

# Annual Report 2010-11



***Connecting Corporate & Government  
Australia with Indigenous Business***



Estelle Olstein, Woolworths & Natalie Walker, AIMSC



Gillian Trenerry, Fibre Optics NQ



Mick Harding, Wurru Wurru Ngarga Warendj & Wayne Quilliam, Wayne Quilliam Photography

***“Connect 2010 was very beneficial; to talk to other suppliers in business, how they have achieved and learning from them has enabled us to reflect where we are, where we want to go. Many business ideas came from the event. It was the best thing that has happened to us in the 3 years of business.”***  
**Christian Lugnan, Managing Director, Bruz Design**

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**Genevieve Hassall & Leonie  
Williamson, DEEWR**



**Debbie McRobe & Sheila Collins,  
Yumala Designs**



**Megan Kinsela, IBA & Kylie  
Kinsela, Indigenous Careers &  
Employment**

***“AIMSC continues to go from strength to strength and the work you are doing is so important. We’re proud to be part of it.”  
Tristan Wills, Executive General Manager - Corporate Sustainability,  
Commonwealth Bank of Australia***

# Overview of AIMSC

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AIMSC is Australia's premier B2B membership body dedicated to growing diversity within the supply chain. AIMSC's goal is to connect Australian corporate business and government organisations with Indigenous business suppliers who are already achieving success or have the potential to develop into vibrant, vital businesses. The organisation's aim is to ensure that small to medium Indigenous businesses have the opportunity to be integrated into the supply chains of Australian companies and government agencies.

## The year in review

2010-11 has delivered unexpected growth for AIMSC. This success has been attributed to two key drivers. Firstly, the increased focus on Indigenous procurement by the Australian government has been welcomed by AIMSC as it underscores its commitment to supporting greater engagement of Indigenous business in Australian government contracts. Secondly, AIMSC's continued focus on raising awareness and the profile of Indigenous procurement in Australia has clearly produced the desired results. With such a successful year of growth under AIMSC's belt, the future for the organisation – and indeed the Indigenous businesses it brings into focus – looks increasingly promising.

## What does AIMSC do?

AIMSC provides an essential link between purchasers and sellers by:

- Certifying Indigenous businesses as majority Indigenous owned controlled and managed
- Recruiting Australia's largest government, non-government enterprises, universities and not-for-profit organisations as members to buy from Indigenous businesses
- Giving members access to AIMSC Certified Suppliers when making buying decisions
- Assisting its members to adapt their procurement processes to include Indigenous suppliers
- Acting as a thought leader and driver for supplier diversity

AIMSC membership and certification are the essential steps for bringing corporate Australia, government agencies and Indigenous businesses together. Certification provides Indigenous suppliers with an opportunity to build real business relationships with members. AIMSC membership provides Australian companies and government agencies with the choice to purchase services and products from AIMSC Certified Suppliers.





# Chairman's Message

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In the Australian context market creation strategies, such as AIMSC, are an essential pillar of the Australian Government's commitment to close the gap on Indigenous disadvantage. The underlying premise is simple; if the largest buyers in the country buy goods and services from Indigenous Australian business this will create jobs for Indigenous people, wealth in Indigenous communities and prosperity for all.

The second year of the AIMSC pilot has demonstrated a growing willingness and capacity from top 200 companies, government agencies and Indigenous businesses to do business together.

AIMSC has continued its partnership with the Australian Government, through the Department of Education, Employment and Workplace Relations (DEEWR), and although AIMSC's journey is just beginning, as partners we have created a supplier diversity presence in Australia. Notably, the support of Ministers Mark Arbib, Penny Wong and Cabinet, in 2011 has been instrumental in executing two key government procurement policy changes that serve to increase the inclusion of Indigenous business in Australian Government contracts.

We also continue our strong relationship with our members. The past 12 months in particular have seen unprecedented expansion and progress with membership. Working in partnership with our members is our strength and we have responded to the challenge of providing a supplier diversity presence in their supply chains. The word continues to spread throughout Indigenous Australian communities about the benefits of becoming an AIMSC Certified Supplier. Our strategic partners – the Indigenous Business Council of Australia, state-based and regional Indigenous Chambers of Commerce, the Business Council of Australia and Indigenous Business Australia – have been exceptional in supporting



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our efforts to grow our certified supplier base, by encouraging their members and networks to get involved. In 2012 and beyond we will continue to grow our certified supplier base to provide access to more opportunities to a greater number of Indigenous businesses.

While a leader in supplier diversity nationally, AIMSC is also recognised as a well-governed organisation with strong leadership and dedicated staff. Such leadership was displayed by two departing directors – Neil Willmetts and Danny Gilbert. Both made significant contributions to AIMSC's early success and the growth of Indigenous business; their contributions will always be valued. We also welcomed three new leaders to the AIMSC board – Liz Broderick, Suzanne Young and John Grant – who, in 2011-12, will help us guide AIMSC's second stage of growth. It's the belief of the AIMSC Board, management team and staff in the ability of Indigenous business that has driven AIMSC's strong second year performance.

These early achievements, have built a solid foundation for AIMSC's future strategic direction. Now that a solid foundation of support for supplier diversity is in place, our focus will shift to increasing the depth and quality of AIMSC's services to its members, certified suppliers and all those interested in being a part of the supplier diversity movement. By focusing on embedding supplier diversity into the DNA of every Australian company and government agency, while building the capacity of Indigenous business to supply to these markets, we expect to see greater growth in business flowing to Indigenous enterprise. This is an exciting time to be involved in supplier diversity in this country. Not only is it an exciting time for me as Chairman of AIMSC and for AIMSC itself, but it is an exciting time for the CEO's and supplier diversity advocates within our member companies who are making history. And ultimately it is an exciting time for Indigenous business; the doors are open to you.



**Stephen Roberts**

Chairman, AIMSC & CEO, Citi Australia



# CEO Message

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Together with our members and certified suppliers, we have successfully reached the end of our second year.

We measure our success by the value of that is awarded to AIMSC Certified Suppliers by AIMSC Members. At AIMSC we call this, turning contacts into contracts. The cumulative value of this business activity<sup>1</sup> over AIMSC's life is \$33.7m. The message this sends is clear – corporate and government buyers want to do business with Indigenous business. And Indigenous business is ready, willing and able to supply.



Over the last 12 months, AIMSC has experienced greater than expected growth. During 2010-11 we have seen AIMSC's membership base grow by 232% and certified supplier base grow by 192%. This growth was largely driven by two factors:

## **1. Increased focus on Indigenous procurement by the Australian Government.**

During 2010-11, 19 Australian Government agencies were recruited to AIMSC membership as a result of Minister Mark Arbib's commitment to increase Australian Government membership to AIMSC. This increased focus also manifests itself in two key policy reforms – the Indigenous Opportunities Policy (IOP) and the exemption to the Commonwealth Procurement Guidelines. Both policies support greater engagement of Indigenous business in Australian Government contracts.

## **2. Ever growing awareness and profile of Indigenous procurement in Australia.**

Throughout 2010-11, I have personally spent a great amount of time promoting the benefits of supplier diversity through Indigenous



procurement. Such awareness raising has occurred through addresses to many events including AIMSC's Inaugural Conference and Business Opportunity Fair: Connect 2010, CIPS Australia Annual Conference and Public Sector Procurement Conference, seven IOP workshops around the country, Queensland Government's Indigenous Business Forum, and AIMSC's Meet the Buyer event.

Again none of the AIMSC's early success would have been achieved without the ongoing support of its members, certified suppliers, strategic partners and international affiliates. Special thanks also goes to AIMSC's funders – Department of Education, Employment and Workplace Relations and NSW Industry and Investment.

I would also like to personally thank the AIMSC Board and team for their commitment to our objectives and unwavering belief that Indigenous business will one day be an economic powerhouse in Australia.

I look forward to the year ahead and reporting to you all the increased business activity between AIMSC Members and Certified Suppliers in 2012 and beyond.

***“Over the last 12 months, AIMSC has experienced greater than expected growth. During 2010-11 we have seen AIMSC's membership base grow by 232% and certified supplier base grow by 192%.”***



**Natalie Walker**  
CEO, AIMSC

1. Business activity is the total value of contracts and non-contract bound transactions.





**Natalie Walker, AIMSC & Traci Williams, Gilbert + Tobin**



**Troy Rugless, Pacific Services Group Holding**



**Leah Armstrong, Reconciliation Australia & Phil Lockyer, Commonwealth Bank of Australia**

***“Flawlessly executed – and looking back over the past year, so much of which to be proud.”***

***Anthony Hollis, Principal, Hollis Hochberg***

# AIMSC Progress

	Year 1	Year 2	Cumulative
Transactions	\$2.047m	\$9.050m	\$11.097m*
Contracts	\$4.073m	\$18.558m	\$22.631m*
Members	46	77	123
Certified Suppliers	48	72	120
Active Members	65.2%	60%	60%
Active Certified Suppliers	20.8%	42%	42%
Indigenous Employment (FTE)	163 (73%)	270 (41%)	433 (53%)

*\* Indicates transactions and contracts which have taken place since start date of membership and Indigenous business certification.*

AIMSC's spend with our Certified Suppliers for the year 2010-11 was:

# \$128,804

This represents **25%** of our total discretionary spend.





Kathryn Whyte-Southcombe & Terri Janke, Terri Janke & Company



Cassandra Dorrington, CAMSC & Mark Olive, Black Olive Catering



Eric Vicioso, NMSDC & Michael McLeod, Message Stick Communications

***“As an AIMSC Certified supplier, we have a direct link into the procurement and relevant contacts of large key organisations that are committed to building the economic interests of Indigenous businesses. As AIMSC has already started the dialogue we simply continue the conversation.”***  
***David Williams - CEO, Gilimbaa***

# AIMSC Values

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## ➤ **Open communication**

We give and receive feedback to help us continually improve our work

## ➤ **Collaboration**

We achieve our goals by working together

## ➤ **Enterprising**

We always look for new ways to do things to help us achieve our goals

## ➤ **Globalising**

We operate in an international community of which our members and suppliers can benefit

## ➤ **Belief**

We know that our work will transform the Indigenous enterprise sector

## ➤ **Accountability**

We are an open book and build our reputation off high performance; we are not afraid of saying “we could have done better”



# Events

Connect 2010 Welcome Reception	9 Nov 2010	Sydney NSW	167 Attended
Connect 2010 Tradeshaw Breakfast	10 Nov 2010	Sydney NSW	50 Attended
Connect 2010 Tradeshaw	10 Nov 2010	Sydney NSW	197 Attended
Connect 2010 Gala Dinner	10 Nov 2010	Sydney NSW	346 Attended
Connect 2010 Conference	11 Nov 2010	Sydney NSW	150 Attended

AIMSC Connect 2010 brought together all of AIMSC's corporate and government buyers with AIMSC Certified Suppliers to discuss business opportunities. Five events were held across three days and included a cocktail-style welcome reception, a tradeshaw breakfast and the actual tradeshaw at which almost fifty suppliers showcased their goods and services. There was also a highly entertaining Gala Dinner where delegates enjoyed a unique opportunity to discuss supplier diversity and how it is developing in Australia.

Speakers included:

- Lynton Alderson, Head of Procurement, CBA
- Senator The Hon Mark Arbib, Minister for Indigenous Employment & Economic Development
- Leah Armstrong, CEO, Reconciliation Australia
- Lani Blanco-Francis, Managing Director, LBF Consulting
- Senator Kim Carr, Minister for Industry, Innovation Science & Research
- Michael Cullen, Director, NSW Industry & Investment
- Denise Coley, Director, Global Supplier Diversity, Cisco Systems
- Jeanne-Vida Douglas, BRW Magazine
- Guy Harding, Chief Risk Officer, CBA
- David Hinson, National Director, Minority Business Development Agency
- Narelle Hooper, Editor, Boss Magazine
- Paul Hopkins, Head of Procurement, NSW Department of Education & Training
- Katie Lahey, CEO, Business Council of Australia
- Jennifer Levasseur, Corporate Social Responsibility Manager, Corporate Express
- Michael McLeod, CEO, Message Stick Communications
- Alison Page, IP Australia
- Krystal Perkins, Managing Director, All The Perks
- Stephen Roberts, CEO, Citi Australia
- Helvi Sandvik, CEO, NANA Corporation
- Garth Scully, Chair, Canadian Aboriginal Minority Supplier Council
- Aloka Sinha, Head of Procurement, DEEWR
- Natalie Walker, CEO, AIMSC
- James Williams, Indigenous IT Solutions
- Neil Willmetts, Chair, Indigenous Business Council of Australia
- Joset B Wright, President, NMSDC



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<b>Meet the Buyer</b>	<b>24 March 2011</b>	<b>Melbourne VIC</b>	<b>80 Attended</b>
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Meet the Buyer connected members and certified suppliers together in a 'speed dating' format to network and discuss requirements for relevant goods and services.

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<b>Partnerships for Change</b>	<b>19 May 2011</b>	<b>Perth WA</b>	<b>87 Attended</b>
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This was an opportunity for Woodside to co-host an event with AIMSC to promote the diversity of Indigenous enterprises and so that AIMSC Certified Suppliers could showcase their businesses.

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<b>Procurement Networking Event for NSW Suppliers</b>	<b>20 July 2011</b>	<b>Sydney NSW</b>	<b>28 Attended</b>
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It was an informal session with presentations from both the corporate and government sectors to share insights into possible opportunities and tenders for all companies attending.

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<b>Introduction to the IOP, Melbourne</b>	<b>12 July 2011</b>	<b>Melbourne VIC</b>	<b>48 Attended</b>
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<b>Introduction to the IOP, Perth</b>	<b>21 July 2011</b>	<b>Perth WA</b>	<b>50 Attended</b>
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<b>Introduction to the IOP, Brisbane</b>	<b>26 July 2011</b>	<b>Brisbane QLD</b>	<b>64 Attended</b>
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<b>Introduction to the IOP, Sydney</b>	<b>29 July 2011</b>	<b>Sydney NSW</b>	<b>63 Attended</b>
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<b>Introduction to the IOP, Darwin</b>	<b>4 August 2011</b>	<b>Darwin NT</b>	<b>24 Attended</b>
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<b>Introduction to the IOP, Canberra</b>	<b>18 August 2011</b>	<b>Canberra ACT</b>	<b>21 Attended</b>
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<b>Introduction to the IOP, Adelaide</b>	<b>2 September 2011</b>	<b>Adelaide SA</b>	<b>38 Attended</b>
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AIMSC, in partnership with DEEWR held a series of seminars across Australia to inform how the Indigenous Opportunities Policy (IOP) will affect all.

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<b>Members Lunch</b>	<b>7 September 2011</b>	<b>Sydney NSW</b>	<b>38 Attended</b>
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The Members Lunch was a valuable opportunity for AIMSC Members to assemble to network and learn from guest speaker Laurie Acreman whose presentation, How to Move Toward the Tipping Point: Critical Supplier Diversity Strategies for Your Business was extremely well received.

**Total events 2010-11: 16**

**Total attendees: 1,451**

**Overall satisfaction with events: 94%**



# AIMSC Members

At 30 September 2011

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1. Abigroup
2. Accor
3. ACT Government
4. Allens Arthur Robinson
5. Alliance People Solutions
6. Aussie Home Loans
7. Australia Post
8. Australian Building & Construction Commissioner
9. Australian Customs & Border Protection Service
10. Australian Human Rights Commission
11. Australian Public Service Commission
12. Australian Securities & Investment Commission
13. Australian Taxation Office
14. BDO
15. Blake Dawson
16. BP Australia
17. Brookfield Multiplex
18. Bush Heritage Australia
19. Catholic Care
20. Central Victorian Group - Training Company
21. Cisco Systems Australia
22. Citi Australia
23. City of Fremantle
24. City of Sydney
25. Clayton Utz
26. Coles
27. Commercial Industrial Construction Group
28. Commonwealth Bank of Australia
29. Compass Group
30. Complete Office Supplies
31. ComSuper
32. Corporate Express
33. Cummins South Pacific
34. Deloitte
35. Dept. of Aboriginal Affairs (NSW)
36. Dept. of Agriculture, Fisheries & Forestry
37. Dept. of Defence
38. Dept. of Education & Communities (NSW)
39. Dept. of Education, Employment & Workplace Relations (DEEWR)
40. Dept. of Employment Economic Development & Innovation (QLD)
41. Dept. of Environment & Resources Management (QLD)
42. Dept. of Families & Communities (SA)
43. Dept. of Families, Housing, Community Services & Indigenous Affairs (FaHCSIA)
44. Dept. of Family & Community Services: Ageing, Disability & Home Care (NSW)
45. Dept. of Finance & Deregulation
46. Dept. of Health & Ageing
47. Dept. of Human Services
48. Dept. of Indigenous Affairs (WA)
49. Dept. of Infrastructure & Transport
50. Dept. of Planning & Community Development Ministerial Taskforce on Aboriginal Affairs (VIC)
51. Dept. of Transport & Main Roads (QLD)
52. E-Bisprint Pty Ltd
53. ExxonMobil
54. Fair Work Australia
55. Five D
56. Foxtel
57. Freehills
58. Fulton Hogan
59. Future Fund
60. Generation One
61. GHD Consulting
62. Gilbert + Tobin
63. Goldman Sachs & Partners Australia
64. Hansen Yuncken
65. IBM Australia
66. IHG Hotels Management

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| 67. Indigenous Business Australia                      | 95. Pfizer Australia  |
| 68. Information Management Integration (IMI) Solutions | 96. Pilbara Aboriginal Contractors Association Inc (PACA Inc) |
| 69. Insurance Australia Group (IAG)                    | 97. Pottinger   |
| 70. Interior Fit Pty Ltd / One68                       | 98. Premier Global Services (PGI)                             |
| 71. IP Australia                                       | 99. PRT Chartered Accountants                                 |
| 72. ISIS Group Australia                               | 100. Qantas   |
| 73. Job Futures  | 101. Reconciliation Australia                                 |
| 74. Johnson & Johnson                                  | 102. Rio Tinto  |
| 75. Kelly Services                                     | 103. Royal Australian Mint (FED)                              |
| 76. KPMG   | 104. Salmat   |
| 77. Laing O'Rourke                                     | 105. SBS  |
| 78. Laprock  | 106. Schiavello   |
| 79. Leighton Contractors                               | 107. Sea Force  |
| 80. Leighton Holdings                                  | 108. Sinclair Knight Merz (SKM)                               |
| 81. Lend Lease Corporation                             | 109. Sodexo   |
| 82. Luxottica Group                                    | 110. Spotless Services  |
| 83. Macquarie Telecom                                  | 111. Stockland  |
| 84. Marriott International Inc.                        | 112. Telstra  |
| 85. Max NetWork  | 113. The Australian Trade Commission (Austrade)               |
| 86. Microsoft Pty Ltd                                  | 114. Transfield Services                                      |
| 87. National Archives of Australia                     | 115. Unisys Australia   |
| 88. National Australia Bank (NAB)                      | 116. University of Technology, Sydney (UTS)                   |
| 89. National Capital Authority                         | 117. Victorian Government                                     |
| 90. National Rugby League (NRL)                        | 118. Virgin Blue  |
| 91. News Ltd   | 119. Walton Construction                                      |
| 92. Ngarda Civil & Mining                              | 120. Wesfarmers   |
| 93. Office of the Australian Information Commissioner  | 121. Westpac Banking Corporation (Westpac)                    |
| 94. Oz Minerals  | 122. Woodside Energy  |
|  | 123. Woolworths   |

Total members: 123



# Business Success Stories

## Case Study: Print Junction

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***“As the partnership has grown we are pleased to say that it is a pleasure to work with Print Junction on various projects. They always respond to queries in a timely and friendly manner and deliver on time as promised. Print Junction will continue to grow and be a valued member of our Supply Panel for many years to come.”***

**Mark Davies**  
- Merchandising Manager Print,  
Corporate Express



**Company: Print Junction**  
**AIMSC Certified Supplier since 2010**  
**Client: Corporate Express**  
**AIMSC Member since 2009**  
**Contract: Print and graphic design services**

Print Junction is a family owned and operated business with more than 40 years experience in the graphic design and print industry. Known for its quality, expertise and ‘hands on’ approach, the company prides itself on its ability to manage even the most complex of projects.

Print Junction provides a complete range of services including graphic design, full colour offset and digital printing, binding and finishing. Its products includes business stationery, brochures, posters, presentation folders, annual reports, magazines, newsletters and more.

This multi-award winning business is the recipient of two Gold and two Bronze state PICAs and one national Bronze PICA (Printing Industry Craftsmanship Awards). Most recently, it became a state finalist in the Indigenous Owned Business category of the Ethnic Business Awards.



## The client

Corporate Express is one of the leading single-source suppliers of business essentials in Australasia, with more than 40 locations in Australia and New Zealand. Its products and services range from IT solutions to office products.

## The opportunity

The team from Print Junction was introduced to executives from Corporate Express at an AIMSC Connect 2010 Business Opportunity Fair/Trade Show in Sydney. Impressed with their presentation, they requested a tour of Print Junction's premises at Wingfield in Adelaide. After inspecting their machinery, capabilities and the quality of their work, Corporate Express determined that Print Junction met their supplier criteria and added the business to their print procurement panel. This allows them to quote for future projects.

## The outcome

The procurement contract with Corporate Express has provided Print Junction with the opportunity to secure work on a regular basis.

So far, this has included a wide range of printing projects, including business cards,

letterheads and brochures. Working with Corporate Express has exposed Print Junction to a large client network base, providing it with the potential to increase its sales volume and grow with a large national company.

The feedback on work to date has been very positive, with senior staff from Corporate Express reporting that they enjoy working with people who 'really care' about what they do and are always there to assist. This approach to business can be attributed, in part, to the fact that Print Junction is a family concern with family members at each point of production - from quoting to order logging, artwork proofing, printing, binding and dispatch.

The company's work with Corporate Express has helped Print Junction to build its business, become more competitive and employ more Indigenous staff.

## How AIMSC was able to help

AIMSC helped connect Print Junction to Corporate Express through its Business Opportunity Fair/Trade Show. These events provide excellent opportunities for Indigenous businesses to engage directly with corporate AIMSC Members.



# Business Success Stories (cont.)

## Case Study: Corporate Culcha

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***“The project contract has given us the opportunity to employ another eight permanent staff - five of those Indigenous - whilst also allowing us to procure services from other Indigenous businesses, in particular Carbon Media, who is also an AIMSC supplier.”***

**Paul Dodd**  
- CEO, Corporate Culcha



**Company: Corporate Culcha**  
**AIMSC Certified Supplier since 2010**  
**Client: The Department of Families, Housing, Community Services & Indigenous Affairs (FaHCSIA)**  
**AIMSC Member since 2010**  
**Contract: Mentor and training services**

Corporate Culcha was established in 2008 to assist Indigenous organisations, small business and industry to build and develop sustainable Indigenous workforces. The company's long-term strategy is to design, deliver and evaluate training programs for a diverse range of clients. This includes some of Australia's largest corporate entities, government departments and non-government organisations. Corporate Culcha works collaboratively with its clients to develop culturally competent strategies to engage, recruit and retain Indigenous talent.

### The client

The Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) exists to support the Government to deliver on a broad range of social policy outcomes. It also works in partnership with non-government organisations managing





a diverse range of programs and services designed to support and improve the lives of Australians, including Indigenous people.

## The opportunity

In 2010, Corporate Culcha responded to an expression of interest from FaHCSIA to provide mentor training and support services in the regions where Community Development Employment Projects (CDEP) services are delivered. The CDEP Mentors Support Service aims to build the capacity of Mentors and Community Development Officers (CDOs) employed by CDEP providers, allowing them to more effectively deliver services to CDEP participants. Given the differing levels of capability amongst the CDEP Mentors and CDOs, the challenge for the successful tenderer was to work with CDEP providers to develop and deliver a flexible, regionally targeted training, mentoring and education strategy for CDEP Mentors and CDOs.

## The outcome

Since work on this 18-month program began in March 2011, Corporate Culcha has delivered a number of key milestones in a

timely and effective manner. In the first three month period, the organisation delivered 27 Indigenous mentoring training workshops - both accredited (5 days) and non-accredited (3 days) - to 27 sites across Western Australia, Northern Territory and Queensland.

The Corporate Culcha CDEP team is now concentrating on supplying support services to all CDOs and mentors in these areas - with a focus on support and retention. The next round of mentoring training is due to take place early in 2012. To enhance its ability to support the mentors and CDOs, Corporate Culcha established an on-line peer support portal called the 'Mentor and CDOs Online Toolkit'. The portal provides mentors, CDOs and providers with a holistic, 'real time' support service that is not disadvantaged by geography.

## How AIMSC was able to help

Since gaining certification in 2009, Corporate Culcha has enjoyed exposure to a wide range of organisations through its association with AIMSC. This has included the Connect 2010 Business Opportunity Fair/Trade Show and Meet the Buyers events - where the company has converted many connections into sales.



# Business Success Stories (cont.)

## Case Study: Gilimbaa

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***“As an Indigenous creative agency, working with Telstra to help tell the story of their Reconciliation Action Plan journey, we have been able to learn more about their business, and foster an important two way learning process.”***

**David Williams**  
- CEO, Gilimbaa



**Company: Gilimbaa**  
**AIMSC Certified Supplier since 2009**  
**Client: Telstra**  
**AIMSC Member since 2010**  
**Contract: Reconciliation Action Plan**  
**Artwork and Publication**

Gilimbaa - which means ‘today’ in the language of the Wakka Wakka people of central Queensland - is an Indigenous creative agency. The Brisbane-based company was born out of a passion to work with Indigenous art and storytelling and the elements it can bring to contemporary design and communication. Gilimbaa explores the story behind each project, with the objective of creating effective outcomes through strategic communication, artwork, design and illustration, and consultation. Its clients commission artwork as a unique way of communicating their Indigenous programs and/or initiatives.

### The client

Telstra, Australia’s largest telecommunications company, has a longstanding and active commitment to employing Indigenous people and providing appropriate and accessible services to Indigenous customers, particularly



in rural and remote Australia. The company supports programs in community development and the Arts which celebrate and help to sustain Indigenous culture. Telstra's Reconciliation Action Plan (RAP) spells out the company's commitments to its customers, the community and its employees – with a particular focus on opportunities, partnerships and respect for Indigenous peoples.

## The opportunity

Gilimbbaa was commissioned by Telstra in February 2010 to create artwork for its Reconciliation Action Plan (RAP) document. This needed to represent both the core reconciliation values and programs unique to such a prominent national company and tell the story of Telstra's long-established relationships with Indigenous Australia. Exploring these messages resulted in artwork which centred on the theme of 'connection' and the multiple meanings this has for Telstra and its relationship with Indigenous Australia.

## The outcome

Gilimbbaa's artwork created a unique visual identity for Telstra's Reconciliation Action Plan (RAP). The Plan has proved a valuable communication tool for educating people

about Telstra's reconciliation programs and goals, including those of respect, relationships and opportunities. Having the Telstra team understand and watch this evolve was extremely beneficial for the team at Gilimbbaa.

Because Telstra is an AIMSC Member, the procurement process was very straight forward. Gilimbbaa worked closely with the company's corporate communications team to deliver the RAP, which was made available to Telstra staff and the community online and in printed form. The print version was produced by AIMSC Certified Supplier, Print Junction.

As Telstra's commitment to their RAP evolved, so did the artwork. In May 2011, Gilimbbaa was engaged to update the artwork to reflect the next stage in the company's RAP journey. Additionally, as the RAP was introduced into Telstra in 2010, Gilimbbaa pitched a unique and effective way to tell its story through 3D animated artwork.

## How AIMSC was able to help

In 2009, Gilimbbaa was contacted by Telstra through AIMSC's supplier database. The resulting relationship has proved highly beneficial to both parties.



# Business Success Stories (cont.)

## Case Study: All The Perks (ATP)

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***“Working with a well-known and influential organisation like the NRL has helped us grow our brand and increase awareness of our services in the sporting sector around Australia.”***

**Krystal Perkins**  
**- Managing Director, All The Perks**

**Company: All the Perks (ATP)**  
**AIMSC Certified Supplier since 2010**  
**Client: National Rugby League (NRL)**  
**AIMSC Member since June 2010**  
**Contract: Public Relations services**

All The Perks (ATP) is a multi-disciplined communications company, providing services in public relations, strategic marketing and branding, digital and online services and event management.

Established in 2009 by Krystal Perkins, the company employs and trains Indigenous Australians in media, marketing and event management - working with clients in the public and private sector and other Indigenous organisations across Australia.

Building Community, Conversations and Experiences is the company's value proposition to its clients. This has become a competitive advantage for ATP who now enjoys excellent relationships with Local, State and Federal Government clients. The company model is based on the One Stop Shop method, so that customers can gain culturally appropriate and holistic solutions that they can value.



## The client

Launched in 2010, the National Rugby League (NRL) Indigenous All Stars team plays each year on the anniversary of the Prime Minister's Apology to the Stolen Generations. The match celebrates Aboriginal and Torres Strait Islander culture in Australia and features the NRL's current best players. It is part of a wider program which sees the NRL working closely with Indigenous communities and businesses around Australia.

## The opportunity

All The Perks approached the NRL in July 2010 with a marketing and public relations proposal to promote the NRL Indigenous All Stars Learn, Earn Legend! Career and Employment programs and the All Stars Game. They negotiated a contract to deliver a niche public relations campaign for the Indigenous All Stars NRL Regional Tours and the Indigenous Youth Summit programs, held in conjunction with the Department of Education, Employment and Workplace Relations (DEEWR).

It also helped to build community engagement with Indigenous youth - providing positive activities through sport.

## The outcome

Through its marketing and communications strategies, All The Perks was able to add value by supporting the NRL's growing Indigenous and community development programs.

They did this through targetted public relations, community engagement programs and strategic brand support - all aimed at attracting more fans and reinforcing the Indigenous employment and Closing the Gap message. The NRL was able to diversify the organisation's supply chain by engaging an Aboriginal business to deliver the message of the Learn, Earn, Legend! Careers and employment program. The NRL Marketing Division and the Community Relations team welcomed the opportunity to deliver a strategic public relations campaign, with an Indigenous-specific thrust. Building on this, the NRL also encouraged their PR partner to work in conjunction with All The Perks, offering the opportunity for ATP to assist in providing cultural, community and communication advice to this stakeholder. The experience helped All The Perks gain a better understanding of sports marketing and build a positive, ongoing relationship with the NRL and the Australian Rugby League.



# Directors' Report

For the year ended 30 June 2011

## 1. Directors

The Directors of the Company at any time during or since the end of the financial year are:

The Directors present their report together with the financial report of Australian Indigenous Minority Supplier Office Limited (the Company) for the financial year ended 30 June 2011 and the auditor's report thereon.



**Leah  
Armstrong,  
Director**

Appointed on 22 December 2008. Member of the National Policy Commission on Indigenous Housing. Board member of the Hunter Region Sports Venue Authority. Director of Indigenous Business Australia. CEO of Reconciliation Australia. Board member of Jobs Australia Foundation.



**Lani Blanco-  
Francis,  
Director**

Appointed on 22 December 2008. Founder and CEO of LBF Consulting. Inaugural winner and proud recipient of the Neville Bonner Award "Most outstanding person to influence Indigenous Employment and Program initiatives in 2002".



**Elizabeth  
Broderick,  
Director**

Appointed on 11 August 2011. Prior to her appointment, Elizabeth was a partner at Blake Dawson. She has been a strong advocate for Australia's national paid parental leave scheme, workplace diversity and a member of the UTS Law Advisory Board and the ANU Centre for Public and International Law.



**Daniel Gilbert,  
Director**

Appointed as director on 22 December 2008. Co-founder and Managing Partner of Gilbert + Tobin. Currently holds a number of directorships including: Chairman of the National Museum of Australia, Non Executive Director National Australia Bank Ltd, Chairman Cape York Institute for Policy & Leadership.



**John Grant,  
Director**

Appointed as director on 11 August 2011. Head of Procurement Division in the Department of Finance and Deregulation. Previously the interim Head of the Australian Government Information Management Office and Head of the Office of Small Business and Australian Building Codes Board.



# Directors' Report (cont.)

For the year ended 30 June 2011



## **Anthony Hollis Director**

Appointed as director on 22 December 2008. Anthony has Law degrees from South Africa, Israel and Australia. Previous roles include: CEO of the Australia-Israel Chamber of Commerce; Head of Time Warner (USA) operations ANZ; President CanWest Asia Pacific (Canada) as its representative on the Board of Network Ten.



## **Dugald Russell, Director**

Appointed as director on 1 June 2009. Over twenty years corporate experience in senior management, CFO and CEO roles, both in Australia and overseas. Member of the NSW Premier's Aboriginal Business Roundtable. Fellow of the Australian Society of Certified Practising Accountants.



## **Stephen Roberts, Chair**

Appointed on 21 May 2009. Chief Executive Officer, Citi Institutional Clients Group, ANZ and Citi Country Officer Australia. Council and Board member of the Australian Bankers Association, on the Board of the Australian Financial Markets Association and the Australian American Association.



## **Neil Willmetts, Director - Resigned 2 February 2011**

Appointed on 22 December 2008. Managing Director of Willmetts Group. Author of Australia's first Aboriginal small business book. Former Deputy President of the South East Queensland Indigenous Chamber of Commerce. Chairman of the Indigenous Business Council of Australia.



## **Suzanne Young, Director**

Appointed on 11 August 2011. Suzanne is the Executive General Manager of Group Corporate Services at the Commonwealth Bank of Australia, with previous senior leadership roles at Qantas and Unisys Corporation.

# Directors' Report (cont.)

For the year ended 30 June 2011

## 2. Directors' meetings

The number of Directors' meetings (including meetings of Committees of Directors) and number of meetings attended by each of the Directors of the Company during the financial year are:

Director	Board Meetings	
	Attended	Entitled
Leah Armstrong	4	4
Neil Willmet	1	2
Anthony Hollis	4	4
Lani Blanco-Francis	3	4
Dugald Russell	4	4
Stephen Roberts	4	4
Daniel Gilbert	2	4

## 3. Membership liability

The Company is a public company limited by guarantee. The extent of the liability of any member under the guarantee is a sum not exceeding \$10. The total liability of all members is \$90.

## 4. Principal activities, objectives and strategies

The Company is primarily involved in facilitating the integration of Indigenous businesses into the supply chain of private sector corporations and government institutions to promote income, wealth, self sustainability and economic independence for Australia's Indigenous people.

There were no significant changes in the nature of the activities of the Company during the year.

### *Short-term objectives and strategies*

- Raising awareness of supplier diversity in Australia and in particular the opportunities that exist in contracting with Indigenous suppliers
- Recruiting members (i.e. buying institutions) to pilot supplier diversity within their companies
- Build a database of Indigenous suppliers who have been certified by Australian Indigenous Minority Supplier Council (AIMSC) as majority Indigenous owned, controlled and managed
- Educate members and suppliers as to the strategies and initiatives that make successful supply relationships in the supplier diversity context

### *Long-term objectives and strategies*

- AIMSC contributes to the growth of a prosperous, vibrant and sustainable Indigenous enterprise sector

# Directors' Report (cont.)

For the year ended 30 June 2011

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- This will be achieved by integrating Indigenous owned, controlled and managed business into the supply chains of Australia's largest companies and government agencies
- To achieve this AIMSC will support its members and certified suppliers to build commercial relationships

## 5. Review of operations and performance

The operating deficit of the Company from ordinary activities for the year ended 30 June 2011 was \$306,237 (2010: \$311,760 surplus).

### *Measurement of performance*

- Value of contracts signed
- Value of goods and services purchased
- Number of members
- Number of certified suppliers

## 6. Significant changes in the state of affairs

In the opinion of the Directors there were no significant changes in the state of affairs of the Company that occurred during the financial year under review.

## 7. Lead auditor's independence declaration

The Lead auditor's independence declaration is set out on page 6 and forms part of the Directors' report for financial year ended 30 June 2011.

This report is made in accordance with a resolution of the Directors:



Stephen Roberts, Chairperson

Dated at Sydney this day of 19 October 2011

# Lead Auditor's Independence Declaration Under Section 307C of the Corporations Act

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To: the Directors of Australian Indigenous Minority Supplier Office Limited

I declare that, to the best of my knowledge and belief, in relation to our audit for the financial year ended 30 June 2011, there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'Cameron Roan', with a stylized flourish at the end.

Cameron Roan  
Partner

Dated at Sydney this day of 19 October 2011

# Statement of Comprehensive Income

For the year ended 30 June 2011

<i>In AUD</i>	<i>Note</i>	<b>2011</b>	<b>2010</b>
Government grants		797,584	916,026
Event income		230,241	-
Other income	4	10,164	3,592
<b>Revenue and other income</b>		<b>1,037,989</b>	<b>919,618</b>
Personnel expenses	5	(671,571)	(257,754)
Equipment expense		(19,196)	(32,605)
Event management expense		(233,039)	(6,490)
Marketing expense		(48,379)	(56,088)
Travel expense		(111,070)	(64,059)
Depreciation expense	7	(3,563)	-
Administration expense		(257,408)	(190,862)
<b>Expenses</b>		<b>(1,344,226)</b>	<b>(607,858)</b>
<b>(Deficit)/surplus before income tax</b>		<b>(306,237)</b>	<b>311,760</b>
Income tax expense		-	-
<b>(Deficit)/surplus for the year</b>		<b>(306,237)</b>	<b>311,760</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>(306,237)</b>	<b>311,760</b>

*The notes on pages 35 to 48 are an integral part of these financial statements.*

# Statement of Financial Position

As at 30 June 2011

<i>In AUD</i>	<i>Note</i>	<b>2011</b>	<b>2010</b>
<b>Assets</b>			
Cash and cash equivalents	6	654,387	321,347
Prepayments		48,491	59,993
Other receivables		11,690	23,926
<b>Total current assets</b>		<b>714,568</b>	<b>405,266</b>
Property, plant and equipment	7	9,163	-
<b>Total non-current assets</b>		<b>9,163</b>	<b>-</b>
<b>Total assets</b>		<b>723,731</b>	<b>405,266</b>
<b>Liabilities</b>			
Bank overdraft	6	454	-
Payables	8	100,342	41,801
Employee benefits	9	33,522	18,372
Government grant received in advance		583,890	33,333
<b>Total current liabilities</b>		<b>718,208</b>	<b>93,506</b>
<b>Total liabilities</b>		<b>718,208</b>	<b>93,506</b>
<b>Net assets</b>		<b>5,523</b>	<b>311,760</b>
<b>Accumulated funds</b>			
Retained surplus		5,523	311,760
<b>Total accumulated funds</b>		<b>5,523</b>	<b>311,760</b>

*The notes on pages 35 to 48 are an integral part of these financial statements.*

# Statement of Changes in Members' Funds

For the year ended 30 June 2011

<i>In AUD</i>		Retained surplus	Total funds
Balance at 1 July 2009		-	-
Surplus for the year		311,760	311,760
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		311,760	311,760
<b>Balance at 30 June 2010</b>		<b>311,760</b>	<b>311,760</b>
Balance at 1 July 2010		311,760	311,760
Deficit for the year		(306,237)	(306,237)
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>(306,237)</b>	<b>(306,237)</b>
<b>Balance at 30 June 2011</b>		<b>5,523</b>	<b>5,523</b>

*The notes on pages 35 to 48 are an integral part of these financial statements.*



# Statement of Cash Flows

For the year ended 30 June 2011

<i>In AUD</i>	<i>Note</i>	<b>2011</b>	<b>2010</b>
<b>Cash flows from operating activities</b>			
Cash receipts from government grant		1,482,955	1,065,472
Other cash receipts		263,568	-
Cash paid to suppliers and employees		(1,411,670)	(746,599)
Cash generated from operations		334,853	318,873
Interest received		10,459	2,484
<b>Net cash from operating activities</b>	<b>6</b>	<b>345,312</b>	<b>321,357</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment	<b>7</b>	(12,726)	-
<b>Net cash used in investing activities</b>		<b>(12,726)</b>	<b>-</b>
<b>Cash flows from financing activities</b>			
<b>Net cash from financing activities</b>		<b>-</b>	<b>-</b>
Net increase in cash and cash equivalents		332,586	321,357
Cash and cash equivalents at beginning of year		321,347	(10)
<b>Cash and cash equivalents at end of year</b>	<b>6</b>	<b>653,933</b>	<b>321,347</b>

*The notes on pages 35 to 48 are an integral part of these financial statements.*

# Notes to the Financial Statements

For the year ended 30 June 2011

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## 1. Reporting entity

Australian Indigenous Minority Supplier Office Limited (the Company) is a public company limited by guarantee and is recognised as a Charitable Institution domiciled in Australia. The address of the Company's registered office is Level 7, Suite 706, 50 Clarence Street, Sydney NSW 2000. The financial statements are as at and for the year ended 30 June 2011.

The Company is primarily involved in facilitating the integration of Indigenous businesses into the supply chain of private sector corporations and government institutions to promote income, wealth, self sustainability and economic independence for Australia's Indigenous people.

## 2. Basis of preparation

### (a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

The financial statements were approved by the Board of Directors on 19 October 2011.

### (b) Basis of measurement

The financial statements have been prepared on the historical cost basis.

### (c) Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Company's functional currency.

### (d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

It was concluded that judgements made by management on the application of Australian Accounting Standards did not have a significant effect on the financial report. No estimates with a significant risk of material adjustment in the next year were noted.

# Notes to the Financial Statements

For the year ended 30 June 2011

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## (e) Going concern

The financial statements have been prepared on the going concern basis of accounting, which assumes the Company will be able to pay its debts as and when they become due and payable. Though the Company recorded an operating deficit of \$306,237 and a negative net current asset position of \$3,640, the Directors of the Company believe that the going concern basis is appropriate for the following reasons:

- Current liabilities include government grants received in advance of \$583,890. This amount will be recognised as revenue in the 2012 financial year.
- The fluctuations in operating results since inception, as represented in the statement of comprehensive income, is due solely to the accounting policy surrounding government grant revenue recognition. In line with its Not For Profit status, since inception the Company has achieved an accumulated surplus of \$5,523;
- The budget for the financial year 2012 is forecasted to be a surplus, derived from securing additional government funding.

## 3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

### (a) Financial instruments

#### *(i) Non-derivative financial assets*

Financial assets are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

# Notes to the Financial Statements (cont.)

For the year ended 30 June 2011

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The Company has the following non-derivative financial assets: loans and receivables.

## *Loans and receivables*

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents and other receivables.

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less.

Rental bond and other receivables are recognised initially at fair value and are subsequently measured at amortised cost, less any impairment losses (see note 3(c)).

## *(ii) Non-derivative financial liabilities*

Financial liabilities are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument. The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company classified non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise bank overdrafts, and payables.

Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

# Notes to the Financial Statements (cont.)

For the year ended 30 June 2011

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## **(b) Property, plant and equipment**

### *(i) Recognition and measurement*

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment, and is recognised net within other income/other expenses in profit or loss.

### *(ii) Subsequent costs*

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

### *(iii) Depreciation*

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

The estimated useful lives for the current and comparative years are as follows:

- plant and equipment; 4 - 5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

## **(c) Impairment**

### *(i) Non-derivative financial assets*

# Notes to the Financial Statements (cont.)

For the year ended 30 June 2011

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A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor will enter bankruptcy, economic conditions that correlate with defaults.

The Company considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

## *(ii) Non-financial assets*

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

# Notes to the Financial Statements (cont.)

For the year ended 30 June 2011

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The Company's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

## **(d) Employee benefits**

### *(i) Defined contribution plans*

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

### *(ii) Other long-term employee benefits*

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on Commonwealth Government securities that have maturity dates approximating the terms of the Company's obligations.

### *(iii) Short-term employee benefits*

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

## **(e) Revenue**

### *Government grants*

Government grants are recognised initially as deferred income at fair value when there is



# Notes to the Financial Statements (cont.)

For the year ended 30 June 2011

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reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant and are thereafter recognised in profit or loss on a systematic basis. Grants that compensate the Company for expenses incurred are recognised in profit or loss as other income on a systematic basis in the same periods in which the expenses are recognised.

## *Funding from Department of Education, Employment and Workplace Relations*

In accordance with a funding agreement ("the Agreement") dated 30 June 2009 between the Company and Department of Education, Employment and Workplace Relations (DEEWR), the Company is entitled to receive funding in the form of government grants by satisfying the conditions specified in the Agreement until the year ending 2013.

Funding from DEEWR is subject to strict terms and conditions under the Agreement itself and availability of funds. The Company obtains funds from DEEWR after it has submitted a valid GST invoice (a tax invoice) and provided Quarterly and/or Acquittal reports for each period ended specified in Schedule 2 of the Agreement. Funding is only released upon satisfaction by DEEWR that the Company has complied with all the above conditions attached to each payment. Repayment of funds may be required by the Company at Completion Date (i.e. 30 June 2013) if the the Company does not spend the funds in accordance with the agreement.

Accordingly, the Company recognises these funds as revenue in the statement of comprehensive income upon receipt from DEEWR based on the amounts specified in the agreement for each financial year. Any income received in advance of the financial year is treated as deferred revenue and recognised as income in the financial year noted within the Agreement.

## *Other income*

Interest income is recognised as it accrues in profit or loss, using the effective interest method. Event income is received by the Company through holding sponsorship events and gatherings. This income is recognised upon receipt in the profit or loss.

## **(f) Income tax**

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

## **(g) Goods and services tax**

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or

# Notes to the Financial Statements (cont.)

For the year ended 30 June 2011

as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

## (h) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2010, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Company, except for AASB 9 Financial Instruments, which becomes mandatory for the Company's 2013 financial statements and could change the classification and measurement of financial assets; and AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-02 Amendments to Australian Standards arising from Reduced Disclosure Requirements, which becomes mandatory for the Company's 2014 financial statements, the amendments only affect presentation aspects of the financial statements. The Company does not plan to adopt these standards early and the extent of the impact has not been determined.

## 4. Other income

<i>In AUD</i>	<b>2011</b>	<b>2010</b>
Interest income	10,089	2,484
Other income	75	1,108
	<b>10,164</b>	<b>3,592</b>

## 5. Personnel expenses

<i>In AUD</i>	<b>2011</b>	<b>2010</b>
Wages and salaries	580,948	222,055
Increase in liability for annual leave	14,751	15,620
Contributions to defined contribution plans	75,872	20,079
	<b>671,571</b>	<b>257,754</b>

# Notes to the Financial Statements (cont.)

For the year ended 30 June 2011

## 6. Cash and cash equivalents

<i>In AUD</i>	<b>2011</b>	<b>2010</b>
Cash at bank and on hand	654,387	321,347
Cash and cash equivalents	654,387	321,347
Bank overdrafts used for cash management purposes	(454)	-
Cash and cash equivalents in the statement of cash flows	653,933	321,347

Of the \$653,933 of the cash and cash equivalents at 30 June 2011, \$583,890 is restricted to use on the continuance of the AIMSC Pilot Project in accordance with the condition of the Department of Education, Employment and Workplace Relations Funding Agreement. This amount is expected to be utilised over the next 12 months.

The Company's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 10.

## Reconciliation of cash flows from operating activities

<i>In AUD</i>	<b>2011</b>	<b>2010</b>
<b>Cash flows from operating activities</b>		
(Deficit)/surplus for the year	(306,237)	311,760
Adjustments for:		
Depreciation expense	3,563	-
<b>Operating profit before changes in working capital and provisions</b>	(302,674)	311,760
Change in government grant receivables	-	220,000
Change in rental bond and other receivables	12,236	(23,926)
Change in payables	58,541	17,301
Change in prepayments	11,502	(59,993)
Change in employee benefits	15,150	18,372
Change in government grant received in advance	550,557	(162,157)
<b>Net cash from operating activities</b>	<b>345,312</b>	<b>321,357</b>

# Notes to the Financial Statements (cont.)

For the year ended 30 June 2011

## 7. Property, plant and equipment

<i>In AUD</i>	<b>Plant and equipment</b>	<b>Total</b>
<b>Cost or deemed cost</b>		
Balance at 1 July 2010	-	-
Additions	12,726	12,726
Balance at 30 June 2011	12,726	12,726
<b>Depreciation and impairment losses</b>		
Balance at 1 July 2010	-	-
Depreciation for the year	3,563	3,563
Balance at 30 June 2011	3,563	3,563
<b>Carrying amounts</b>		
At 1 July 2010	-	-
At 30 June 2011	9,163	9,163

## 8. Payables

<i>In AUD</i>	<b>2011</b>	<b>2010</b>
Trade payables	-	2,750
Accrued expenses	47,683	20,085
Goods and services tax	42,612	10,422
Other payables	10,047	8,544
	100,342	41,801

The Company's exposure to liquidity risk related to payables is disclosed in note 10.

## 9. Employee benefits

<i>In AUD</i>	<b>2011</b>	<b>2010</b>
<b>Current</b>		
Salary, wages, and superannuation accrued	3,150	2,752
Liability for annual leave	30,372	15,620
	33,522	18,372

# Notes to the Financial Statements (cont.)

For the year ended 30 June 2011

## 10. Financial risk management and financial instruments

### Overview

The Company has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

This note presents information about the Company's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk.

### (a) Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

### (b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's deposits in financial institutions.

#### Management of credit risk

The Company places its funds in credit worthy financial institutions.

#### Exposure to credit risk

The carrying amount of the Company's financial assets represents the maximum credit exposure. The Company's maximum exposure to credit risk at the reporting date was:

In AUD	Note	2011	2010
Cash and cash equivalents	6	653,933	321,347
Other receivables		11,690	23,926
		665,623	345,273

As at 30 June 2011 there were no amount considered past due or impaired (2010: \$nil).

### (c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

# Notes to the Financial Statements (cont.)

For the year ended 30 June 2011

## Management of liquidity risk

The Company's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

June 30 2011	Note	Carrying amount	Contractual cash flows	6 months or less	6-12 months
<i>In AUD</i>					
<b>Non-derivative financial liabilities</b>					
Payables	8	100,342	100,342	100,342	-
Bank overdraft	6	454	454	454	-
		<b>100,796</b>	<b>100,796</b>	<b>100,796</b>	<b>-</b>

June 30 2010	Note	Carrying amount	Contractual cash flows	6 months or less	6-12 months
<i>In AUD</i>					
<b>Non-derivative financial liabilities</b>					
Payables	8	41,801	41,801	41,801	-

## (d) Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

## Management of interest rate risk

Interest rate risk refers to the risk that the value of financial instruments or cash flows associated with the instrument will fluctuate due to changes in market interest rates.

## Profile of interest rate risk

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments was:

# Notes to the Financial Statements (cont.)

For the year ended 30 June 2011

	2011		2010	
	Average interest rate	Carrying amount	Average interest rate	Carrying amount
<b>Variable rate instruments</b>				
Cash and cash equivalents	4.75%	653,933	1.44%	321,347

## Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) the surplus by \$31,062 (2010: \$3,213) the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2010.

## (e) Fair values

As at the reporting date, the carrying value of financial assets and liabilities as at the end of the financial year are considered to approximate their value.

## 11. Capital and other commitments

<i>In AUD</i>	2011	2010
<b>Capital expenditure commitments</b>		
<b>Plant and equipment</b>		
Contracted but not provided for and payable:		
Within one year	29,839	-
One year or later and no later than five years	14,071	-
	43,910	-

## 12. Related parties

Key management personnel compensation

The key management personnel compensation included in 'personnel expenses' (see note 5) are as follows:

<i>In AUD</i>	2011	2010
Short-term employee benefits	136,089	81,725
Post-employment benefits	19,775	10,696
	155,864	92,421



# Notes to the Financial Statements (cont.)

For the year ended 30 June 2011

Directors of the Company receive no compensation in relation to the management of the Company. In addition to their salaries, the Company also contributes to a post-employment defined benefit superannuation fund on their behalf.

## Key management personnel and director transactions

During the year the Company acquired audio conferencing services from Message Stick Communications Pty Ltd to the value of \$942 at arms length commercial rates (2010: \$245). The Company's director, Mr Dugald Russell is also a Director and Shareholder of Message Stick Communications Pty Ltd. There were no balance outstanding as at 30 June 2011 (2010: \$nil).

During the year the Company acquired consultancy services from Inside Policy Pty Ltd to the value of \$nil at arms length commercial rates (2010: \$14,649). The Company's CEO, Ms Natalie Walker is also a Director and Shareholder of Inside Policy Pty Ltd. There were no balance outstanding as at 30 June 2011 (2010: \$nil).

All other transactions between the Company and its key management personnel in the ordinary course of business have been conducted on an arms length basis.

## 13. Subsequent events

There have been no events subsequent to balance date which would have a material effect on the Company's financial statements at 30 June 2011.

## 14. Auditor's remuneration

<i>In AUD</i>	<b>2011</b>	<b>2010</b>
<b>Audit services</b>		
Auditors of the Company - KPMG Australia:		
Audit of financial report	9,500	8,000
Other services	2,500	2,000
	<b>12,000</b>	<b>10,000</b>

## 15. Company status

The Company is a public company limited by guarantee. The extent of the liability of any member under the guarantee is a sum not exceeding \$10. The total liability of all members is \$90.

# Directors' Declaration

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In the opinion of the Directors of Australian Indigenous Minority Supplier Office Limited (the Company):

(a) the financial statements and notes, set out on pages 31 to 48, are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Company's financial position as at 30 June 2011 and of its performance for the financial year ended on that date; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001;

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors.



Stephen Roberts  
Chairperson

Dated at Sydney this 30 day of September 2011

# Independent Audit Report to the Members of AIMSC

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We have audited the accompanying financial report of Australian Indigenous Minority Supplier Office Limited (the Company), which comprises the statement of financial position as at 30 June 2011, and statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes 1 to 15 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

## *Directors' responsibility for the financial report*

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement whether due to fraud or error.

## *Auditor's responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001 and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Company's financial position and of its performance.

# Independent Audit Report to the Members of AIMSC (Cont.)

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## *Independence*

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

## *Auditor's opinion*

In our opinion the financial report of the Australian Indigenous Minority Supplier Office Limited is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.



Cameron Roan,  
Partner, KPMG

Dated at Sydney this 30 day of September 2011

**PO Box Q1793,  
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Australia**

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