

Senate Finance and Public Administration Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Budget Estimates 2017 - 2018

Prime Minister and Cabinet Portfolio

Department/Agency: Department of the Prime Minister and Cabinet
Outcome/Program: Outcome 2: Indigenous
Topic: Funding Agreement

Senator: Dodson

Question reference number: 246

Type of question: FPA Friday 26 May 2017, Page 33

Date set by the committee for the return of answer: 7 July 2017

Number of pages: 25

Question:

Ms N Williams: ... In relation to the existing funding agreement, we are actually seeking IBA's permission and legal advice with respect to releasing that funding agreement to the committee. But, given this may need to be agreed by their board, I expect that we might need to provide that to you on notice.

Senator McCARTHY: Could you just repeat that last sentence again? I had problems hearing.

Ms N Williams: Sorry—with respect to the funding agreement, for this financial year, we are speaking to IBA to seek their agreement to provide a copy to the committee. They may need to seek agreement from the board, so I do expect that it might take a little while, and we may need to provide it on notice rather than today in the committee.

Senator McCARTHY: Yes, it would be good to receive that

...

Minister, as to the comment made, about: 'It may take some time to get responses from the IBA board in relation to our request for information in relation to contracts,' is this going to impact on the execution of your intentions to respond and facilitate the expenditure of this budget to achieve your objectives?

Senator Scullion: I think the question of the response was more about my offer to have this year's, this current contract, because we said it would be very close in nature to a contract that has yet to be dealt with. But the advice was that we would have to seek the IBA's support in releasing that publicly. I do not think that will take long. It will not have an impact on those other matters.

Senator DODSON: I got the impression from Ms Williams that it may take Blue Hills periods.

Senator Scullion: No. I had indicated that we would try to get that today.

Ms N Williams: Sorry if I provided that impression. What I was suggesting is that I am not confident that we would be able to get it to you today, but we should be able to get it to you, if the board agrees, as soon as possible. So it should not take any time.

Senator DODSON: Thank you for clarifying that, because I get a bit anxious when someone says it may take a bit of time.

Answer:

The 2016-17 agreement for Indigenous Business Australia's Business Development and Assistance Programme is attached.



Australian Government

Department of the Prime Minister and Cabinet

**PROJECT SCHEDULE –
GENERAL GRANTS
JOBS LAND AND ECONOMY PROGRAMME**

Executed by

the Commonwealth of Australia as represented by the Department of the Prime Minister and Cabinet (ABN 18 108 001 191)

AND

Indigenous Business Australia (ABN 25 192 932 833)

Grant System Agreement number (System ID)	4-3J9IYSI
Project Schedule reference number (System ID)	4-3J9IZON
Provider reference number (System ID)	4-BX02GY

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Version: 1 July 2016

How this Project Schedule works

The Commonwealth has agreed to execute this Project Schedule, under which the Commonwealth will provide the Grant/s for the purpose of delivering one or more Project/s.

Once this Project Schedule has been executed, a separate contract is formed. That contract is called a **Project Agreement**.

The terms and conditions of this Project Agreement are as set out in:

- a) this Project Schedule;
- b) the Head Agreement; and
- c) any attachments to, or documents incorporated by reference into, either of those documents.

This Project Schedule contains terms and conditions that relate specifically to the Projects and Grants listed in this document. The document comprises:

- Part 1 – a summary of the Projects and Grants in this Project Schedule;
- Part 2 – terms and conditions applying to all Projects and Grants in this Project Schedule; and
- Part 3 – specific terms and conditions for particular Projects and Grants in this Project Schedule.

The Head Agreement contains general terms and conditions that apply to all Projects and Grants.

(See also clauses 1 to 10 of the Head Agreement).

PART 1: PROJECT AND GRANT SUMMARY

1. List of Projects

	Project name
Project A	Interim Business Development and Assistance Grant for FY2016-17

2. List of Grants

	Amount (excl GST)	GST	Total (incl GST)
Project A	\$23,086,000	Not applicable	\$23,086,000
TOTAL	\$23,086,000	Not applicable	\$23,086,000

PART 2: GENERAL INFORMATION, TERMS AND CONDITIONS FOR ALL PROJECTS IN THIS PROJECT SCHEDULE

1. Interpretation

- 1.1 Unless the contrary intention appears, words used in this Project Schedule have the same meaning as in the Head Agreement.
- 1.2 Information, terms and conditions in Part 2 of this Project Schedule apply to the Projects under this Project Agreement, unless the contrary intention appears in Part 3.

2. Programme

- 2.1 The Grant is provided under the Jobs Land and Economy Programme.

3. Programme outcomes

- 3.1 For each Project, the Provider must contribute to or achieve the following programme outcomes to the extent they are not inconsistent with the Project:

Programme outcomes

- Adults into work
- Foster viable Indigenous businesses
- Generate economic and social benefits for Indigenous people from land and sea use and native title rights, particularly in remote areas

- 3.2 The Provider agrees to deliver each Project under this Project Agreement so as not to conflict with or adversely impact upon the school attendance of children in the location/s at which the Project is being delivered.

4. Overview

- 4.1 The Provider is:

Provider	
Full legal name	Indigenous Business Australia
ABN, ICN, ACN or other identifier	ABN 25 192 932 833

- 4.2 This Project Agreement commences on the Project Agreement Start Date and ends on the Project Agreement End Date:

Project Agreement Start Date	01 July 2016
Project Agreement End Date	30 October 2017

5. Strengthening Organisational Governance - one-off payment

Not used.

6. Tax and invoices

(Clauses 16 to 19 of the Head Agreement)

6.1 The Parties have entered into this Project Agreement on the understanding that they are both ‘government related entities’ as defined in the GST Law, and either:

- (a) the payment of the Grant:
 - (i) is covered by an appropriation under an Australian law or the COAG National Health Reform Agreement; and
 - (ii) is calculated on the basis that the sum of the Grant and anything else that the Provider receives from another entity in connection with, or in response to, or for the inducement of that supply under this Project Agreement, or a related supply does not exceed the Provider’s anticipated or actual costs of making those supplies; or
- (b) the payment of the Grant is a kind of payment specified in regulations made for the purposes of sections 9-17 of the GST Law.

6.2 The Parties rely on sections 9-17 of the GST Law for no GST being imposed in connection with a supply made under this Project Agreement.

7. Reporting

(Clauses 52 to 58 of the Head Agreement)

7.1 The Provider must provide to the Commonwealth the following reports for each Project in accordance with the timeframes set out in Part 3 of this Project Schedule:

Report	Details
1st and 3rd Quarter Performance Updates	<p>At the end of the first quarter and the third quarter (i.e. the quarters when more formal reports are not due), the Provider will circulate, in writing, updates that include:</p> <ul style="list-style-type: none">a) tracking against KPIsb) Year to Date (YTD) tracking of committed and actual expenditure, andc) List of sub-contractors. <p>Note – as outlined in KPI A12 and KPI A13, the first quarter will include a plan for the Provider to reduce its overheads by 3% and a plan to increase the service delivery footprint.</p>

Report	Details
Interim Performance report	Interim Performance reports must detail the progress and performance of the Project during the reporting period, including against the outcomes, objectives and performance targets set out in this Project Schedule*. If there are significant issues affecting the progress of the Project, the Interim Performance report must specify the actions being taken to address the issues.
Final Performance report	<p>The following information must be provided:</p> <ul style="list-style-type: none"> a) a statement of compliance with the Project Agreement and details of any areas of non-compliance; b) information about the progress of the Project, including against the outcomes, objectives and performance targets for the Project; c) information about how the Provider managed risk to give the Project the best chance of achieving the outcomes, objectives and performance targets for the Project; d) a statement about the extent to which the Project achieved results which are consistent with and promoted the Commonwealth’s priorities (including any priorities specified in relevant guidelines); and e) any other information considered relevant by the Provider or required in the Project Schedule.
Expenditure report	<p>The following information must be provided:</p> <ul style="list-style-type: none"> a) a detailed statement of income and expenditure relating to the Grant; b) a definitive statement about whether the financial accounts are true and fair, and a statement of the balance of the bank account referred to in clause 13 of the Head Agreement and whether there are any unexpended Grant funds; and c) a statement confirming whether the Grant was expended for the Project and in accordance with the Project Agreement. <p>The report is to be certified by the Provider’s finance manager (or equivalent).</p>

PART 3: SPECIFIC INFORMATION, TERMS AND CONDITIONS FOR PARTICULAR PROJECTS IN THIS PROJECT SCHEDULE

1. Interpretation

- 1.1 Each of the Projects specified in this Project Schedule has its own sub-part under this Part 3, which sets out specific information, terms and conditions applying for that particular Project. To the extent of any inconsistency between Part 2 and Part 3 of this Project Schedule, Part 3 will take priority in relation to the relevant Project.

3A: PROJECT A – PROVISION OF BUSINESS SUPPORT SERVICES TO INDIGENOUS ENTREPRENEURS

1. Project description

1.1 The Provider must deliver the following Project:

Project description
<p>Background</p> <p>The 2016-17 Budget included a proposed measure to redirect part of the Provider's FY2016-17 appropriation to PM&C. The funds that are proposed to be redirected total \$23,086,000 and align with the funds that are ordinarily appropriated to the Provider's Business Development and Assistance Programme (BDAP). This Project will ensure that the Provider can continue to provide business support services that it was in the process of ceasing, reducing or restructuring as well as enabling the Provider to develop new products and services for the Government's emerging Indigenous business priorities.</p>
<p>Project purpose and overview</p> <p>The purpose of the Project is to fund the Provider to provide Indigenous business support and capability development services over FY2016-17. The Project will ensure continuation of the BDAP, including:</p> <ul style="list-style-type: none">• Supporting Indigenous entrepreneurs and organisations to identify business opportunities.• Providing capacity building support to the Provider's loan and non-loan Customers at all stages of the business journey (from idea/potential, preparation, start-up through to stabilisation, growth, maturity and exit).• Loan initiation and management (including start-ups and supporting business growth). <p>As part of this Project, the Provider will continue to deliver new BDAP products to Indigenous businesses to enable them to benefit from the Commonwealth's Indigenous Procurement Policy.</p> <p>The Project will increase the number of Customers in regional and remote Australia receiving business support and/or loan services from the Provider by at least 25% from the previous financial year (2015-16).</p> <p>The Project will also include improvements in the efficiency of corporate and enabling services related to the BDAP.</p>
<p>Customer definition and eligibility - Who will the Provider deliver the services and activities to?</p> <p>For the purposes of this Project Agreement, Customers are defined as below:</p> <ol style="list-style-type: none">1. Entities that:<ol style="list-style-type: none">a. Have 50% or greater Indigenous ownership;b. Not-for-profit organisations with 50% or greater Indigenous ownership or membership, or meet the Provider's definition of Indigenous business, or which have been established for the primary purpose of furthering the economic, social or cultural development of Aboriginal persons and/or Torres Strait Islanders (provided that they carry on business);c. Aboriginal Corporations;d. Prescribed Bodies Corporate (PBCs)

Project description

2. Individuals who:

- are of Aboriginal or Torres Strait Islander descent, or both;
- identifies as an Aboriginal person or Torres Strait Islander, or both, and
- are recognised as such by his or her community. Where client signs statutory declaration to confirm they are of Aboriginal or Torres Strait Islander descent

To avoid doubt, the Customer may be a sole trader.

To avoid doubt, for the purposes of this Project Agreement, a Customer need not be in receipt of (or be an applicant for) a business loan from the Provider.

Eligibility

The Provider will deliver the services and activities to Customers that meet the following eligibility criteria:

- The Customer has a commercially viable business or business idea
- The Provider has assessed that the Customer is capable of executing the business or idea.
- The Customer is not an undischarged bankrupt, has not been convicted of a serious criminal offence within the last five years or is not operating an unlawful business.

If the Provider determines that a Customer does not have a commercially viable business or business idea or that the Customer does not have the capability to deliver it, the Provider will provide support that is consistent with its capacity development strategy, and may refer the Customer to other organisations where the service required is beyond the type provided by the Provider.

Note: The provision and extent of support services will be considered on a case-by-case basis at the Provider's sole discretion and will be subject to its policies and procedures (as amended from time to time).

Approach to delivering the services and activities

The Provider will maintain a customer-focused approach at all stages of the business journey.

The Provider will provide business and economic products and services based on prioritising the demand for these amongst Indigenous communities and individuals across Australia, and the capacity of recipients to benefit from receiving these services.

In determining priorities given demand for its products and services, the Provider will have regard to the viability of the Customer's business idea based on its established risk parameters and mitigation approach. This, however, will not preclude the Provider from providing assistance to Customers with relatively high risk profiles. It is intended that Customers with varying business readiness, capability and needs will be assisted.

The nature and extent of business and economic support services offered to eligible Customers will be in proportion to the allocated resourcing and the Grant provided under this Project Agreement.

The Provider will use reasonable endeavours to ensure that its operational footprint, resourcing and staff profile meets demand, both in terms of location and business support needs. This includes modelling customer demand and exploring options to better align staff and service delivery footprint and office locations to local customer requirements.

Project description

Services and Activities

To help Customers establish, grow and improve businesses, social enterprises and joint ventures, the Provider will deliver the following suite of business development and assistance activities to support Customers at all stages of business development:

Building commercial capability and developing Indigenous entrepreneurs

- Deliver workshops to eligible Customers. These workshops will build key commercial skills for eligible Customers in all market segments entering business and/or looking to undertake commercial investments and may be supplemented by online learning tools.
 - These workshops may be standardised or tailored to specific industry, business stage or individual needs.
- Where appropriate, provide Customer assessment and referral to relevant external business assistance services. The Provider may not refer to an external provider where it provides the same service or product. This may include services offered by external consultants, state governments, commercial banks and philanthropic organisations. The referral service includes follow-up with the referred party to ensure needs are met.
- Offer business support services to mitigate risks, in accordance with the Provider's standard practice and procedures.
- Undertake proactive relationship management, including by assessing and linking Customers to growth opportunities, such as government and corporate procurement.

Developing business ideas

- Work with Customers to develop and design their business idea. This may include business design sessions with in-house experts and the use of external experts as appropriate. These services will be delivered in a way that ensures that Customers are full participants in their business planning.
- Support Customers (as necessary) to access external expertise needed to develop a business ideas, test the market or identify suitable business partners

Assisting Customers with existing enterprises in distress to return to profitability or exit

- Provide adequate and appropriate assistance to Customers to seek advice on options to return to profitability, trade out or exit a business as needed. To avoid any doubt, the Provider will not be under any obligation to lend to Customers that are in financial distress.

Supporting implementation of government and corporate procurement opportunities and assisting Indigenous businesses to enter supply chains

- Assist Customers to access business opportunities created by government and corporate Indigenous procurement policies by providing Customers with guidance on accessing procurement opportunities and their Supply Nation profile.

Development of products, including industry-specific products.

Project description

- Develop and deliver industry-specific products and support services which create and/or contribute to Indigenous economic development outcomes.

Initiating and Managing Loans.

- This Grant does not include capital for lending, but it does include resourcing to assess, issue and manage loans.
 - Assess loan (or other financial product) proposals, and (where appropriate and required) work with Customers to refine proposals. This includes due diligence and risk assessments.
 - Make loan commitment including loan contract negotiations and documentation.
 - Manage loan repayments and arrears.

Note: The provision of a loan will be considered on a case-by-case basis. The decision to loan a Customer monies (and any variations to loans) will be at the Provider's sole discretion, and will be subject to its policies and procedures (as amended from time to time). Enforcement actions and recovery of monies will be at the Provider's sole discretion and will be subject to its policies and procedures

Other activities/purposes for this Grant

Corporate overheads: The Provider will put in place the necessary corporate arrangements and supports to ensure efficient and effective delivery of the services and activities, including to support reporting on the delivery of the Project. Reasonable expenses will be funded from this Grant as specified in the Budget and Expenditure section below. The Provider will achieve 3% reduction in existing overhead costs attributed to BDAP by the end of FY16/17. Any cost savings attributed from such reduction will be used towards future business development and assistance activities.

Provisioning for loan losses: The Provider will ensure there is provision for business loan losses and valuation discounts as specified in the Budget and Expenditure section below.

Budget and Expenditure

The total Grant available under this Project Schedule is \$23,086,000. Of this amount, expenditure is anticipated to be as set out below:

Project description

Function	Amount*
<p>Start-up and Development</p> <p>Build commercial capability, develop Indigenous entrepreneurs and business ideas (including customer workshops, internal and external business support, loan application assistance, referrals, and procurement support) and development of new products.</p> <p>Includes:</p> <ul style="list-style-type: none"> • Current employee costs • Direct costs (legal, consultants and travel) • Workshops • Indigenous organisations (PBC) support • IPP support (staff FTE and travel) • External business support • Transition costs (additional FTE, training and exit costs) • Product development (including system) 	<p>\$13,728,000 includes:</p> <ul style="list-style-type: none"> • Current employee costs \$3,200,000 • Direct costs (legal, consultants and travel) \$1,000,000 • Workshops \$1,750,000 • Indigenous organisations (PBC) support \$ 232,000 • IPP support (staff FTE and travel) \$ 560,000 • External business support \$4,036,000 • Transition costs (additional FTE, training and exit costs) \$2,450,000 • Product development (including system) \$ 500,000
<p>Credit & Settlements and Account Management</p> <p>Loan assessment, Prepare loan documentation, coordinate settlement, conveyancing, Make credit decisions, Identify post-loan needs, Analyse loan Customer performance and assist loan Customers to address performance issues, Ongoing risk, financing and business support, Return to profitability and/or exit</p> <p>Includes:</p> <ul style="list-style-type: none"> • Employee costs • Direct costs (legal, consultants and travel) • Loan related expenditure • Transition Costs (training and exit costs) 	<p>\$3,156,000 includes:</p> <ul style="list-style-type: none"> • Employee costs \$2,016,000 • Direct costs (legal, consultants and travel) \$ 570,000 • Loan related expenditure \$ 300,000 • Transition Costs (training and exit costs) \$ 270,000
<p>Program support overheads includes:</p> <ul style="list-style-type: none"> • Employee costs • Direct costs (legal, consultants and travel) 	<p>\$1,165,000 includes:</p> <ul style="list-style-type: none"> • Employee costs \$ 845,000 • Direct costs (legal, consultants and travel) \$ 320,000
<p>Corporate overheads includes:</p> <ul style="list-style-type: none"> • Accommodation • IT costs • Others (HR and office services) • Governance 	<p>\$4,037,000 includes:</p> <ul style="list-style-type: none"> • Accommodation \$1,000,000 • IT costs \$ 814,000 • Others (HR and office services) \$ 223,000 • Governance \$2,000,000
<p>Provision for loan losses (not covered by interest income)</p>	<p>\$1,000,000</p>
<p>TOTAL</p>	<p>\$23,086,000</p>

Project description

** Note: PM&C acknowledges and agrees that the breakdown of amounts contained in each Function are a guide only. IBA is not required to meet the amounts set against each line item, but will report on these costs in the updates and reports required under clause 7 of Part 2 of the Project Schedule.*

Re-allocation of the Grant across Functions

The Grant may only be re-allocated across Functions in accordance with this Project Schedule. If during the Term, the Provider seeks to re-allocate more than \$200,000 across Functions (whether as a single amount or as a cumulative total of more than one smaller amounts), it must obtain the prior written approval of PM&C.

If at the end of FY2016-17 the Grant has not been fully expended, any remaining funds must be returned to the Commonwealth, or used or spent as otherwise directed by the Commonwealth.

Customer Satisfaction

The Provider must monitor Customer satisfaction through surveys conducted by the Provider (and agreed by the Commonwealth with such agreement not to be unreasonably withheld), and include outcomes in its performance reports. Customers receiving all types of assistance should be surveyed. Surveys will be designed in a way that minimises bias and delivered in way that collects a representative sample of capability, service, geography and industry sector. Survey results should be anonymised and stored in a way the preserves the confidentiality of the respondent.

2. Key performance indicators

- 2.1 The Provider must meet the performance targets for the following key performance indicators within the timelines shown in the table below. The table outlines the expected achievement against Key Performance Indicators (KPIs) related to the services described above as well as broader objectives of this Project Agreement.
- 2.2 These KPIs are in addition to, not in place of, any KPIs and targets relating to loans which are connected to the Provider's capital appropriation and are listed in the Provider's Portfolio Budget Statement for FY2016-17:

Number	Key Performance Indicator	Target	Data Source / Timeline / Frequency
M1	Number and proportion of Indigenous people employed in delivery of the Project. Please note – this KPI is mandatory under the IAS.	The number of Indigenous people employed in the delivery of this Project should reflect the overall proportion of Indigenous staff employed by the Provider.	Provider census taken 1 mth after Project Start Date and then 31 Mar 2017.

M2	Extent of compliance with Project Agreement terms and conditions Please note – this KPI is mandatory under the IAS.	Provider complies to the Commonwealth’s satisfaction (acting reasonably)	Records and Material relating to Project Agreement; other information reasonably requested by the Commonwealth; feedback from other relevant persons or organisations.
A1	Number of Into Business Seminars delivered	50	Number of participants and locations.
A2	Number of Educational Business Workshops (potential and ready to act) delivered	35	Number of participants and locations.
A3	Number of Growth Workshops delivered	20	Number of participants and locations.
A4	Number of Procurement Workshops delivered	12	Number of participants and locations.
A5	Number of Customers who receive support from IBA staff to develop their business ideas.	600 Customers offered support to assess readiness and advice on next steps At least 300 of these Customers commence journey and offered business development services, including support to win Government contracts.	Number of Customers provided with support and nature of service. Reporting will cover the number of Customers in each of the stages (idea/potential, preparation, start-up, stabilisation, growth, maturity and exit).
A6	Number of external business support provided to loan and non-loan Customers– includes support relevant to all stages of the business journey (including preparation, start-up, stabilisation, growth, maturity and exit).	150	
A7	Number of BDAP loans approved for new Customers	50	Number of Customers who receive IBA loan, total amount, average amount
A8	Number of existing IBA loan Customers who receive an additional BDAP loan	25	Number of Customers who receive additional IBA loan, total amount

A9	Number of Indigenous organisations (including PBCs) receiving business development assistance	12	Number of participants. Names will be provided to PM&C is Customer consents.
A10	Business survival rates of IBA loan recipients	85% in first year; 75% in second year; 70% in third year	Number and percentage of businesses achieving and not achieving these rates.
A11	Outcomes of Customer satisfaction surveys	At least 80% of clients satisfied	Survey would cover a representative sample of all business services and business types
A12	Overheads (allocated corporate) costs are reduced.	By June 2017, the Provider will achieve 3% reduction in existing overhead costs attributed to BDAP.	1st quarter report to detail a plan for reducing overheads by 3% between June 2016 and June 2017. Each subsequent report to detail progress towards reducing overheads by 3% by June 2017. Final expenditure report to detail breakdowns on remuneration costs for staff, overheads (inc. internal suppliers), and expenditure directly on clients.
A13	There is an increase in the services delivered by the Provider in regional and remote areas.	Over the term of the funding agreement, there is an increase the number of Customers in regional and remote Australia receiving business support and/or loan services from the Provider of at least 25%, when compared to numbers in the previous financial year (FY2015-16).	In the Interim Performance Report and Final Performance Report, IBA will provide data on the level of activities in regional and remote areas (based on CRM data).

3. Duration of Project

3.1 The Project must be delivered from the Project Start Date until the Project End Date:

Project dates	
Project Start Date	1 July 2016

Project dates	
Project End Date	30 October 2017 or earlier termination date

4. Party representatives for notices

(Clauses 134 – 135 of the Head Agreement)

4.1 The parties' representatives are responsible for liaison and day-to-day Project management, as well as issuing and accepting any written notices relating to the Project:

Commonwealth	Details
Contact position for Project	[REDACTED] Department of the Prime Minister and Cabinet
Physical / postal address(es) for notices	PO Box 6500 CANBERRA ACT 2600
Telephone	[REDACTED]
E-mail	[REDACTED]

Provider	Details
Contact officer / position for Project	[REDACTED]
Physical / postal address(es) for notices	PO Box 650, Fyshwick ACT 2609
Telephone	[REDACTED]
Fax	[REDACTED]
E-mail	[REDACTED]

5. Location

5.1 The Project is to be delivered at the following locations:

Name of building / location	Address
ACT	Level 2, 15 Lancaster Place , Majura Park ACT 2609
NSW	Shop 9, King Arcade, 22-26 King St Grafton NSW 2460

Name of building / location	Address
NSW	Level 9, 300 Elizabeth Street, Surry Hills NSW 2010
NSW	70 Bayliss Street, Wagga Wagga NSW 2650
NSW	180 Peel Street, Tamworth NSW 2340
NT	Level 2, 16 Hartley Street NT 0870
NT	Level 4, 39,85 Woods Street , Darwin NT 0800
QLD	Level 14, 300 Queen Street, Brisbane QLD 4000
QLD	59 Mcleod Street, Cairns QLD 4870
QLD	Level 1, 36 East Street, Rockhampton QLD 4700
QLD	Level 4, 235 Stanley Street, Townsville QLD 4810
TAS	Level 3, 85 Macquarie Street, Hobart TAS 7000
VIC	Level 7, 44 Waymouth Street, Adelaide SA 5000
VIC	Level 10, 460 Bourke Street, Melbourne VIC 3000
WA	Level 7, 140 Georges Terrace, Perth WA 6000
WA	1 Short Street, Broome WA 6725

5.2 The Provider warrants that it has the right to access and use all premises required for the purposes of delivering the Project.

6. Reporting

(Clauses 52 - 58 of the Head Agreement and Part 2 item 8 of this Project Schedule)

6.1 The Provider must submit the following reports to the Commonwealth by the following due dates:

Report	Due date
Monthly Financial Statements, including YTD expenditure breakdowns	Within 2 business days of presentations to the Provider's board
1 st Quarter performance update	24 October 2016
Interim Performance report covering the period 1 July 2016 to 31 December 2016	23 January 2017

Report	Due date
3 rd Quarter performance update	24 April 2017
Final Performance report covering the period 1 July 2016 to 30 June 2017	24 July 2017
Unaudited expenditure report covering the period 1 July 2016 to 30 June 2017	29 September 2017

- 6.2 If the Commonwealth requests a revised report, in accordance with Clause 54 of the Head Agreement, the Commonwealth will provide, in writing, reasons why it reasonably believes the report is unsatisfactory including suggested changes to the form or content necessary to satisfy the Commonwealth. This information will be provided to the Provider within 10 business days of the Commonwealth receiving the report.

7. Grant payments

(Clauses 11 and 12 of the Head Agreement)

- 7.1 The Provider must use the Grant only for the purpose of this Project.
- 7.2 Grant payments will be made on the occurrence of the following events and subject to the terms and conditions of this Project Agreement:

Anticipated date	Description of event, outcome or performance target	Amount (excl GST)	GST	Total (incl GST)
8 July 2016	Within 3 business days of execution of contract	\$6,500,000	Not applicable	\$6,500,000
31 October 2016	Commonwealth receipt of 1 st Quarter performance report to the Commonwealth's satisfaction (acting reasonably)	\$5,500,000	Not applicable	\$5,500,000
30 January 2017	Commonwealth receipt of Interim Performance report to the Commonwealth's satisfaction (acting reasonably)	\$5,000,000	Not applicable	\$5,000,000
1 May 2017	Commonwealth receipt of 3 rd Quarter performance report to the Commonwealth's satisfaction (acting reasonably)	\$4,086,000	Not applicable	\$4,086,000

Project A – Additional Conditions

The following additional conditions apply for this Project.

9. Restrictions on expenditure

9.1 In addition to clause 12 of the Head Agreement, the Provider must not use any part of the Grant for any of the following purposes, unless it obtains the Commonwealth's prior written approval to:

- a) make a loan;
- b) pay commissions, success bonuses or similar benefits to staff, members or consultants that is beyond normal remuneration;
- c) overseas travel; or
- d) transfer money (including as a payment, reimbursement, gift or loan) to a parent or subsidiary company of the Provider.

10. Change proposals and delivering on Commonwealth priorities

(Clauses 24 to 28 of the Head Agreement)

10.1 Clause 25 is amended to insert a new subparagraph (c) as follows:

- (c) considers that, a key performance indicator set out in the Project Schedule is unlikely to be met – it may notify the Commonwealth and propose changes to the relevant key performance indicator.

10.2 Clause 28 of the Head Agreement does not apply to this Project.

11. Subcontracting and assignment

(Clauses 32 to 36 of the Head Agreement)

11.1 Clause 33 of the Head Agreement is amended as follows:

33. The Provider agrees not to assign its rights or obligations under the Head Agreement or a Project Agreement without the Commonwealth's prior written approval. The approval may be subject to conditions. The Provider will notify the Commonwealth of entering into any subcontracting arrangements in each quarterly report.

12. Assets

(Clauses 40 to 47 of the Head Agreement)

12.1 Clauses 40, 41, 45 and 46 of the Head Agreement do not apply to this Project Agreement.

13. Access to premises and records

(Clauses 59 to 63 of the Head Agreement)

13.1 Clause 59 of the Head Agreement is replaced with the following:

59. On reasonable prior written notice from the Commonwealth, the Provider will give the Commonwealth reasonable access to:

- (a) the Provider's premises where the services are being performed; and
- (b) Material relating to the Head Agreement or a Project Agreement,

to enable the Commonwealth to verify that the Provider is complying with its obligations under the Project Agreement.

13.2 Clauses 60 and 62 of the Head Agreement do not apply to this Project Agreement.

14. Removing Personnel
(Clause 69 of the Head Agreement)

14.1 Clause 69 of the Head Agreement does not apply to this Project Agreement.

15. Risk Management and performance [and Grant controller]
(Clause 70 to 77 of Head Agreement)

15.1 Clauses 71(c) and 73 to 77 of the Head Agreement do not apply to this Project Agreement.

16. Breach of the Project Agreement
(Clause 82 to 87 of Head Agreement)

16.1 Replace clause 82 of the Head Agreement with the following

82. If the Provider materially breaches a material term or condition of a Project Agreement, and the breach is capable of being remedied, the Commonwealth may give the Provider reasonable notice requiring it to remedy the material breach or to provide a remediation plan that is acceptable to the Commonwealth.

16.2 For the purpose of clause 82 of the Head Agreement, the Commonwealth must act reasonably when determining if a remediation plan is acceptable.

16.3 Clause 84 of the Head Agreement is amended, to insert 'materially' before each of the words 'comply' and 'breaches' where appearing, as follows:

84. If the Provider does not materially comply with clause 83, or materially breaches a material term or condition of a Project Agreement and the breach is incapable of being remedied, the Commonwealth may:

16.4 The remainder of the sub clauses (a) to (f) are unchanged.

17. Termination
(Clause 88 to 97 of Head Agreement)

17.1 Clauses 89(a) and (b) of the Head Agreement are deleted and replaced with the following:

- (a) materially breached a material term or condition of a Project Agreement and failed to remedy the breach in accordance with clauses 82 and 83;

- (b) materially breached a material term or condition of a Project Agreement and the breach is not capable of being remedied;

17.2 Insert a new clause 96(a) after clause 96 of the Head Agreement as follows:

96(a). Either party may terminate the Head Agreement or one or more Projects or Project Agreements by giving notice in writing to the other party if the appropriation providing the Grant funds under this Project Agreement is not passed by the Commonwealth Parliament.

18. Insurance and Indemnities

(Clauses 98 to 103 of the Head Agreement)

18.1 The Commonwealth agrees that the obligation under clause 98 of the Head Agreement is satisfied by the standard insurance policy issued to IBA by Comcover.

18.2 Clause 103 of the Head Agreement is amended as follows:

103. The Provider's obligation to indemnify the Commonwealth reduce proportionally to the extent that any act or omission involving fault on the part of the Commonwealth contributed to the relevant cost, claim, liability, loss, damage or expense. In this clause, "fault" means any negligent or unlawful act or omission, breach or wilful misconduct.

19. Intellectual Property

(Clauses 104 to 108 of the Head Agreement)

19.1 Clause 105 of the Head Agreement is amended as follows:

105. The Provider gives the Commonwealth a non-exclusive, irrevocable, royalty-free licence to use, reproduce, publish, sublicense, adapt and exploit Agreement Material and any Existing Material for Commonwealth purposes.

20. Privacy and Secrecy

(Clause 111 of the Head Agreement)

20.1 Insert a new paragraph 111(a) after clause 111 of the Head Agreement as follows:

111(a). The parties acknowledge that they are each subject to certain legislative obligations and restrictions (including secrecy provisions under Commonwealth legislation) and that each party must conduct its activities under the Project Agreement in accordance with the legislative obligations and restrictions applying to it.

SIGNATURES

This Project Schedule, together with the Head Agreement and any attachments to, or documents incorporated by reference into, either of them, forms a Project Agreement.

Executed as an agreement:
Commonwealth

SIGNED for and on behalf of the Commonwealth of Australia as represented by the Department of the Prime Minister and Cabinet by:	
Name (print): Position (print): Signature and date:
Witness name (print): Signature and date:

Provider

THE COMMON SEAL of)
INDIGENOUS BUSINESS)
AUSTRALIA is duly affixed in the)
presence of:)

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.....)
Signature of authorised person)

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.....)

Office held)
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Name of authorised person (block letters))

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Signature of authorised person)

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Office held)
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Name of authorised person (block letters))