

2024-25 Budget Estimates
Finance and Public Administration Committee
Cross-Portfolio Indigenous Matters, Friday 7 June 2024
Parliament House Canberra

OPENING STATEMENT

Kirsty Moore, Chief Executive Officer, Indigenous Business Australia

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

I would like to acknowledge and pay my respects to the Ngunnawal and Ngambri people and extend this respect to Aboriginal and Torres Strait Islander people here with us.

IBA continues to deliver on our purpose centred on financial inclusion and economic empowerment.

We are tracking well against our performance targets as set out in our Corporate Plan.

I am pleased to report that from 1 July 2023 to April 2024:

- 3,106 First Nations people were provided with access to networks, knowledge, and capability building services such as financial literacy and finance readiness.
- Furthermore, 2,222 First Nations people were provided with an IBA product or were able to access the economy through a job or procurement opportunity.

Over the same 9-month period, IBA distributed over \$281 million through capital or capability development activities.

As I have mentioned at previous Estimates hearings, we are constantly looking at how we can innovate and do things better in providing financial services and products that meet the needs of Aboriginal and Torres Strait Islander people.

For example, the IBA team is developing a new business guarantee product in partnership with the National Australia Bank, to help First Nations businesses access finance from a commercial lender.

This will add to our range of business finance products and services such as our performance bonds.

Performance bonds are one of several products offered to First Nations businesses by IBA, filling a gap not otherwise served by the banking sector. Where businesses may not have the required level of security to provide a bond facility for their contracts, IBA assists businesses by issuing bonds directly to the buyer.

Since inception in 2018, IBA has issued over 500 performance bonds valued at almost \$60 million. Early this year we were thrilled to announce that these bonds have supported contracts valued at over \$1 billion. This is a huge milestone.

Last month we launched “myIBA”, our new digital platform, which is designed to change the way we interact with our customers.

“myIBA” provides our customers with a seamless and personalised experience, allowing them to access their account information anytime, anywhere, and across any device. There are many benefits from this initiative including more efficient service delivery and enhanced customer experience similar to that provided by much larger finance providers.

Customer data and privacy is protected with data encryption and multi factor authentication.

As mentioned in previous Estimates hearings, housing affordability is an issue for many First Nations people, which is why we launched our shared equity home loan product in August 2023.

As of this week, a total of 34 customers have been approved for shared equity since then.

We are working with Aboriginal and Torres Strait Islander communities and organisations who own land and are seeking to build new homes on it. We are looking to support the activation of these new residential housing development opportunities with feasibility and finance support. I look forward to providing more information on this important work in future Senate Estimates hearings.

On 17 April 2024 we released a new impact report into the experiences of homeownership by single carers and single parents.

This new report is the third in a series of groundbreaking studies looking at the impact of IBA's activities from the perspective of Aboriginal and Torres Strait Islander people.

First Nations single carer and single parent families care for 44% of Aboriginal and Torres Strait Islander children.

They represent 1 in 5 IBA home loan customers.

The research revealed that through homeownership single carers and single parents experience decreased stress levels, enhanced physical health, better access to healthcare, and less social anxiety.

Home ownership also created emotional stability for children, which was not always available in less-secure housing situations.

It also allowed customers to have home close to schools and community resources allowing for better educational opportunities, promoting children's development and wellbeing.

Many of these people have overcome massive financial and personal challenges with humility and a determination to give their children the best start in life.

Home ownership supports the determination of single carers to create a better future. They are grateful for the support and assistance IBA provides in this respect.

I am incredibly proud of the work that our home lending team does to support Aboriginal and Torres Strait Islander people to achieve their dream of home ownership.

You can download a copy of the report from IBA's website.

Thank you and I look forward to your questions.