

Budget Estimates 2023-24
Finance and Public Administration Legislation Committee
Cross-Portfolio Indigenous Matters, Wednesday 24 May 2023
Committee Room 2S1, Parliament House Canberra

CEO - OPENING STATEMENT

Kirsty Moore, Chief Executive Officer, Indigenous Business Australia

Thank you, Chair, for the opportunity to provide an opening statement to this Senate Estimates hearing today.

I would like to acknowledge the lands on which we are all speaking from today and pay my respects to the Ngunnawal and Ngambri people. I extend this acknowledgement to all Aboriginal and Torres Strait Islander people here today.

IBA exists to walk alongside Aboriginal and Torres Strait Islander people, families, businesses, and communities to achieve financial inclusion and economic empowerment.

We respond to their needs through the co-design of our products and services.

And we know that IBA is achieving positive economic, social, and cultural impacts as evidenced in our last two impact reports.

I am pleased to report that in the 9 months to 31 March 2023, IBA has delivered:

- New home loans for 300 families, 95% of whom were first home buyers
- New business finance for 118 customers
- Business capability building workshops for 432 entrepreneurs.

IBA's investments portfolio has remained resilient, with five-year average returns to IBA's Indigenous co-investors of 5%.

IBA's consolidated total assets now exceed \$2 billion. This has grown from around \$1.5 billion just 5 years ago.

We are expected to manage and grow this asset base to enable further reinvestment, as per our enabling legislation, the *Aboriginal and Torres Strait Islander Act 2005*.

When they are ready, we help to transition our customers to mainstream financiers. With interest rates at all-time lows in the last few years, we saw many of our home loan customers transition to mainstream financial institutions. Indeed, approximately 13% of home loan customers transitioned in 2021-22 financial year.

Due to changing economic and market conditions, however, the number of former customers wanting to return to IBA and the number of current customers experiencing financial hardship have both increased.

We have a range of options available for customers experiencing financial hardship, such as postponing or reducing loan repayments for an agreed period.

We have also established a natural disaster relief package to assist customers to cover immediate costs associated with floods and other natural disasters, which unfortunately are becoming more frequent.

I am particularly proud of the work that IBA is doing to increase participation in business by Aboriginal and Torres Strait Islander women.

IBA has supported the Australian Human Rights Commission and the work of Aboriginal and Torres Strait Islander Social Justice Commissioner June Oscar AO who has championed the Wiyi Yani U Thangani initiative since its inception in 2017.

Earlier this month, we sponsored 40 women from regional and remote Australia and mobilised our Strong Women Strong Business network to facilitate access and attendance at the inaugural Summit held here in Canberra.

In January 2023, in partnership with the Department of Prime Minister and Cabinet, IBA launched the Social Enterprises Grants to provide capability and capacity building support to Aboriginal and Torres Strait Islander women entrepreneurs.

Following huge demand for these grants, IBA reopened applications this Monday 22 May 2023 for those who may have missed out the first time around.

From 1 July 2023, we will be implementing an entity wide performance framework, that is more customer centric and provides a more holistic view of our performance and impact. We will also release our new 2028 strategy complemented by our corporate plan for the 2023-24 financial year.

We are adopting a more agile business model that responds to emerging challenges and opportunities and will continue upgrading our technology and systems.

We look forward to delivering other new initiatives over coming years so that more Aboriginal and Torres Strait Islander people can participate in the economy and experience economic independence.

Thank you and I look forward to your questions.