



ANNUAL **REPORT** 2023-24

ICN NATIONAL OFFICE



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ACN 068571513

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This publication has been produced with the assistance of funding provided by the Commonwealth Government through the Department of Industry, Science, and Resources.

ICN acknowledges the Traditional Custodians of the land on which we operate, live and gather as employees, and recognise their continuing connection to land, water and community. We pay respect to Elders past, present and emerging.

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ABOUT ICN

OUR PURPOSE

Driving economic growth in Australia and New Zealand by supporting local businesses through a trusted Network.

OUR MISSION

To maximise Australian and New Zealand industry participation, particularly in investment projects and global supply chains.

OUR VISION

To contribute to increased economic activity and employment for Australia and New Zealand, by assisting industries to gain a greater share of domestic and international business opportunities.

OUR STRATEGY

We work to stimulate and foster an open and competitive marketplace for Australian and New Zealand industry so that:

- local industry participation remains strong
- Australian and NZ businesses, particularly SMEs, have a fair share of domestic business opportunities.

“

Gateway by ICN has impacted our company by providing the opportunity to seek and submit bids for various jobs and work with various clients. It has helped us be able to get our company name out into the industry and showcase our capabilities. ”

Kristal Donaldson
Senior Project Administrator,
GLOBAL RESOURCE SUPPORT



YEAR IN REVIEW



ICN IN NUMBERS



9 CENTRAL OFFICES



8 REGIONAL OFFICES



100+
STAFF AROUND AUSTRALIA

1000+

WORKSITE VISITS



\$5.07B+

CONTRACTS AWARDED TO AUSTRALIAN COMPANIES



8,428

COMPANIES WINNING CONTRACTS



\$258B+

VALUE OF NEW PROJECTS



123 NEW PROJECTS LISTED



2,796 WORK PACKAGES LISTED



50,900

EXPRESSIONS OF INTEREST RECEIVED



4,100+

NEW COMPANIES JOINING GATEWAY BY ICN



CHAIR REPORT

I have great pleasure in presenting to you the ICN National Office Annual Report for 2023–24.

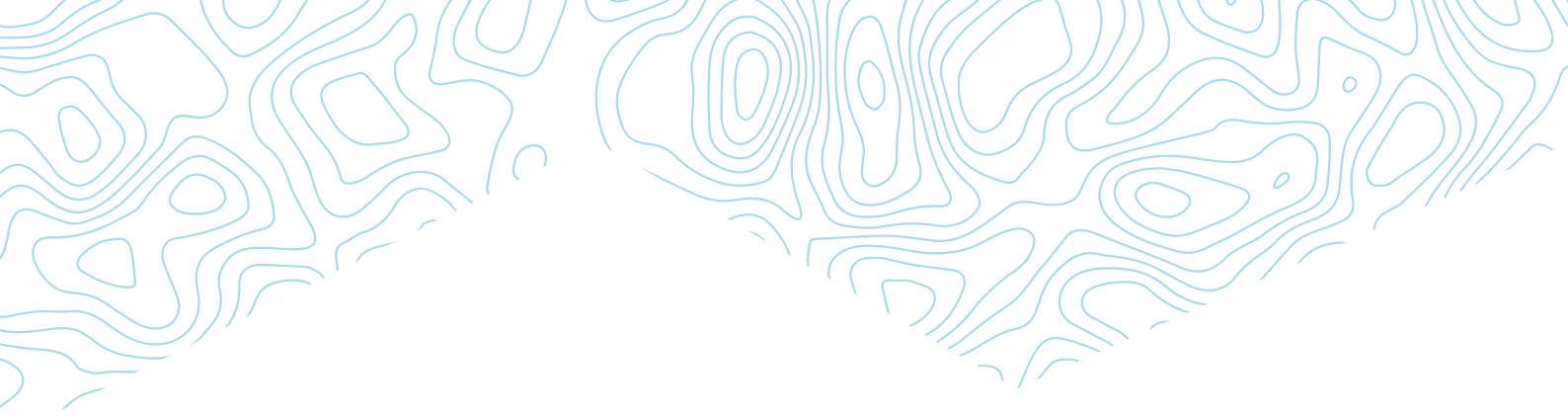
This has been an exciting year, particularly as the Network turns 40. ICN started as the Industrial Supplies Office in Victoria in 1984 and rapidly expanded into other states and territories soon after. We have been celebrating this milestone and telling our story at every opportunity.

But that is just one aspect of our incredible journey. This year we have been lucky to expand our services and offerings. This has included a rebuild and relaunch of our flagship product, Gateway by ICN. We have added several new features to assist small businesses build their knowledge and capabilities. These include our learning management system as well as advice on climate readiness and environment and sustainable governance, issues which have rapidly grown in importance with our procurement clients. Our systems are now easier to use and provide a single point of access for all the information clients are demanding. We have also embraced the benefits that artificial intelligence can bring and continue to explore ways to make our systems even more client friendly.

Our data analysis systems have been enhanced and developed with our Perspective by ICN product gaining widespread use across a range of sectors. For example, we have been engaged by the Department of Defence to help them meet their needs to access key data sets on Australian industry capabilities. In addition, ICN was identified as a key resource within the Defence Industry Development Strategy, released by the Federal Minister in early 2024.

Of course, none of this would be practical without strong cyber security frameworks. Significant resources have been committed to the enhancement of our IT security posture. We are grateful to the Department of Industry and Science for supporting our security improvement project again this year.

We have engaged with each of our member organisations over the year to ensure that we understood the things that were of importance in each jurisdiction and to provide information to them on what the National Office needed to remain relevant and operational.



“

Our data analysis systems have been enhanced and developed with our Perspective by ICN product gaining widespread use across a range of sectors. ”

The Board continues to focus on our purpose and our positive impact on the Network and industry as a whole. It set a bold strategic direction with attendant milestones for the year. The executive team has delivered against those goals. This would not have been possible without the pursuit of new products and markets resulting in the strong financial position achieved, despite the economic conditions we are experiencing.

I would like to thank Donna Looney and her team from the department. The advice, guidance and support of the company is very much appreciated. We are excited by the programs that underway and in particular, the opportunity to be part of a Future Made in Australia.

Warren Jansen and the entire team at the ICN National Office have once again done a sterling job. Every year throws up new challenges, but the team take these and convert them to opportunities wherever practical. Forever on the lookout for more ways to help industry and manufacturing flourish within the local environment and always selling the message that ICN is the best choice for data and is ready and willing to help.

To my fellow Board Directors, thank you for your commitment to our vision, dedication to our mission and support in ensuring the ICN National Office can continue to deliver on our promises. Your strong governance has ensured that we are steering a safe and steady course but with a close eye to the future. Special thanks to Mr Stuart Kenny for chairing our Finance and Risk Committee and Mr Russell Kenery for chairing our IT Governance Committee. These are valuable tools in ensuring we continue our strong delivery of outcomes within a growth framework.

As we move into another year, one where the ICN National Office itself will turn 30, I look forward to new horizons, new endeavours and even more relevance to the Australian economy.

Derek Lark
Chair,
Industry Capability Network Limited

CEO REPORT



It was a milestone year for the Industry Capability Network Limited (ICNL) or the ICN National Office. It was also a year filled with daunting challenges and aspirational goals, which the ICN National Office team navigated skillfully and achieved convincingly.

Given the unique role the ICN National Office plays within a federated alliance of key partners and stakeholders, progress and growth were not optional. The Board's well-governed stewardship of the company helped the team execute a bold strategic plan, focused on elevating the ICN brand, fulfilling its purpose and optimising decades-long service to industry in Australia and New Zealand.

The key enabler that underpinned the ICN National Office milestone year was the team's freedom to fail.

The year began with the move to a permanent home. After nearly 20+ years of being headquartered in Deakin, ACT, the ICN National Office made a significant investment in a purpose-built office premises in the heart of Canberra's CBD. The move not only heralded the organisation's intention to create a sense of permanency through asset acquisition, but also its focus on a contemporary, modern workplace for staff, with a clear vision for the future.

The move helped accelerate one of the ICN National Office's strategic goals for the year, which was focused on positioning ICN's flagship product, Gateway by ICN, as a key enabler of government priorities. In achieving this goal, the ICN National Office made a targeted investment in creating a secure IT environment within the new office premises, in preparation to help deliver industry targets contained in the Defence Strategic Review, and several objectives in the Buy Australian and National Reconstruction Fund initiatives. The investments were not restricted to just physical security but extended to cyber and governance; key tenets of the ICN National Office's commitment to maintain an elevated security posture across its IT applications.

The investment was not in vain. The Defence Industry Development Strategy (DIDS) which was released during the year and forms part of the Government's commitment to build sovereign capability, asserted the utilisation of ICN as a key source of industry data. This validation underpins ICN's evolution into a data powerhouse, capable of providing valuable insights into Australia's industrial capability and capacity, not only in defence, but adjacent sectors as well.

Armed with an elevated security posture, the ICN National Office initiated a major uplift of its flagship product, Gateway by ICN. The platform which connects buyers and suppliers, underwent a complete overhaul, and was relaunched with an improved interface for end-users. The aim of this significant project was to ensure ICN client feedback was taken seriously and ICN's core offering was improved for an optimum user experience.

The new Gateway by ICN also introduced Topics: a mechanism for external stakeholders, be it Government, private or public sector entities, to have their own bespoke site under a master ICN site, focused on targeted messaging to specific market segments. The ICN National Office acknowledges the South Australian and Queensland Governments for making use of this new offering, through the SA Defence and Queensland Battery Topics, respectively.

The technology investments did not stop there. Perspective by ICN, the platform that maps industry sectors to help identify gaps and focus Government investment on future capacity, was also optimised to include greater capability to produce big data insights. The product gained significant market traction with its utilisation

by the South Australian and New South Wales Governments to map the hydrogen sector in their respective jurisdictions, and the Federal Government, to map the National Rail Industry.

Technological advancements alone are futile if they are not complemented by quality information that helps make and enable strategic decisions. ICN's database is a national asset. And as such, the ICN National Office led the charge to collaborate with its state and territory colleagues to uplift the quality of ICN data through benchmarking and quality assurance processes. This collaboration is key to ICN's growth, as it highlights the importance of working as one team, focused on value-driven outcomes for industry.

As the adage goes, it is "not what you know but who you know," underpinned the ICN National Office's goal to host and facilitate events that connected industry experts and leaders, with ANZ companies of all sizes. The Clean Energy and Manufacturing Summit was followed by the Unlocking Digital Horizons (Navigating ICT's Evolution) Summit and featured leading Government and private sector experts who created platforms for thought leadership, strategic networking and access to people and opportunities, which would have otherwise been unattainable.

An extension of this important work was the ICN National Office's focus on expanding its strategic partnership base, with the sole aim of adding value to ICN's core function of connecting businesses to opportunities. During the year, the ICN National Office progressed national partnerships with purpose-driven organisations including the Veteran Community Business Chamber (VCBC), which advocate for multi-skilled veteran-owned businesses capable of building the nation's sovereign capability, to access work.

ICN's strategic partners not only help Australia and New Zealand (ANZ) businesses enhance their profiles, but they also offer skills and the capability required for SMEs to put their best foot forward when it comes to winning work – an outcome that the ICN National Office is driven by.

ICN National Office's milestone year is testament to the value of relationships, trust and teamwork. Despite having their own unique challenges, goals and deliverables, each ICN across the country worked tirelessly to connect ANZ businesses to opportunities and optimise the value-added products and services developed and managed by the ICN National Office. Their individual efforts elevated the ICN National Office's role as

the custodian of ICN's national IT applications, systems and processes, which would amount to nothing if not fully used to deliver ICN's purpose of "helping local win!" Thank you to each ICN for their dedication and commitment during the year.

The delivery of an organisation's purpose also requires belief that it genuinely serves the business community and has a social licence to operate. This belief generated significant support from key stakeholders who have helped ICN grow. The Hon Pat Conroy MP, Minister for Defence Industry, Hon Ed Husic MP, Minister for Industry and Science and Senator the Hon Tim Ayres, Assistant Minister for Trade and Assistant Minister for a Future Made in Australia; thank you for your support.

The belief in ICN by industry leaders and champions such as Chris Deeble, Donna Looney, John Krbaleski, Jane Wood, Carmel Boyd and Wayne Cooper empowered the ICN National Office to deliver its goals and their ongoing support is very much appreciated.

The conception of a vision is easy. Its delivery is the real test.

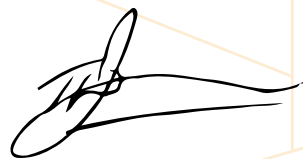
The ICN National Office milestone year brought the organisation one step closer to becoming an essential ANZ business tool. The ICN National Office board, chaired by Derek Lark, encouraged the team to forge ahead despite the challenges and obstacles, resulting in the year that was.

The inspiration for a milestone year came from the ICN National Office's staff. Their unwavering commitment and passion to deliver the ICN National Office strategic plan laid the foundation for the organisation's next growth phase. A genuine team effort has brought us to where we are and for that, I will be eternally grateful.

So, what next for the ICN National Office? Growth!

And what better year to focus on growth than ICN's 40th anniversary year. Over the next 12 months, the ICN National Office will help industry move towards a cleaner, greener economy, and it will also use ICN's worldclass model to become a Gateway to the world and a Gateway to a Future Made in Australia.

Here is to another milestone year!



Warren Jansen
CEO, ICN National Office

VALUE DELIVERY

SUPPORTING AUSTRALIAN INDUSTRY

As a named stakeholder in the *Australian Jobs Act 2013* (Cth) (Jobs Act), ICN plays a strong part in supporting Australian industry through the Australian Industry Participation (AIP) plan.

Under the Jobs Act, government agencies and private firms proposing projects valued at more than \$500 million must develop an AIP plan, as must contractors awarded government projects of \$20 million or more.

The Jobs Act identifies ICN as supporting the AIP National Framework by managing a national database of industry capability and project opportunities – Gateway by ICN.

Through Gateway, and an Australian-wide network of industry experts, ICN helps businesses and government achieve higher local content as well as ensuring they comply with legislation and meet their obligations under the Jobs Act.

In 2023–24 ICN worked with the Department of Defence to provide data for their DI2 tool.

Furthermore, ICN offers government a way to link outcomes across portfolios to build sovereign capability and capacity, not only in critical infrastructure but also in delivering other domestic programs including affordable housing and Closing the Gap.

MAPPING AUSTRALIA'S CAPABILITY

Through the Perspective by ICN tool, we can analyse supply chains to increase general understanding of business capabilities in different regions and sectors.

Perspective by ICN gives industry and government a comprehensive and detailed view of supply chains. This provides an understanding of strengths and weaknesses across various industries and sectors, as well as opportunities for growth and development.

The data generated allows government agencies and project owners to make informed decisions about where to focus efforts and resources, fostering a more resilient and self-sufficient national economy.

Perspective also facilitates strategic planning and policy development, ensuring that Australia is better equipped to respond to market demands and global challenges. Ultimately, supply chain mapping efforts contribute to building a robust and competitive industrial landscape, driving innovation and sustainable growth across the country.

In 2023–24 a number of Perspective reports were delivered to Government and industry. Some of the notable reports created are:

AURECON

Industry Capability Network played a pivotal role in supporting Aurecon in delivering a key project aligned with the Australian Government's Environmentally Sustainable Procurement Policy. Utilising Perspective by ICN, Aurecon was able to map the basis for selecting project categories that align with the policy's objectives.

This report enabled Aurecon to identify and assess high-impact areas within the supply chain, ensuring that the policy focused on categories that would drive the greatest environmental benefits.

The collaboration between Aurecon and ICN ensured that the work was data-driven, supporting the Government's commitment to sustainable procurement.

OFFICE OF NATIONAL RAIL INDUSTRY COORDINATION (ONRIC)

ICN has been actively supporting the Office of National Rail Industry Coordination (ONRIC) in delivering a comprehensive supply chain mapping report utilising its advanced tool, Perspective by ICN.

This report, delivered in phases, aims to identify suitable Australian capability to support the delivery of national rolling stock. Phase 1, now complete, focused on mapping 32 high-level supply chain categories and included hundreds

of Australian suppliers with the capability to meet the project's demands.

By leveraging Perspective by ICN, ONRIC was able to gain valuable insights into national capabilities, ensuring that the report aligns with the government's vision of strengthening local industry participation in the rail sector.

HYDROGEN SUPPLY CHAIN MAPPING – SOUTH AUSTRALIA

This capability mapping and gap analysis study was undertaken to examine the existing trades, services and supply capability that could support a local hydrogen industry and identify potential low points or gaps. The significant existing industrial capability and capacity that supports South Australia's resources and energy sectors will play a critical role in growing the state's hydrogen ecosystem.

In addition to documenting the existing capabilities that can be applied directly to the hydrogen industry, such as civil works and water desalination, this report also highlights potential opportunities for local businesses to diversify their existing capability to this sector, for example, from the adjacent oil and gas sector, and for investment attraction of new capabilities to the state for the manufacture of items which would otherwise be imported.



USER EXPERIENCE

In April 2024, we relaunched our flagship Gateway by ICN platform to enhance user experience and improve subscriber exposure to major projects.

The improvements make it easier for Australian and New Zealand suppliers to increase their visibility and reach by showcasing their profiles to a vast network of industry specialists and potential partners.

It offers streamlined project discovery, personalised recommendations to optimise supplier profiles and seamless networking with industry peers, potential clients and project owners.

The refreshed Gateway by ICN represents the culmination of decades of dedication towards fostering business relationships, enhancing industry capabilities and driving economic development.

SECURITY-FIRST APPROACH

During 2023–24, The ICN National Office invested heavily in elevating the security of its information technology to protect user data.

The IT security uplift, financially supported by the Department of Industry and Department

of Defence, was aimed at ensuring ICN users have access to safe, secure and state-of-the-art IT platforms and tools.

The uplift included improvements to IT infrastructure, as well as ensuring our technology complied with the highest levels of industry best-practice security standards.

LOOKING FORWARD

At the ICN National Office we are constantly looking at how we can improve our products and services to benefit Australian industry.

To that end, we are investing in resources to help project owners and SMEs forge ahead towards building a cleaner, greener economy. The ICN Climate and Environmental, Social and Governance (ESG) strategies will combine to form key tenets of the organisation's future-focused value proposition.

Our National Office will also be exploring multiple overseas opportunities, including in the Pacific, where ICN products and services could help optimise local content for major projects.

This focus will position ICN as the 'Gateway' to the world, with our core platforms strategically showcasing Australian and New Zealand business capability.

“

The LMS allows us to deliver tailored training solutions to meet the specific needs of staff in all our ICN offices. ”

EMPLOYEE ENGAGEMENT

INVESTING IN OUR PEOPLE

We recognise that our people are our greatest asset.

To ensure that staff in our National Office, as well as extended teams across the country, stay at the forefront of industry knowledge and best practice, the National Office has significantly invested in a Learning Management System (LMS). The LMS allows us to deliver tailored training solutions to meet the specific needs of staff in all our ICN offices. By centralising our training content, we can ensure that everyone receives the same high standard of education, regardless of location.

This investment reflects our commitment towards continuous professional development, ensuring that our team is equipped with the latest skills and knowledge to drive ICN forward.

STAFF SURVEY

In 2023–24, 100% of ICN National Office staff took part in the Employee Engagement survey, aimed at continuously enhancing organisational culture.

Engagement is measured rather than satisfaction as it digs deeper into the emotional connection and motivation that push individuals to go above and beyond the requirements of their jobs. Satisfaction, on the other hand, indicates a surface-level measure of happiness.

RESULTS

Leadership:

- 92% agree their manager values feedback.
- 91% believe ICN's leadership contributes to positive culture.

Organisation:

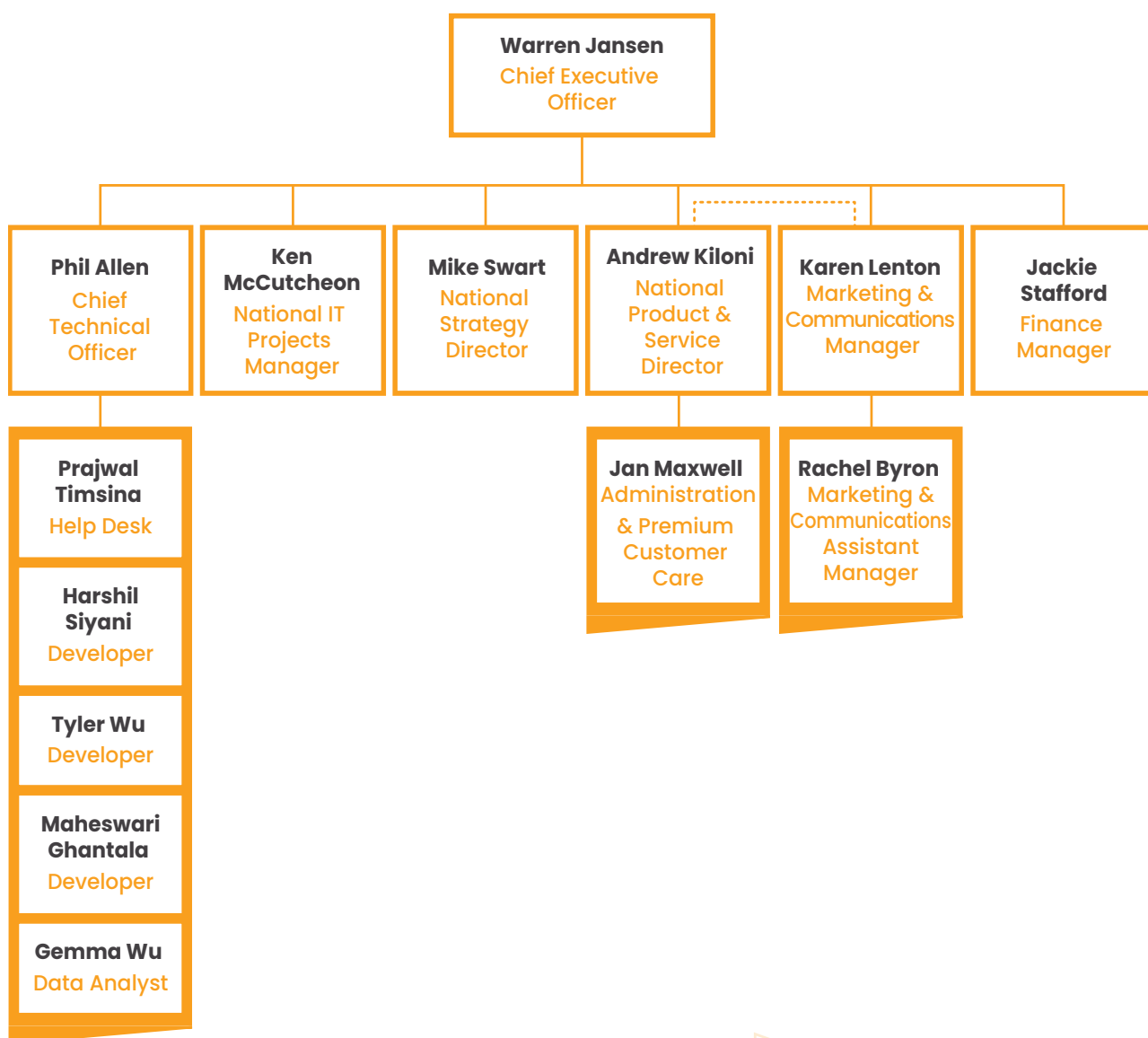
- 92% employees agree they have a clear understanding of the company's strategic and operational plans.
- 91% employees believe the organisation timely & effectively communicates company information.
- 92% of employees have the tools, resources, equipment & technology to do their job well.

Recognition:

- 92% employees feel valued.
- 92% receive recognition from manager.
- 100% strongly believe their successes are celebrated.

ORGANISATIONAL STRUCTURE

(at 30 June 2024)





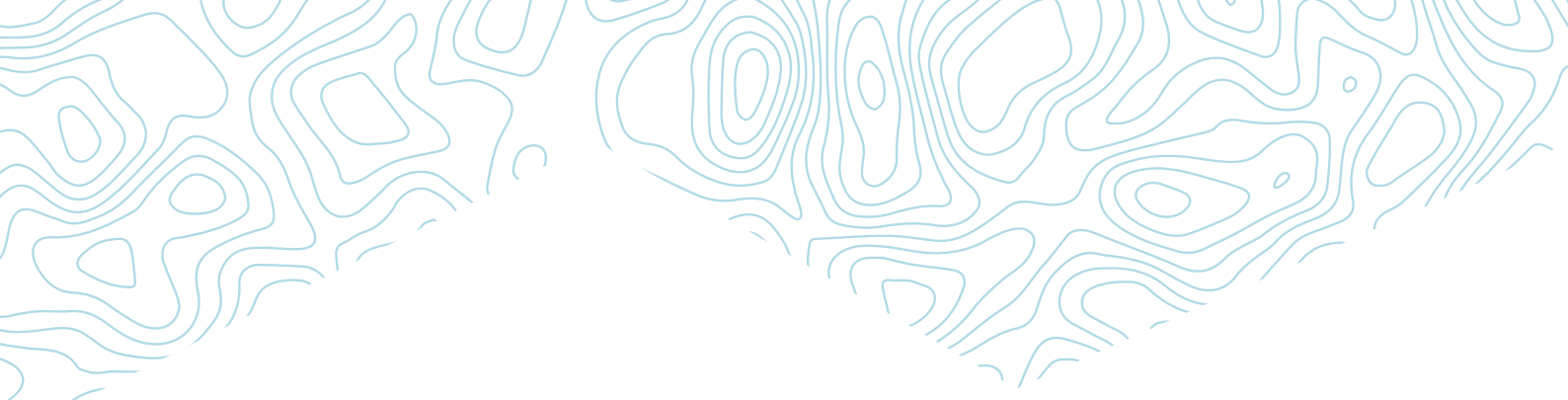
OPERATIONS



FUNCTIONS **AND** FOCUS

The primary functions of the ICN National Office are to:

- provide a coordination role for ICN offices ensuring a common and consistent approach to activities and to support the ongoing enhancement and development of ICN
- develop, manage and provide the national IT, data and communications systems used by the ICN offices, including Toolbox by ICN and Gateway by ICN
- assist the ICN offices to establish links with global supply chain managers to help Australian and New Zealand SMEs gain access to major projects
- coordinate the delivery of national strategic milestones, derived from a process where ICN offices contribute towards setting goals, including identifying overseers and contributors of these goals, and coordinating ongoing monthly sprints to successfully achieve outcomes
- develop and manage strategic partnerships that add value to ICN offerings.
- develop nationally focused marketing strategies and raise awareness and understanding of opportunities available to participate in major projects and global supply chains
- provide a direct interface to the Australian Government and relevant government departments, and coordinate the management of these stakeholders
- undertake market research on behalf of the ICN offices and the Australian Government
- coordinate activities of the ICN offices to help companies identify Australian suppliers when applying for tariff concessions
- be a centralised entity that coordinates activities with the ICN offices to manage national projects
- review, develop and manage the national roadmap of value-added products and services led by the ICN National Office for all stakeholders.



NATIONAL SUPPORT

The ICN National Office coordinates eight ICN offices across Australia by:

- promoting local businesses through a trusted network
- leading the investment in cutting edge technology, enhanced IT security and innovative product development
- facilitating the collection and publication of relevant statistics, trends and data analytics based on ICN insights
- undertaking promotional work on behalf of participating ICN offices on Australian industry and related opportunities
- fostering an open and collaborative exchange of information between ICN offices
- enhancing the ICN database on industry capability, by leveraging external data sources
- encouraging best practice operations across ICN offices
- encouraging the adoption of a unified approach to products and service delivery, to ensure national consistency
- coordinating and acting as secretariat for meetings of national significance
- making submissions on matters of national interest as agreed by the ICN offices
- representing the collective interests of ICN offices at national forums.

ICN’s Executive Directors met on four occasions during 2023–24: both virtually and in Launceston and Sydney.

The ICN National Office represented the ICN offices when dealing with:



Australian Government
Department of Defence



Australian Government
Department of Industry,
Science and Resources



Australian Government
Department of Finance

ICN STRATEGIC PLAN

ICN’s Executive Directors met in Sydney on 16 April 2024 to review the accomplishments of the previous strategic plan and develop strategic goals for 2024–25.

To ensure the successful implementation of current strategic goals, ICN representatives meet every 30 days to measure progress and outcomes.

NATIONAL **WORKING GROUPS**

ICN's working groups have been instrumental in fostering a more unified and cohesive network, allowing us to operate under a 'one voice' approach. Through enhanced communication and collaboration across the Network, our working groups are ensuring better alignment in our messaging and service delivery.

MARKETING WORKING GROUP

The Marketing Working Group has been instrumental in amplifying ICN's brand presence, promoting our services, and driving engagement with key stakeholders across multiple sectors. This group focuses on developing and executing marketing strategies that align with ICN's broader goals, ensuring that Australian suppliers and project owners are aware of the opportunities available through ICN's platforms.

Over the past year, the Marketing Working Group has implemented a range of initiatives aimed at increasing visibility and engagement for our stakeholders.

Achievements for the MWG include:

- Streamlining our marketing materials for state offices, making it easier for stakeholders to access and engage with ICN's offerings.
- Developing templates to ensure uniformity in marketing efforts across all state offices, enhancing our brand's coherence and professionalism.
- Actively driving ICN's social media engagement, increasing follower interaction and promoting key initiatives.

IT WORKING GROUP

The IT Working Group is central to the continuous development and optimisation of ICN's technology infrastructure. This group is tasked with ensuring that ICN's digital platforms, including Toolbox and Gateway, are responsive to the needs of our users.

This year, the IT Working Group successfully oversaw the complete redevelopment of Gateway by ICN, integrating user feedback to enhance the platform's functionality and user experience. ensuring that our systems remain resilient and aligned with best practices in technology management.



DEFENCE WORKING GROUP

The Defence Working Group has representatives from all state offices and has been a pivotal forum for advancing collaboration between ICN and key stakeholders in the defence sector. This group focuses on aligning ICN's capabilities with national defence priorities, ensuring that Australian suppliers are well-positioned to contribute to significant defence projects.

Throughout the year, the Defence Working Group facilitated close engagement with government departments, prime contractors and SMEs, ensuring a clear path for Australian industry participation in defence contracts.

Key outcomes included increased visibility of Australian capabilities in critical areas such as shipbuilding, along with targeted support for companies aiming to meet the unique requirements of defence projects.

RENEWABLES WORKING GROUP

The Renewables Working Group is responsible for the sharing of information across states to support the nation's energy transition. This working group drives initiatives to ensure that Australian suppliers are prepared to meet the growing demand for renewable energy projects, including solar, wind and hydrogen.

The group has also been instrumental in identifying and promoting local suppliers capable of contributing to large-scale renewable projects, reinforcing ICN's role in supporting the development of a sustainable and low-carbon economy.



COMMUNICATIONS AND ENGAGEMENT

The ICN National Office has significantly broadened its engagement across multiple sectors, reinforcing our role as a vital connector between Australian suppliers and major project opportunities. This year, we expanded our outreach, collaborating with new industries to ensure a diverse range of Australian businesses benefit from our services. Our growing network of strategic partners further strengthens these efforts, enabling us to deliver more tailored and impactful support to sectors of national importance.

ENGAGEMENT WITH GOVERNMENT AND INDUSTRY

The ICN National Office's engagement with government bodies has deepened, with ongoing collaborations at both the state and federal levels. We have worked closely with the Department of Industry and Science and the Department of Defence to align our efforts with national priorities, particularly in areas such as manufacturing, including the Future Made in Australia priorities.

STRATEGIC INSIGHTS AND SUSTAINABILITY

In line with our focus on sustainability, ICN commissioned the Green Report, an initiative aimed at providing valuable insights into Australia's supply chains and ICN's position to help deliver government policy. While the report was not published during this financial year, it demonstrates our commitment to growth of the Australian and New Zealand economy.

COMMITMENT TO FEEDBACK AND CONTINUOUS IMPROVEMENT

The ICN National Office committed to seeking and acting upon stakeholder feedback. Our proactive approach to engagement has involved regular surveys, consultations, and feedback loops that inform our strategies. This ensures that ICN continues to evolve in response to the needs of our users and stakeholders, driving continuous improvement across all facets of our service delivery.

KEY INITIATIVES AND ACHIEVEMENTS

GATEWAY RELAUNCH

The Gateway by ICN platform re-launch has been a significant milestone across all areas of the organisation. Marketing efforts were aimed at improved business exposure, project discovery, profile optimisation and networking.

User engagement	73.7% increase in overall users, with 70.5% increase in new users compared to last year.
Direct engagement	264.5% increase from ICN mailing list, 101.6% increase in online searches.
Overall interaction	89.8% rise in engagement, 122.6% increase in page views.
Marketing and Media coverage	Social media engagement with an audience of 10,263, 882 interactions, 199 clicks, 80 shares, and 32,276 impressions. Mailchimp campaign had a 27% open rate and a 14% click rate (industry average: 20% open rate, 2% click rate).

Our campaigns have consistently outperformed industry standards in key areas such as email open rates and user engagement. The ongoing efforts and strategic initiatives have significantly boosted our visibility, stakeholder engagement and overall platform performance.

EVENTS AND WEBINARS

This year, ICN maintained a strong presence at key industry events across Australia, reinforcing our commitment to supporting businesses and fostering connections within the supply chain. By attending and exhibiting at major events we successfully engaged with a broad range of stakeholders, from SMEs to government representatives and industry leaders.

In addition, ICN facilitated two online webinars in 2023-24:

- Manufacturing and Clean Energy Summit
- Unlocking Digital Horizons – Navigating ICTs Evolution

These events allowed us to educate businesses on emerging trends, compliance requirements,

and growth opportunities within the Australian industry.

Other events represented during the year were:

IndoPacific: Sydney – November 2023.

SIMPAC: Brisbane – February 2024

AOG Energy: Perth – March 2024

AMW: Sydney – April 2024

CASE STUDIES

In 2023-24 13 case studies showcasing both projects and suppliers were released. These highlighted how ICN helped suppliers secure work packages through Gateway by ICN and helped projects secure local talent and capability.

Case study campaign

Our success story campaign encouraged Gateway by ICN subscribers to share their success stories and engage with the Network. Key outcomes include:

Success Story Engagement	21 submissions
Marketing Metrics	Social media: 25 posts, 60 interactions, 11 shares, and 2,093 impressions. Standard engagement rates for similar campaigns show average interactions at 50, making our campaign above average.
Social media	
EDMs	EDMs: Reached 139,031 subscribers, with a 34% open rate (industry average: 20%) and a 2.4% click-through rate (industry average: 2%).
Outcomes	The top 10 winners received a free premium subscription for a year and a professional case study.

DIGITAL MARKETING

Website

This year, our website has been a critical tool for connecting Australian businesses with key opportunities, as demonstrated by the 27% growth in traffic, reaching 2.662M+ views in 2023-24. This increase reflects the growing demand for our services, resources, and events, and highlights our strategic focus on digital outreach. It also underscores our efforts to improve user experience, expand our online presence, and provide valuable, up-to-date information for SMEs and project owners.

Through ongoing enhancements in our digital platforms, including improvements in website navigation, design, and mobile responsiveness, we remain committed to making it easier for businesses to access the resources they need to succeed.

Social media presence and engagement

Our social media presence on LinkedIn and Facebook continues to be key for engaging with industry professionals, government stakeholders, and businesses. In 2023-24 we experienced a significant increase in our follower base and post engagement, reflecting the growing interest in the value ICN provides to Australian industry.

With a 16.5% growth in followers and an engagement rate of 4.2%, social media has become a vital channel for sharing updates on industry opportunities, thought

leadership, and key initiatives like our work on Net Zero and the Future Made in Australia initiative.

Our consistent content strategy, including regular updates on supplier opportunities, success stories, and event highlights, has strengthened our position as a trusted source of information and support for Australian businesses.

Email Marketing

Our EDM campaigns continue to play a pivotal role in delivering timely, relevant information directly to our stakeholders. Through targeted email campaigns, we have successfully kept our subscribers informed about industry opportunities, key events, and important updates.

Over the past year, our subscriber base grew by 15%, with an average open rate of 31% and a click-through rate of 2.7%. These metrics highlight the effectiveness of our tailored content, and the value recipients place on the information we share.

Our focused campaigns on case studies and assisting companies to become carbon neutral have seen strong engagement, contributing to increased awareness and participation from businesses looking to connect with new opportunities.

Our continued investment in tailored segmentation has enhanced the relevance of our EDMs, ensuring that our communications remain impactful and responsive



CASE STUDY

HOW PARK FUELS IS FUELING SNOWY 2.0

Park Fuels won a major contract as a fuel supplier to the Snowy 2.0 project in Australia's Snowy Mountains after connecting with ICN NSW and Gateway by ICN.

Based in the Snowy Mountains, the Snowy 2.0 project will supercharge the Snowy Scheme's existing hydro-electric generation and large-scale storage capabilities. The fast-start, on-demand generation of pumped-hydro and Snowy 2.0's massive storage capacity will be vital as more intermittent, renewable energy sources such as wind and solar come online and coal-fired power stations retire.

Snowy 2.0 will add 2,000 megawatts of energy generation and provide 175 hours of storage for the National Electricity Market (NEM). This is enough to ensure the stability and reliability of the system during prolonged weather events, such as wind or solar 'droughts'.

This major project involves the construction of 27 km of power waterway tunnels and has brought a great deal of investment and jobs to the area. It has also created opportunities for a range of suppliers from around the state. One of these is the NSW-based Park Fuels.

“

We had been using some other tendering systems, but I think ICN is fantastic, it's got some really good packages available. ”



SUPPLYING FUEL TO THE SNOWY 2.0 PROJECT

Park Fuels is a family-owned business with a 30-year history and around 100 employees.

With bases in the coastal towns of Newcastle and Port Kembla, it operates by importing and storing fuel (up to 120 million litres at a time, and about to expand by an additional 60 million litres), and then supplying and transporting it to wholesalers and retailers around the country.

Park Fuels has a number of unmanned refueling stations as well as service stations around the Illawarra. The business also delivers fuel directly to major projects.

“We do everything in the fuel industry, from supplying a small farmer who may only need 1,000 litres at a time, up to a major mine site,” explains Park Fuels Business Development Manager Jack Balmforth.

Park Fuels now supplies and delivers fuel to the site in the Snowy Mountains. “We’re a family business and we are quite agile,” Jack explains, “by delivering ourselves, we can stay in control. It’s a long journey and there are potential problems that can arise, such as the weather and some tricky terrain, but we have done similar projects in the past so it’s nothing we are not familiar with.”

Throughout the tendering process, “Beti [Krsteski, ICN NSW local regional manager] kept checking in with us to see how we were going,” Jack says, “She also helped us to get onto the northern NSW tender projects because we have a base in Newcastle.

Just seeing the work packages ICN NSW has on its website, I feel like there are so many opportunities, not only for fuel supply but for other industries.”

Working with ICN NSW makes Jack’s job easier because it exposes him to the different jobs that are out there. Jack is happy to recommend ICN NSW and ICN Gateway to other businesses and suppliers, saying “I think it’s brilliant”.

The company registered with ICN Gateway in late 2022 to keep up to date with upcoming tenders and work packages. “Beti Krsteski reached out to us almost straight away,” says Jack, “She is our local Regional Manager and advised that an opportunity for Snowy 2.0 fuel supply had come up. She touched base to make sure we had seen it and were aware of it, which was fantastic because not many other similar companies show that level of support.”

“We signed up and followed the tendering process for the work package, and we now do the same with other opportunities that ICN NSW presents,” Jack adds.

The Snowy 2.0 contract was the first one Park Fuels applied for, and the team was pleased to be awarded the job. “We had been using some other tendering systems, but I think ICN is fantastic, it’s got some really good packages available. Beti helped me get set up and start receiving notifications, then we started the tender process in October, finalised it in February and started work reasonably quickly after that.”

TECHNOLOGY SYSTEMS

Robust technology systems are essential in today's rapidly evolving business landscape. ICN's systems continue to drive innovation, enhance operational efficiency as we extend our offerings to deliver exceptional value to our stakeholders. We recognise the critical role that advanced technology plays in connecting local suppliers with major project opportunities and fostering economic growth.

In 2023–24 ICN has made significant strides in upgrading and optimising our technology infrastructure. Our focus has been on ensuring our systems are not only reliable and secure, but scalable to meet the growing demands of our Network. These efforts reflect our ongoing commitment to leveraging cutting-edge technology through several key initiatives and achievements:

GATEWAY BY ICN

The ICN National Office IT Team completed a full redevelopment of our flagship application, Gateway by ICN, based on industry best practices. This overhaul ensures a modern, optimal user experience and enhances overall system management.

User research played a crucial role in shaping development priorities, allowing us to meet the evolving needs of our users and stakeholders.

The new platform structure not only introduces our updated visual identity but also enabled new core functionality, including Topics by ICN.

TOPICS BY ICN

Topics by ICN was designed specifically to enable industry bodies to support their user base directly within the Gateway by ICN ecosystem leveraging the internal systems and data within Gateway by ICN.

By centralising supplier data management, Topics by ICN eliminates the need for separate platforms, reducing both time and costs. The integration with ICN's verification system also improves data integrity for the Topic owner.

ICN successfully launched the Defence SA and the Queensland Battery Topics as our first initiatives.

SYSTEMS SECURITY

Maintaining a robust security posture is essential. To support this, we introduced HaloITSM, a new portal that is directly linked to the National Office's Security Maintenance Project. This platform helps track helpdesk inquiries and manages change control across the organisation. HaloITSM also includes Several industry best practice Service Level standards that now form part of our contractual agreement with the ICN offices, ensuring higher standards of security.

SYSTEMS GROWTH

ICN's growth is evident in the expansion of our supplier database, which added over 4,000 new suppliers in 2023–24. Additionally, Gateway by ICN 97 new projects were listed on the platform, further increasing opportunities for Australian businesses. We are also proud to offer over 30 Perspective reports that deliver capability analysis across supply chain for government and private industry including the publicly available Hydrogen Supply Chain Mapping for South Australia, and our foundational report on Northern Territory Onshore Gas Support Industry.



GOVERNANCE



STRATEGIC DIRECTION

The ICN National Office is committed to delivering effective programs, focused on maximising opportunities for Australian and New Zealand companies and creating economic benefit.

Representatives from the National Office, ICN offices across the country, key strategic partners and stakeholders met in May 2023 to review the year's achievements and develop new strategic goals for the year ahead.

The year's strategic goals were underpinned by investments in key areas such as collaboration, partnerships, systems development, data insights and effective marketing.



A significant achievement during the reporting year was ICN’s inclusion in key government policy in the Defence sector. ”

Milestone 2024	Strategic Investments	Outcomes 2026
Map a panel concept	Targeted collaboration and relationships	Part of a trusted source of insights
Deep dive on SME needs and provided input to product design (E.g. B2B and RFQ).	Demonstrate value	Value proposition is wanted
Establish a well-resourced cohort of advocates to promote ICN awareness to SMEs.	Marketing with the Network	Robust, secure, rich and quality data
Adapt, develop and enhance product suite for the changing needs of Government as a customer	Market analysis and customer focus	Attractive culture, matched skills and resources to deliver
Agreed performance measures and accountability of the Network offices (National KPI's)	Diversify and integrate validated and rich data	Responsive, agile and innovative
Furthered uses of AI and other technology to support state operations and SME clients (E.g. to reduce cost of data validation).	Product development	Partners in a collaborative and symbiotic federated network (ICN & ICNL)
	ICN as a panel	Strategic collaboration and partnerships
	Future-proof organisation	Sustainable and funded
		Well governed

A significant achievement during the reporting year was ICN’s inclusion in key government policy in the Defence sector. ICN’s reference in the Defence Industry Development Strategy (DIDS), was the outcome of determined efforts aimed at achieving positive results for local businesses vying for work in the Defence sector. This outcome is a testament to the ICN National Office’s continued investment in ensuring the delivery of strategic milestones agreed by ICN’s key stakeholders. These include new technological advancements, enhanced IT security and a focus on increasing value for customers.

The achievements during the year are the result of a significant team effort by all ICN National Office staff. The Board is committed to ensuring that the strategic plan aligns with current market trends so that ICN can remain relevant and ensure stakeholder needs are met.

The 2023–24 strategic plan reflects the continuation and extension of the significant work carried out in 2022–23.



COMPANY MEMBERSHIP

The Members of ICN Limited (National office) are:

- Department of Industry, Science and Resources
- Australian Council of Trade Unions
- Industry Capability Network (VIC)
- Industry Capability Network (NSW)
- Department of State Growth (TAS)
- Queensland Manufacturing Institute Ltd (QLD)
- Business Promotions (NT) Pty Ltd
- The Chamber of Commerce and Industry of Western Australia
- Department for Industry, Innovation and Science (SA)
- Industry Capability Network Limited Technologies (ICN ACT)

BOARD COMPOSITION

The Board of Directors consists of seven people elected by the members. The full composition of the Board of Directors on 30 June 2024 was:

Chair

Mr. Derek Lark

Industry Capability Network Limited



Derek holds a Master of Business Administration and a Bachelor of Engineering (Electrical) and is a Fellow of the Australian Institute of Company Directors (Order of Merit). Non-executive Director at Give Industries. Previous positions include Board Member and Finance Committee member at the Cerebral Palsy Education Centre in Melbourne, Chairman of Kinloch Court Owners Corporation, and Director of Alembec Pty Ltd, Director at the Progressing Business Institute Ltd.

Secretary

Mr. Warren Jansen

Chief Executive Officer, Industry Capability Network Limited



Warren holds a Bachelor of Laws (Hon) from the University of London and is a graduate of the Australian Institute of Company Directors. Warren has over 20 years' experience in senior management roles, having started his career as a journalist in Sri Lanka. Before his current role, Warren managed humanitarian settlement programs in Australia and overseas, established a disability employment service in Southeast Asia and co-designed a sustainable business model for an NDIS specialist accommodation service provider.

Director

Mrs. Chris Bridges-Taylor

Director, Bridges Capital Ventures Pty Ltd, B&R Group Pty Ltd



Chris currently serves as the Executive Chairman of Bridges Capital Ventures Pty Ltd and holds directorships in various subsidiary and investment companies. Previously, Chris was General Manager of B&R Enclosures, an Australian advanced manufacturing business. Chris holds a Bachelor of Engineering (Hons) and a Master of Business Administration from the University of Adelaide. She is a Fellow of both the Australian Institute of Company Directors and the Institute of Engineers Australia. Chris is a Qualified Risk Director® and holds a Certificate in Cyber Risk Governance®. In the academic sphere, she is an Adjunct Professor at the University of Queensland's School of Mechanical and Mining Engineering.



Director

Mr. Andrew Cleary

Director, 12th Level Pty Ltd



Andrew is an experienced Defence SME consultant, an innovation specialist, and a conservationist. He is the founder and Director of Bioquai Pty Ltd, 12th Level Pty Ltd and Acee Investments Pty Ltd. Additionally, Andrew serves as a director of Fifth Domain Pty Ltd and IronBark QB Syndicate Pty Ltd. He holds a Bachelor of Science in Agriculture from the University of Sydney and a Graduate Diploma in Management from the University of Canberra.

Director

Mrs. Elizabeth Edwards

Principal, Williams Winter Solicitors



Elizabeth is the Principal of Williams Winter Solicitors and has been admitted to the Supreme Courts of Victoria and Tasmania, the High Court of Australia, and the Federal Court of Australia. With 25 years of experience as a practicing solicitor, Elizabeth brings extensive legal expertise to her role.

Director

Dr. Tim Turner, FACS

Owner, Electric Spells Pty Ltd



Tim's qualifications and experience include a Graduate of the Australian Institute of Company Directors (GAICD) and Fellowship with the Australian Computer Society, where he also served as past Branch Chair. Tim is the Chair of the ACT Chapter of the Pearcey Foundation and the sole Director of Electric Spells Pty Ltd. Additionally, Tim serves as a Board Director of ICNL Technologies and is Company Secretary for the Indigenous Reading Project.

Director

Ms. Rebecca Woods

Aged Care Access, Access Care Network Australia



Rebecca is a Fellow of the Australian HR Institute and a member of the UNSW Canberra School of Business Advisory Board and the Australian Institute of Company Directors. She has previously served as a State Council member for the Australian HR Institute. With over 20 years of experience in workforce skills development, vocational education and training, communications, and organisational culture, Rebecca brings a wealth of expertise to her role.



BOARD COMMITTEES

IT GOVERNANCE COMMITTEE

The IT Governance Committee provides strategic guidance for, and oversight of, IT activities and operations to the ICN National Office on behalf of the Board.

The full composition of the IT Governance Committee on 30 June 2024 was:

CHAIR

Mr. Russel Kenery

Principal, Kenery & Associates

MEMBERS

Dr. Tim Turner

Board Director, ICN National Office

Mr. Warren Jansen

Chief Executive Officer, ICN National Office

Mr. Michael Swart

National Strategy Director, ICN National Office

Mr. Ken McCutcheon

National IT Projects Director, ICN National Office

Mr. Phil Allen

Chief Technical Officer, ICN National Office

Ms. Bettina Venner

Chair, ICN Executive Directors
Representatives of Department of Industry,
Science and Resources

FINANCE AUDIT AND RISK MANAGEMENT COMMITTEE

The Finance, Audit and Risk Management Committee provides advice and recommendations to the ICN Board on company finances.

CHAIR

Mr. Stuart Kenny

Managing Director, Territory Instruments

MEMBERS

Mr. Derek Lark

Chair, ICN National Office

Dr. Tim Turner

Board Director, ICN National Office

Mr. Warren Jansen

Chief Executive Officer, ICN National Office

Ms. Jackie Stafford

Finance Manager, ICN National Office

AUDIT REPORT

VINCENTS

INDEPENDENT AUDIT REPORT TO THE DIRECTORS OF INDUSTRY CAPABILITY NETWORK LIMITED

Report on the audit of the financial report

Opinion

We have audited the financial report of Industry Capability Network Limited (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year ended; and
- (ii) Complying with Australian Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Responsibilities of Directors for the Financial Report

The directors of the Group 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 gives a true and fair view that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Vincents Assurance & Risk Advisory, Level 2, 14 Moore Street, Canberra ACT 2601 | GPO Box 608, Canberra ACT 2601.
02 6274 3400 | www.vincents.com.au | Adelaide. Brisbane. Canberra. Gold Coast. Melbourne. Sunshine Coast. Sydney.
ABN 44 387 658 295 | Liability limited by a scheme approved under Professional Standards Legislation.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Vincents Assurance and Risk Advisory

Phillip Miller

Director

Canberra, dated:

FINANCIAL STATEMENTS

Industry Capability Network Limited

Directors' Report

30 June 2024

Your Directors submit their report for the year ended 30 June 2024.

Directors

The names and details of the Group's Directors in office during the financial year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

Derek Lark	
Elizabeth Edwards	
Rebecca Woods	
Timothy Turner	
Christine Bridges-Taylor	
Andrew Cleary	

Review of operations

The net loss after tax of the Group for year ended 30 June 2024 was \$69,999 (2023 loss: (\$248,310)).

A review of the operations of the Group during the financial year and the results of those operations are as follows:

Strategic Objectives

The Group's short-term objectives are to:

- Map a panel concept for supplier engagement.
- Undertake deep dive into SME needs to inform product design.
- Establish a well resourced cohort of advocates to promote ICN awareness to SMEs.
- Adapt, develop and enhance product suite for changing needs of Government as a customer.
- Agree performance measures and accountability of network offices through national KPIs.
- Further the use of AI and other technology to support state operations and SME clients.

The Group's long-term objectives are to:

- Be a trusted source of insights.
- Create an in-demand Value Proposition.
- Be robust, secure and have rich, quality data.
- Have an attractive culture, matched skills and the resources to deliver.
- Be responsive, agile and innovative.
- Establish strategic collaboration and partnerships.
- Be sustainable and funded.
- Be well governed.

Industry Capability Network Limited

Directors' Report

30 June 2024

Strategy for achieving the objectives

ICNL continues to provide coordination of the network of eight ICN offices across Australia.

The strategy is to continue to build upon the foundations for ICN's overall service offering whilst at the same time enhancing our value proposition through a wider suite of products and services, improved quality and consistency of service delivery and leveraging our key relationships.

Principal activities

The principal activities during the year of entities within the consolidated group were:

- To maximise Australian and New Zealand industry participation in investment projects and global supply chains. This was achieved through facilitating the use of the Industry Capability Network by procurement agencies and project managers in both the public and private sectors with the objective of giving Australian industry a greater share of domestic and international business opportunities.
- ICNL's operations are part of the Federal Government's Australian Industry Participation (AIP) Policies and Programs. ICNL operational funding is in place until the end of June 2024.

No significant change in the nature of these activities occurred during the financial year.

Key performance measures

The amounts contained in the financial report have been rounded to the nearest \$1 (where rounding is applicable) where noted (\$) under the option available to the Group under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Group is an entity to which this legislative instrument applies.

Events subsequent to the end of the reporting period

There have been no significant events occurring after the balance date which may affect either the Group's operations or results of those operations or the Group's state of affairs.

Likely developments and expected results

Likely developments in the operations of the Group and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Group.

Environmental regulation and performance

The Group is not subject to any particular or significant environmental regulation under laws of the Commonwealth or of a State or Territory.

Industry Capability Network Limited

Directors' Report

30 June 2024

Information on Directors

<p>Mr. Derek Lark Industry Capability Network Limited - Chair</p>	<p>Derek holds a Master of Business Administration and a Bachelor of Engineering (Electrical) and is a Fellow of the Australian Institute of Company Directors (Order of Merit). Non-executive Director at Give Industries. Previous positions include Board Member and Finance Committee member at the Cerebral Palsy Education Centre in Melbourne, Chairman of Kinloch Court Owners Corporation, and Director of Alembec Pty Ltd, Director at the Progressing Business Institute Ltd.</p>
<p>Mrs Christine Bridges-Taylor Director, Bridges Capital Ventures Pty Ltd, B&R Group Pty Ltd</p>	<p>Chris currently serves as the Executive Chairman of Bridges Capital Ventures Pty Ltd and holds directorships in various subsidiary and investment companies. Previously, Chris was General Manager of B&R Enclosures, an Australian advanced manufacturing business. Chris holds a Bachelor of Engineering (Hons) and a Master of Business Administration from the University of Adelaide. She is a Fellow of both the Australian Institute of Company Directors and the Institute of Engineers Australia. Chris is a Qualified Risk Director® and holds a Certificate in Cyber Risk Governance®. In the academic sphere, she is an Adjunct Professor at the University of Queensland's School of Mechanical and Mining Engineering.</p>
<p>Mr. Andrew Cleary Director, 12th Level Pty Ltd</p>	<p>Andrew is an experienced Defence SME consultant, an innovation specialist, and a conservationist. He is the founder and Director of Bioquai Pty Ltd, 12th Level Pty Ltd and Acee Investments Pty Ltd. Additionally, Andrew serves as a director of Fifth Domain Pty Ltd and IronBark QB Syndicate Pty Ltd. He holds a Bachelor of Science in Agriculture from the University of Sydney and a Graduate Diploma in Management from the University of Canberra.</p>
<p>Mrs. Elizabeth Edwards Principal, Williams Winter Solicitors</p>	<p>Elizabeth is the Principal of Williams Winter Solicitors and has been admitted to the Supreme Courts of Victoria and Tasmania, the High Court of Australia, and the Federal Court of Australia. With 25 years of experience as a practicing solicitor, Elizabeth brings extensive legal expertise to her role.</p>
<p>Dr. Tim Turner, FACS Owner, Electric Spells Pty Ltd</p>	<p>Tim's qualifications and experience include a Graduate of the Australian Institute of Company Directors (GAICD) and Fellowship with the Australian Computer Society, where he also served as past Branch Chair. Tim is the Chair of the ACT Chapter of the Pearcey Foundation and the sole Director of Electric Spells Pty Ltd. Additionally, Tim serves as a Board Director of ICNL Technologies and is Company Secretary for the Indigenous Reading Project.</p>
<p>Ms. Rebecca Woods Aged Care Access, Access Care Network Australia</p>	<p>Rebecca is a Fellow of the Australian HR Institute and a member of the UNSW Canberra School of Business Advisory Board and the Australian Institute of Company Directors. She has previously served as a State Council member for the Australian HR Institute. With over 20 years of experience in workforce skills development, vocational education and training, communications, and organisational culture, Rebecca brings a wealth of expertise to her role.</p>

Industry Capability Network Limited

Directors' Report

30 June 2024

Directors' meetings

During the financial year, four Directors' meetings were held. Attendances by each Director is as follows:

Director	Number eligible to attend	Number attended
Derek Lark	4	4
Elizabeth Edwards	4	4
Rebecca Woods	4	4
Timothy Turner	4	3
Christine Bridges-Taylor	4	4
Andrew Cleary	4	3

Indemnification and insurance of Directors and officers

The Group has paid premiums to insure each of the Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director of the Group, other than conduct involving a wilful breach of duty in relation to the entity.

Proceedings on behalf of group

No person has applied for leave of court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings. The Group was not a party to any such proceedings during the year.

The parent entity is incorporated under Corporations Act and is a company limited by guarantee. If the parent entity is wound up, the constitution states that each member is required to contribute a maximum of \$50 towards any outstanding liabilities. At 30 June 2024, the total amount that members of the parent entity are liable to contribute if the entity is wound up is \$500 (2023: \$500).

Auditor independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out within this annual report.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors.



Derek Lark
Chair

Industry Capability Network Limited
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2024

		2024	2023
		\$	\$
	Notes		
Revenue	3	4,754,446	3,668,954
Expenses			
Administrative expenses		(471,686)	(443,855)
Auditor expense	4	(26,952)	(15,502)
Depreciation expense	4	(17,095)	(85,659)
Amortisation on software expense		(515)	-
IT and network costs		(335,594)	(177,517)
Marketing and promotion		(342,276)	(303,199)
Interest expenses		(112,217)	(9,076)
Other expenses		(509,275)	(488,712)
Rent and utilities		(18,273)	(25,747)
Salaries and employee benefits		(2,760,703)	(2,303,211)
Travel costs		<u>(146,139)</u>	<u>(92,642)</u>
Surplus/(Deficit) from operating activities		13,721	(276,166)
Net loss on disposal of assets		(87,061)	-
Impairment losses on software acquired		(12,400)	-
Other income	5	34,647	-
Share of (loss)/profit of an associate and a joint venture	12	<u>(18,906)</u>	<u>27,856</u>
Net loss		<u>(69,999)</u>	<u>(248,310)</u>
Deficit for the year attributable to the members of Industry Capability Network Limited		(69,999)	(248,310)
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive loss for the year attributable to the members of Industry Capability Network Limited		<u><u>(69,999)</u></u>	<u><u>(248,310)</u></u>

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Industry Capability Network Limited
Consolidated statement of financial position
As at 30 June 2024

	Notes	2024 \$	2023 \$
Assets			
Current assets			
Cash and short-term deposits	6	929,918	847,697
Trade receivables	7	355,134	475,409
Financial assets	8	2,750,000	3,001,625
Other current assets	9	111,937	12,558
Total current assets		<u>4,146,989</u>	<u>4,337,289</u>
Non-current assets			
Property, plant and equipment	10	2,027,734	1,730,860
Intangible assets	11	137,408	3,276
Investment in associates	12	-	92,558
Loan to associates	13	-	28,476
Total non-current assets		<u>2,165,142</u>	<u>1,855,170</u>
Total assets		<u>6,312,131</u>	<u>6,192,459</u>
Liabilities			
Current liabilities			
Trade and other payables	14	953,183	794,701
Contract liabilities	15	2,384,390	1,852,213
Employee benefits	16	254,881	211,348
Total current liabilities		<u>3,592,454</u>	<u>2,858,262</u>
Non-current Liabilities			
Employee benefits	17	5,479	-
Interest-bearing loans and borrowings	18	450,000	1,000,000
Total non-current liabilities		<u>455,479</u>	<u>1,000,000</u>
Total liabilities		<u>4,047,933</u>	<u>3,858,262</u>
Net assets		<u>2,264,198</u>	<u>2,334,197</u>
Equity			
Retained earnings	19	2,264,198	2,334,197
Total equity		<u>2,264,198</u>	<u>2,334,197</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Industry Capability Network Limited
Consolidated statement of cash flows
For the year ended 30 June 2024

		2024	2023
		\$	\$
	Notes		
Cash flows from operating activities			
Receipts from customers		4,508,739	3,303,647
Payments to suppliers		(4,558,632)	(3,842,354)
Interest received		226,353	19,315
Interest paid		(56,369)	-
Grant received		<u>671,806</u>	<u>700,000</u>
Net cash from operating activities	21	<u>791,897</u>	<u>180,608</u>
Investing activities			
Purchase of property, plant and equipment		(12,683)	(1,625,927)
Purchase of structural improvements		(388,347)	-
Changes in other investment		251,625	499,651
Changes in investment in associates and joint ventures		-	(27,856)
Loan to an associate		<u>(10,271)</u>	<u>-</u>
Net cash used in investing activities		<u>(159,676)</u>	<u>(1,154,132)</u>
Financing activities			
Proceeds from loans		-	1,000,000
Repayment of loans		(550,000)	-
Net cash (used in)/from financing activities		<u>(550,000)</u>	<u>1,000,000</u>
Net increase in cash and cash equivalents		82,221	26,476
Cash and cash equivalents at 1 July		<u>847,697</u>	<u>821,221</u>
Cash and cash equivalents at 30 June	6	<u><u>929,918</u></u>	<u><u>847,697</u></u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Industry Capability Network Limited
Consolidated statement of changes in equity
For the year ended 30 June 2024

	Retained earnings	Total
	\$	\$
Balance at 1 July 2022	2,582,507	2,582,507
Deficit after income tax expense for the year	(248,310)	(248,310)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive loss for the year	<u>(248,310)</u>	<u>(248,310)</u>
Balance at 30 June 2023	<u>2,334,197</u>	<u>2,334,197</u>
	Retained earnings	Total
	\$	\$
Balance at 1 July 2023	2,334,197	2,334,197
Deficit after income tax expense for the year	(69,999)	(69,999)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive loss for the year	<u>(69,999)</u>	<u>(69,999)</u>
Balance at 30 June 2024	<u>2,264,198</u>	<u>2,264,198</u>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Industry Capability Network Limited
Notes to the consolidated financial statements
30 June 2024

Note 1. Significant accounting policies

1.1 Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards - Simplified Disclosures and other authoritative pronouncements of the Australian Accounting Standards Board.

The consolidated financial statements have been prepared on a historical cost basis, except for investment properties, certain office properties (classified as property, plant and equipment), derivative financial instruments, debt and equity financial assets and contingent consideration that have been measured at fair value. The carrying values of recognised assets and liabilities that are designated as hedged items in fair value hedges that would otherwise be carried at amortised cost are adjusted to recognise changes in the fair values attributable to the risks that are being hedged in effective hedge relationships.

The consolidated financial statements are presented in Australian dollars, except when otherwise indicated under the option available to the Group under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Group is an entity to which this legislative instrument applies.

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

The consolidated financial statements provide comparative information in respect of the previous period. In addition, the Group presents an additional consolidated statement of financial position at the beginning of the preceding period when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in financial statements.

Compliance with Australian Accounting Standards (AASB)

The financial report also complies with Australian Accounting Standards (AASB) as issued by the International Accounting Standards Board.

1.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 30 June 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee;
- The ability to use its power over the investee to affect its returns.

The Group's voting rights and potential voting rights:

- The contractual arrangement(s) with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights.

Industry Capability Network Limited
Notes to the consolidated financial statements
30 June 2024

Note 1. Significant accounting policies (continued)

1.2 Basis of consolidation (continued)

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

1.3 Summary of significant accounting policies

Revenue recognition

The Group recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Industry Capability Network Limited
Notes to the consolidated financial statements
30 June 2024

Note 1. Significant accounting policies (continued)

Grants

Grant revenue is recognised in profit or loss when the Group satisfies the performance obligations stated within the funding agreements.

If conditions are attached to the grant which must be satisfied before the Group is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Volunteer services

The Group has elected not to recognise volunteer services as either revenue or other form of contribution received. As such, any related consumption or capitalisation of such resources received is also not recognised.

Income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

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

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

Industry Capability Network Limited
Notes to the consolidated financial statements
30 June 2024

Note 1. Significant accounting policies (continued)

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

In assessing the recoverability of deferred tax assets, the Group relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports, which, among other things, reflect the potential impact of climate-related development on the business, such as increased cost of production as a result of measures to reduce carbon emission.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

c) Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading.
- Expected to be realised within twelve months after the reporting period;

Or

Industry Capability Network Limited
Notes to the consolidated financial statements
30 June 2024

Note 1. Significant accounting policies (continued)

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period;

Or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments does not affect its classification.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

d) Cash and cash equivalents

Cash and short-term deposits in the consolidated statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

e) Trade and other receivables

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

f) Contract assets

Contract assets are recognised when the Group has transferred goods or services to the customer but where the Group is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

g) Property, plant and equipment

Plant and equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Asset Class	Useful life
Furniture and fittings	5-20 years
Leasehold improvements	40 years
Motor vehicles	8 years
Plant and equipment	2-20 years
Software development	5 years

Industry Capability Network Limited
Notes to the consolidated financial statements
30 June 2024

Note 1. Significant accounting policies (continued)

The Group reviews the estimated residual values and expected useful lives of assets at least annually.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

The consolidated residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

h) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

Research and development

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- Its intention to complete and its ability and intention to use or sell the asset;
- How the asset will generate future economic benefits;
- The availability of resources to complete the asset; and
- The ability to measure reliably the expenditure during development.

Industry Capability Network Limited
Notes to the consolidated financial statements
30 June 2024

Note 1. Significant accounting policies (continued)

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is recorded in cost of sales. During the period of development, the asset is tested for impairment annually.

Patents and trademarks

Significant costs associated with patents and trademarks are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

Customer contracts

Customer contracts acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite life of five years.

Software

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of five years.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

i) Fair value measurement

The Group measures financial instruments such as derivatives, and non-financial assets such as investment properties, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability;

Or

- In the absence of a principal market, in the most advantageous market for the asset or liability.

j) Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

Industry Capability Network Limited
Notes to the consolidated financial statements
30 June 2024

Note 1. Significant accounting policies (continued)

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investment in its associate and joint venture are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The consolidated statement of profit or loss and other comprehensive income reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss within 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Industry Capability Network Limited
Notes to the consolidated financial statements
30 June 2024

Note 2. Significant accounting judgements, estimates and assumptions

Estimation of useful lives of assets

The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down. The Group assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Employee benefits provision

As discussed in Note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Industry Capability Network Limited
Notes to the consolidated financial statements
30 June 2024

	2024	2023
	\$	\$
Note 3.Revenue		
<i>Revenue from contracts with customers</i>		
Grant income	<u>1,268,980</u>	<u>700,000</u>
	<u>1,268,980</u>	<u>700,000</u>
<i>Other revenue</i>		
Cost recoveries	7,972	12,362
Interest received	162,129	82,429
Jurisdictional payments	249,000	189,191
Other revenue	2,353,800	2,334,699
Project revenue	<u>712,565</u>	<u>350,273</u>
Revenue	<u>4,754,446</u>	<u>3,668,954</u>
<i>Disaggregation of revenue</i>		
The disaggregation of revenue from contracts with customers is as follows:		
Geographical regions		
Australia	<u>1,268,980</u>	<u>700,000</u>

Note 4.Expenses

Surplus/(Deficit) before income tax includes the following specific expenses:

Auditor remuneration	<u>26,952</u>	<u>15,502</u>
Depreciation and amortisation	<u>17,095</u>	<u>85,659</u>

Industry Capability Network Limited
Notes to the consolidated financial statements
30 June 2024

	2024	2023
	\$	\$
Note 5. Other income		
Net gain on disposal of investments in associates	<u>34,647</u>	<u>-</u>
Note 6. Current assets - cash and cash equivalents		
Combined cheque account	629,682	75,748
Combined online account	300,236	775,057
Consolidated credit card	-	(3,108)
	<u>929,918</u>	<u>847,697</u>
Note 7. Current assets - trade and other receivables		
Accrued interest	1,488	65,712
Trade receivables	<u>353,646</u>	<u>409,697</u>
	<u>355,134</u>	<u>475,409</u>
Note 8. Current assets - contract assets		
Held-to-maturity investments	<u>2,750,000</u>	<u>3,001,625</u>
Note 9. Current assets - other		
Prepayments	<u>111,937</u>	<u>12,558</u>

Industry Capability Network Limited
Notes to the consolidated financial statements
30 June 2024

	2024	2023
	\$	\$
Note 10. Non-current assets - Property, plant and equipment		
Leasehold improvements	-	172,462
Less: Accumulated depreciation	-	(11,169)
	<u>-</u>	<u>161,293</u>
Office equipment	58,177	58,177
Less: Accumulated depreciation	(54,049)	(53,733)
	<u>4,128</u>	<u>4,444</u>
Plant and equipment	93,325	85,792
Less: Accumulated depreciation	(74,688)	(70,669)
	<u>18,637</u>	<u>15,123</u>
Structural Improvements	464,276	-
Less: Accumulated depreciation	(9,307)	-
	<u>454,969</u>	<u>-</u>
Right of use asset	-	219,251
Less: Accumulated depreciation	-	(219,251)
	<u>-</u>	<u>-</u>
Buildings	<u>1,550,000</u>	<u>1,550,000</u>
	<u>2,027,734</u>	<u>1,730,860</u>

Industry Capability Network Limited
Notes to the consolidated financial statements
30 June 2024

Note 10. Non-current assets - Property, plant and equipment (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Buildings	Leasehold Improvements	Office equipment	Plant and equipment	Structural Improvements	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2023	1,550,000	161,293	4,444	15,123	-	1,730,860
Additions	-	-	-	12,683	388,347	401,030
Disposals	-	(85,357)	-	(1,704)	-	(87,061)
Depreciation expense	-	(5)	(316)	(7,465)	(9,309)	(17,095)
Transfer	-	(75,931)	-	-	75,931	-
Balance at 30 June 2024	<u>1,550,000</u>	<u>-</u>	<u>4,128</u>	<u>18,637</u>	<u>454,969</u>	<u>2,027,734</u>

Assets pledged as security

Buildings with a carrying amount of \$1,550,000 have been pledged to secure borrowings of the Group. Under the terms of the financing facilities, the Group is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

Commitments

The Group has the following contractual commitments for the acquisition of the building:

- Loan of \$450,000 to the Commonwealth Bank of Australia.

Note 11. Non-current assets - intangibles

As compensation for ICNL Technologies Pty Ltd's (a wholly-owned subsidiary of ICNL) disposal of its 30% interest in Optimise Procurement Services Pty Ltd, ICNL Technologies Pty Ltd (ICNLT) has received the right to utilise a software that was previously owned by Optimise Procurement Services Pty Ltd valued at \$134,647. The effective of the software is determined to be 5 years.

	2024	2023
	\$	\$
Software - at cost	134,647	-
Patents and trademarks - at cost	3,276	3,276
Less: Accumulated amortisation on software	(515)	-
	<u>137,408</u>	<u>3,276</u>

Impairment Losses

Impairment losses recognised in profit or loss during the period (i)	<u>12,400</u>	<u>-</u>
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(i) The impairment losses arising in the current period have been included in the profit or loss in the "Impairment losses on software acquired" line item in the consolidated statement of comprehensive income.

Industry Capability Network Limited
Notes to the consolidated financial statements
30 June 2024

Note 12. Non-current assets - investment in an associate

ICNLT had a 30% interest in Optimise Procurement Services Pty Ltd until 21 June 2024.

Optimise Procurement Services Pty Ltd was incorporated on the 23rd of June 2021.

The main social purpose of the Optimise Procurement Services Pty Ltd's incorporation is to maximise local industry participation in economic development by connecting local suppliers with the opportunity to supply goods and services, creating procurement (supply) efficiencies, facilitating chain partners to participate in all aspects of an investment project and developing sustainability in local communities and local industry.

ICNLT has subscribed for shares in Optimise Procurement Services Pty Ltd as it believed that the amalgamation of different in-kind contributions provided by the shareholders of Optimise Procurement Services would allow Optimise Procurement Services to better achieve its social purpose while returning a good profit.

ICNLT has disposed of its 30% interest in Optimise Procurement Services Pty Ltd on 21 June 2024.

ICNLT's interest in Optimise Procurement Services Pty Ltd is accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarised financial information of the Group's investment in Optimise Procurement Services Pty Ltd immediately prior to the disposal of its interest.

The associate had no contingent liabilities or capital commitments as at 21 June 2024.

	2024	2023
	\$	\$
Current assets	-	64,078
Non-current assets	-	384,188
Current liabilities	-	(39,038)
Equity	<u>-</u>	<u>409,228</u>
Group's share in equity - 30%	-	122,767
Goodwill/(Discount on acquisition)	-	(30,209)
Group's carrying amount of the investment	<u>-</u>	<u>92,558</u>

Industry Capability Network Limited
Notes to the consolidated financial statements
30 June 2024

Note 12. Non-current assets - investment in an associate (continued)

	2024	2023
	\$	\$
Revenue	-	274,800
Expenses	(63,022)	(181,945)
(Loss)/Profit before tax	<u>(63,022)</u>	<u>92,855</u>
Total comprehensive income/(loss) for the year (continuing operations)	<u>(63,022)</u>	<u>92,855</u>
Group's share of profit/(loss) for the year	<u>(18,906)</u>	<u>27,856</u>

Note 13. Non-current assets - loan to associates

Loan to Optimise Procurement Services Pty Ltd	<u>-</u>	<u>28,476</u>
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Note 14. Current liabilities - trade and other payables

Accrued costs	618,542	425,068
Fringe benefit payable	1,868	4,714
Provision for GST	137,730	146,365
Trade payables	100,393	142,589
Withholding taxes payable	55,418	48,006
Payroll tax	39,232	27,959
	<u>953,183</u>	<u>794,701</u>

Note 15. Current liabilities - contract liabilities

Advance subscription liability	1,118,236	1,183,233
Income in advance	<u>1,266,154</u>	<u>668,980</u>
	<u>2,384,390</u>	<u>1,852,213</u>

Note 16. Current liabilities - employee benefits

Annual leave	230,212	189,761
Long service leave	<u>24,669</u>	<u>21,587</u>
	<u>254,881</u>	<u>211,348</u>

Note 17. Non-current liabilities - employee benefits

Long service leave	<u>5,479</u>	<u>-</u>
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Industry Capability Network Limited
Notes to the consolidated financial statements
30 June 2024

Note 18. Non-current liabilities - interest-bearing loans and borrowings

	Interest rate	Maturity	2024	2023
	%		\$	\$
Current interest-bearing loans and borrowings				
Total current interest-bearing loans and borrowings			-	-
Non-current interest-bearing loans and borrowings				
Secured bank loan	6.49	5 years	450,000	1,000,000
Total non-current interest-bearing loans and borrowings			<u>450,000</u>	<u>1,000,000</u>
Total interest-bearing loans and borrowings			<u>450,000</u>	<u>1,000,000</u>

Secured bank loan

This loan has been drawn down under a five-year facility. The loan is repayable within 46 months after the reporting date. The total amount repayable on maturity is \$450,000. The facility is secured by a first charge over the Group's buildings, with a carrying value of \$1,550,000.

	2024	2023
	\$	\$
Note 19. Equity - retained surplus		
Retained surpluses at the beginning of the financial year	2,334,197	2,582,507
Surplus/(Deficit) after income tax expense for the year	<u>(69,999)</u>	<u>(248,310)</u>
Retained surpluses at the end of the financial year	<u>2,264,198</u>	<u>2,334,197</u>

Note 20. Unrecognised deferred tax assets

Tax losses - revenue	<u>372,994</u>	<u>171,249</u>
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All of the above amounts can be carried forward indefinitely, subject to meeting certain criteria of the relevant taxation law.

Industry Capability Network Limited
Notes to the consolidated financial statements
30 June 2024

	2024 \$	2023 \$
Note 21.Reconciliation of profit after income tax to net cash from operating activities		
Profit/(loss) after tax from continuing operations	(69,999)	(248,310)
Adjustments for:		
Depreciation and amortisation	17,610	85,659
Loss / Gain on disposal of property, plant and equipment	87,061	-
Other income	(34,647)	-
Share of loss of an associate and a joint venture	18,906	-
Fair value adjustment of software	12,400	-
Change in assets and liabilities		
Decrease/(increase) in trade and other receivables	120,275	(307,822)
Decrease/(increase) in prepayments	(99,377)	607
Increase/(decrease) in trade and other payables	158,479	(39,768)
Increase/(decrease) in contract liabilities	532,177	633,973
Increase/(decrease) in other provisions	49,012	56,269
Net cash from operating activities	<u>791,897</u>	<u>180,608</u>

Note 22.Information relating to Industry Capability Network Limited (the Parent)

The following information has been extracted from the books and records of the parent, Industry Capability Network Limited and has been prepared in accordance with Accounting Standards.

The financial information for the parent entity, Industry Capability Network Limited has been prepared on the same basis as the consolidated financial statements except as disclosed below.

Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of the parent entity.

	2024 \$	2023 \$
Statement of Financial Position		
Current assets	4,146,987	4,340,396
Total assets	6,651,045	6,347,202
Current liabilities	3,514,713	2,829,913
Total liabilities	3,970,191	3,829,913
Retained earnings	2,680,854	2,517,288
Statement of Profit or Loss and Other Comprehensive Income		
Profit or loss of the Parent entity	163,564	(109,917)
Total comprehensive income of the Parent entity	<u>163,564</u>	<u>(109,917)</u>

The parent entity has not entered into a Deed of Guarantee with its subsidiary companies.

The parent entity did not have any contingent liabilities as at 30 June 2024 or 30 June 2023.

The parent entity did not have any commitments as at 30 June 2024 or 30 June 2023.

Industry Capability Network Limited
Notes to the consolidated financial statements
30 June 2024

Note 23. Compensation of key management personnel of the Group

Compensation

The aggregate compensation made to Directors and other members of key management personnel of the Group is set out below:

	2024	2023
	\$	\$
Aggregate compensation	<u>521,199</u>	<u>492,296</u>

Note 24. Contingent liabilities

The Group had no commitments for expenditure as at 30 June 2024 and 30 June 2023.

Note 25. Commitments and contingencies

The Group had no contingent liabilities as at 30 June 2024 and 30 June 2023.

Note 26. Related party transactions disclosure

Key management personnel

Warren Jansen, the Secretary for ICNL, is also a Secretary of ICNL Technologies Pty Ltd and a Director of Optimise Procurement Services Pty Ltd.

Disclosures relating to remuneration of key management personnel are set out in note 23.

Transactions with related parties

There were no transactions with related parties during the current and previous financial year.

Receivables from and payables to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting period.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Note 27. Events after the reporting period

No matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Industry Capability Network Limited

Directors' declaration

In accordance with a resolution of the Directors of Industry Capability Network Limited, I state that:

1. In the opinion of the Directors:
 - (a) the financial statements and notes of Industry Capability Network Limited for the financial year ended 30 June 2024 are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards - Simplified Disclosure Requirements and the *Corporations Regulations 2001*;
 - (iii) complying with Victorian legislation the Fundraising Act 1998 and associated regulations;
 - (b) the financial statements and notes also comply with Australian Accounting Standards as disclosed in Note 1.1; and
 - (c) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.
2. This declaration has been made after receiving the declarations required to be made to the Directors by the chief executive officer and chief financial officer in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2024.

On behalf of the Board



Derek Lark
Chair



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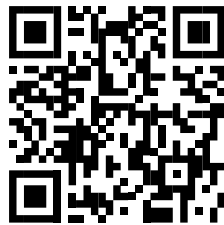
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