair, Senate Standing Committee on Community Affairs  
Parliament House  
CANBERRA ACT 2600

Dear Senator

I am writing to you concerning a final report prepared by Deloitte Touche Tohmatsu (Deloitte) on the independent investigation into anonymous allegations raised against the Chair and Chief Executive Officer of Indigenous Business Australia (IBA). At the Senate Committee Hearing of 11 May 2012, IBA suggested that there were a number of minor errors in the Deloitte report. After a review of the review of the report, these matters are detailed below:

- *Section 5.1.3 (page 14)*. IBA Pty Ltd should be referred as IBA (Property Holdings) and has no connection with Tjapukai Pty Ltd.
- *Section 5.6.3 5<sup>th</sup> dot point (page 31)*. The report states: 'We have not been able to locate the minutes of the Board meeting'. IBA provided Deloitte with full access to all documents including the minutes of the Board meeting in question.
- *Appendix A (page 33)*. Mr Chris Fry is not a company director of the following companies as listed in the appendix: Public Policy Solutions Pty Ltd and Commercial Freedom Australia Pty Ltd.
- The report refers in an number of places to 22 people who attended the conference. There were 18 staff who attended part or all the conference. In addition, there were 6 non-IBA staff who presented at the conference.

These matters have been communicated to the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA), who were responsible for managing the investigation.

In addition, I have attached communication between Dr Dawn Casey and FaHCSIA correcting evidence within the Deloitte report.

Please contact me if I can provide any further advice or assistance in this matter.

Yours sincerely

**Chris Fry**  
Chief Executive Officer

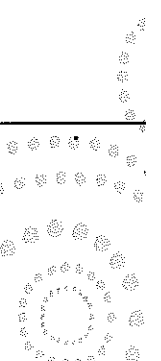
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\*Calls to 1800 numbers from your home phone are free. Calls from public and mobile phones may be timed and charged at a higher rate.



## EMAIL TRANSMISSION

**From:** Casey, Dawn [<mailto:Dawn.Casey@phm.gov.au>]  
**Sent:** Monday, 28 May 2012 1:03 PM  
**To:** [simon.crowther@fahcsia.gov.au](mailto:simon.crowther@fahcsia.gov.au)  
**Cc:** FRY,Chris; BATOR,Leo  
**Subject:** Deloitte Report into IBA: Errata letter (confidential)

Dear Simon

In my discussions in the Sydney interview with Graeme Newton, Partner with Deloitte I recalled to him that, in 2009, as well as my extensive museum experience that was extremely would be highly beneficial I declared a perceived conflict of interest to the Board due to my distant family connection to a current Tjapukai employee Mr Hudson. I am concerned that this statement may have been misconstrued. I did not mean that I made a formal declaration of a material personal interest in the legal sense at that time. I have never considered my distant connection with Mr Hudson to be close enough to give rise to a conflict of interest with my position as Chair of IBA. However, while I did not declare a material personal interest in relation to Tjapukai, I did disclose my distant connection to David Hudson and childhood relationship with Cairns to IBA directors in 2009. For this reason I did not believe that there was a need to formally record this discussion in the Board minutes.

In 2010, the Board considered whether any involvement I have had with Tjapukai, or any person associated with Tjapukai, could amount to a material personal interest. The Board accepted that this relationship does not give rise to any conflict of interest.

Mr Bator has confirmed with Mr Peter Thomas that I had disclosed my distant connection with Mr Hudson and my childhood upbringing in Cairns from an earlier stage of my Chairmanship.

I would appreciate it if you could arrange for the abovementioned details to be included in the errata letter from Deloitte to IBA.

Kind Regards

Dawn

Dr Dawn Casey PSM FAHA

Director

Powerhouse Museum

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500 Harris Street, Ultimo NSW 2007  
Tel: + 61 2 9217 0363; Fax: +61 2 9217 0459  
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Web: [www.powerhousemuseum.com](http://www.powerhousemuseum.com)

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