
IMPACT REPORT 2021-22



RECOVERY,
REBOUND,
IMPACT.

ACKNOWLEDGEMENT

IBA pays respect to our Elders past and present. We acknowledge the generations of emerging leaders, now and in the future, and their role in continuing to maintain connection. We honour the resilience and continuing connection to country, waters, culture and community by all Aboriginal and Torres Strait Islander people across Australia. We recognise that the decisions we make today will impact the lives of generations to come.

Cover design features the 'gathering' design element from Indigenous artist Penny Evans, who's work was the inspiration behind the IBA brand.

Throughout this document the term Indigenous refers to both Aboriginal and Torres Strait Islander people.

The study was led, analysed and co-authored by Dr Kevin Dolman, Indigenous Evaluation Services. Quantitative data collection and analysis was conducted in collaboration between Dr Dolman and Marcus Haines and Neng Prokop from fiftyfive5.

243-06-2022



RECOVERY, REBOUND, IMPACT

THE THEME OF THIS YEAR'S IMPACT REPORT IS
RECOVERY, REBOUND, IMPACT.

AS WITH MUCH OF AUSTRALIA, THE DEVASTATING IMPACTS OF COVID-19 AND NATURAL DISASTERS IN RECENT YEARS HAVE HAD A PROFOUND EFFECT ON INDIGENOUS COMMUNITIES. THE ABILITY TO RECOVER, REBOUND AND CONTINUE TO HAVE IMPACT THAT SO MANY HAVE SHOWN IS A TESTAMENT TO THE RESILIENCE AND TENACITY OF INDIGENOUS COMMUNITIES TO OVERCOME HARDSHIP AND COME OUT STRONGER. IBA IS PROUD TO BE PART OF THAT JOURNEY FOR SO MANY INDIGENOUS AUSTRALIANS.

FOR OVER 30 YEARS IBA HAS BEEN CENTRAL TO MANY ABORIGINAL AND TORRES STRAIT ISLANDER PEOPLE ACHIEVING THEIR DREAMS OF OWNING A HOME, STARTING OR GROWING THEIR BUSINESS, AND INVESTING FOR THEIR FUTURE. WE ARE INVESTED IN THE LONG-TERM SUCCESS OF OUR CUSTOMERS AND SEEING THEM THROUGH THE CHALLENGES THEY FACE SO THAT POSITIVE CHANGE CAN CONTINUE TO FLOW ON FOR GENERATIONS TO COME.

THIS REPORT AIMS TO UNDERSTAND THE IMPACT OF IBA'S WORK AND HOW WE CAN ELEVATE THIS IMPACT FOR THE SUCCESS OF OUR CUSTOMERS AND ALL ABORIGINAL AND TORRES STRAIT ISLANDER PEOPLE.



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EXECUTIVE SUMMARY

IBA'S ABORIGINAL AND TORRES STRAIT ISLANDER CUSTOMERS ARE COURAGEOUS, TALENTED AND COMMITTED TO A BETTER LIFE FOR THEMSELVES, THEIR FAMILY AND THEIR COMMUNITY.

The Impact Report 2021-22 is the second IBA impact assessment. It is an innovative initiative designed to provide a baseline for understanding IBA's external footprint and the ripples of impact from our activities on the lives of Indigenous Australians.

The report shows that each of IBA's core programs had overall significant positive economic, social and cultural impacts on the people we serve. But principally, the report highlights the formidable stories of courage, pride and new confidence amongst Aboriginal and Torres Strait Islander Australians who are committed to participating in the Australian economy through the pathways of home ownership, business or investments. It is through their conscious choice to believe in their dreams and in doing so, address historical and systemic financial exclusion that they provide real and new models of success through an Indigenous world view.

The report reveals how IBA provides a doorway to the economy for peoples who have traditionally faced exclusion from such opportunities. But the report recognises that it is Aboriginal and Torres Strait Islander Australians who walk through the door and make the most of their opportunity. Indeed, they are the stars of the report.

The Impact Report 2021-22 reveals that IBA works closely with Aboriginal and Torres Strait Islander Australians to make sure they can access the economy from a safe and stable position, and indeed for entrepreneurs, from a position of strength to contribute back to the community.

The report reveals that IBA is seen as a long-term invested partner in their success. That was clear in terms of the feedback provided by our customers who undertook the impact survey and those who further shared their stories in one-on-one interviews. Customers also illustrated the positive impacts of IBA's unique customer support as we continued to experience the ongoing uncertainties and challenges of the COVID-19 global pandemic. It is clear IBA's assistance provided a critical lifeline for customers to remain active participants of the economy.

Homeowners revealed how IBA's home loan offered access not just to a house to call their own, but also greater stability and safety, and the space to dream, aspire and take pride in their culture.

Indigenous entrepreneurs revealed how, because of IBA's products, they were able to impact positively on the lives of their employees, grow their businesses and through their roles as leaders, contribute back to community and culture.

And IBA's co-investment partners, primarily Indigenous organisations, revealed how the returns generated helped them to grow their wealth through reinvestment of their financial returns and/or strengthen their organisations to fulfill their core responsibilities and deliver vital new programs and services for the benefit of their communities.

The ripples of IBA's impact continue to flow into Indigenous communities and the wider economy.

RECOMMENDATIONS

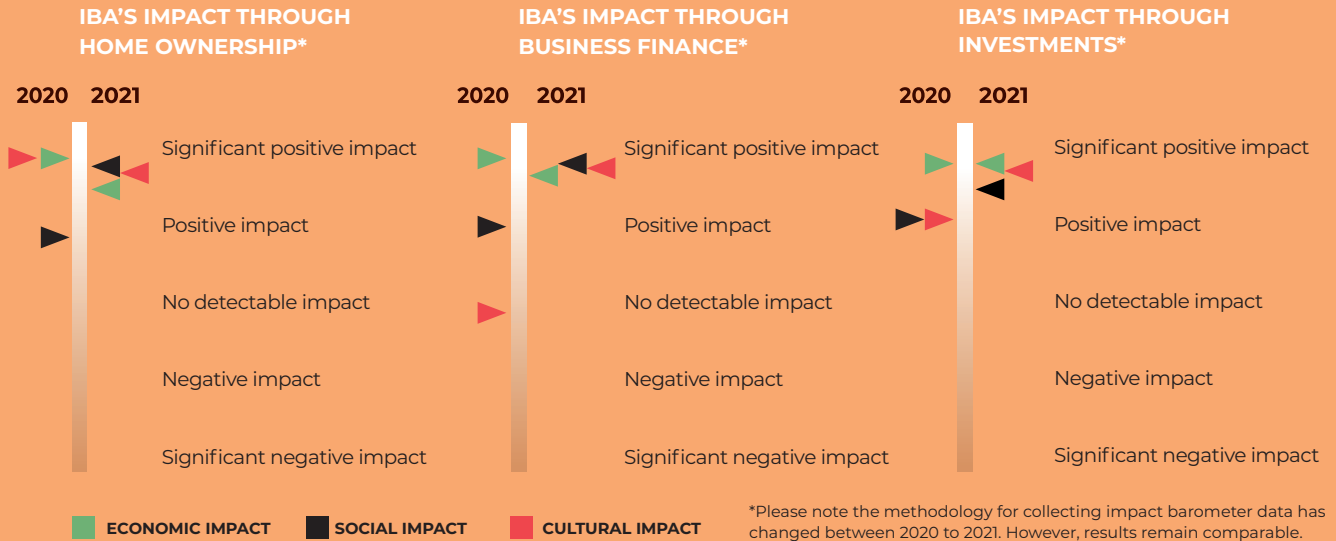
The Impact Report 2021-22 reveals that IBA is more than a bank. IBA recognises and acknowledges the ongoing and real impacts of systemic discrimination and resulting financial exclusion, which is why we are committed to meeting growing customer demand, and the need for continuous improvement. The report provides five key recommendations that can assist IBA to maximise its positive impact, minimise the negative impacts and help continue to enable and support Indigenous-led economic advancement.

1. The impacts of IBA's products are significant and positive. The overall IBA satisfaction rating is very high and there is little evidence of negative impacts. But **capacity constraints, including caps on staffing and legislative restrictions** on IBA's ability to raise capital, limits the organisation's ability to expand its footprint, despite rapid demand growth. IBA should consider how to address those constraints.
2. **Red tape and time delays** reported by some Business Solutions customers, including from longer term IBA customers seeking subsequent finance, could hamper Indigenous business growth. IBA should consider how to address red tape and time delay challenges.
3. Some home loan clients revealed their **surprise associated with the various costs of home ownership**, including repairs and maintenance, rates and strata, as well as the challenges that may arise from home construction including poor quality builds. Noting the information IBA already provides, IBA should consider ways in which to further boost customers' financial skills, including understanding of home ownership.
4. While IBA provides home loans, there are large segments of Indigenous communities that are facing growing market pressures in relation to **housing affordability** generally. IBA should explore further if it can play a role in tackling Indigenous housing affordability more generally.
5. The impact reports reveal the critical role that IBA's front line staff play to turn opportunities into a reality, with **customers providing significant praise to individual staff** for their efforts. Organisations can learn from their successes, not just challenges. IBA could consider whether it can do more to share best practices across teams and ensure consistency in operational excellence across the organisation.

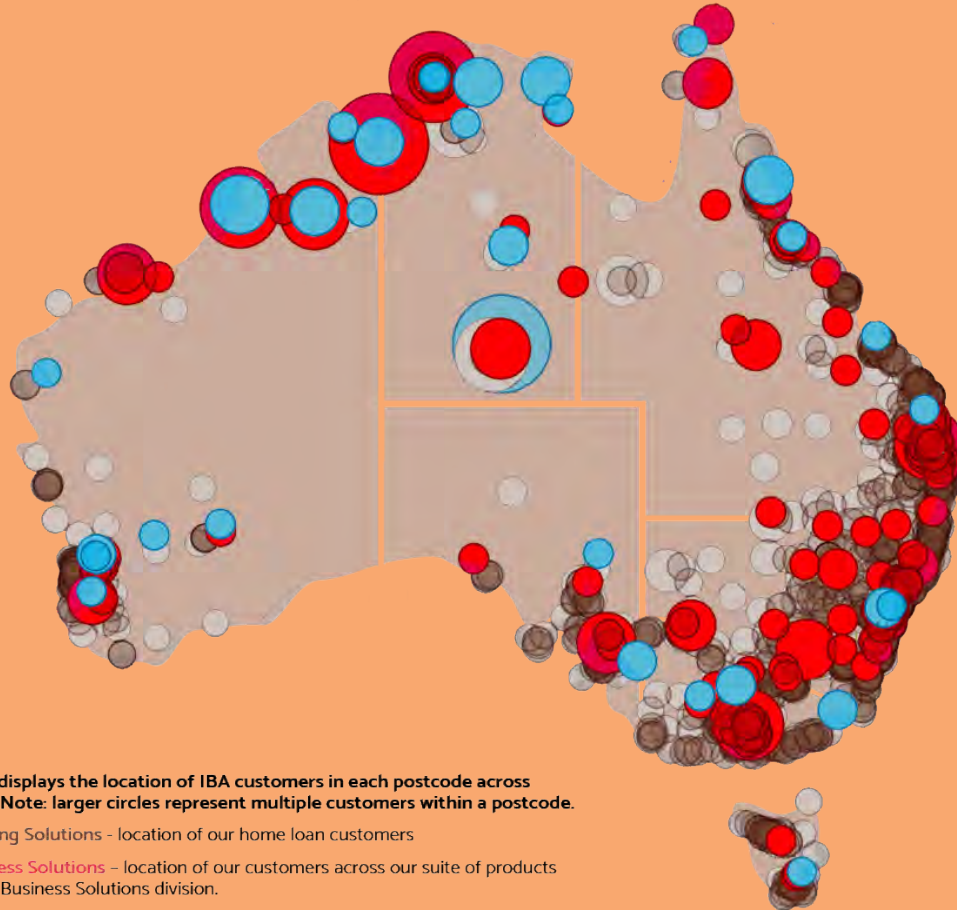
The appendix provides a summary of the Impact Report 2020 recommendations.

IBA IMPACT DASHBOARD

OUR IMPACT



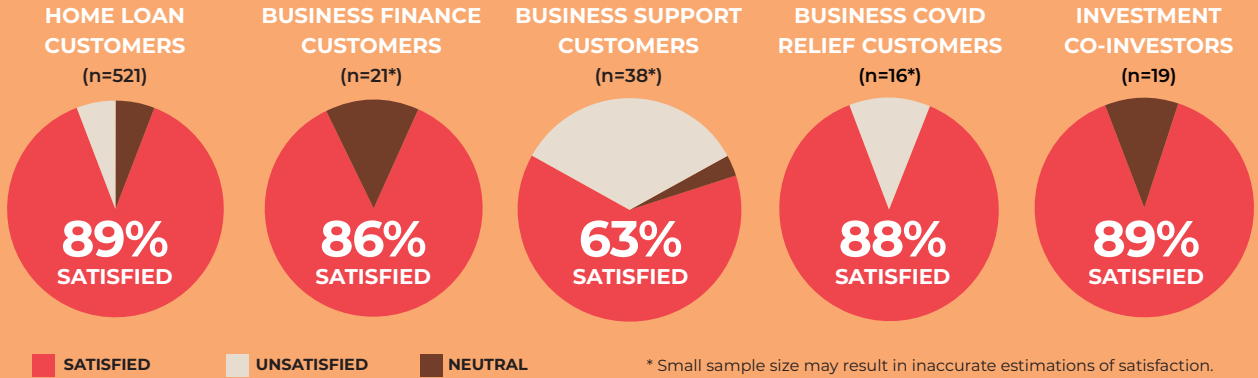
WHERE ARE OUR CUSTOMERS?



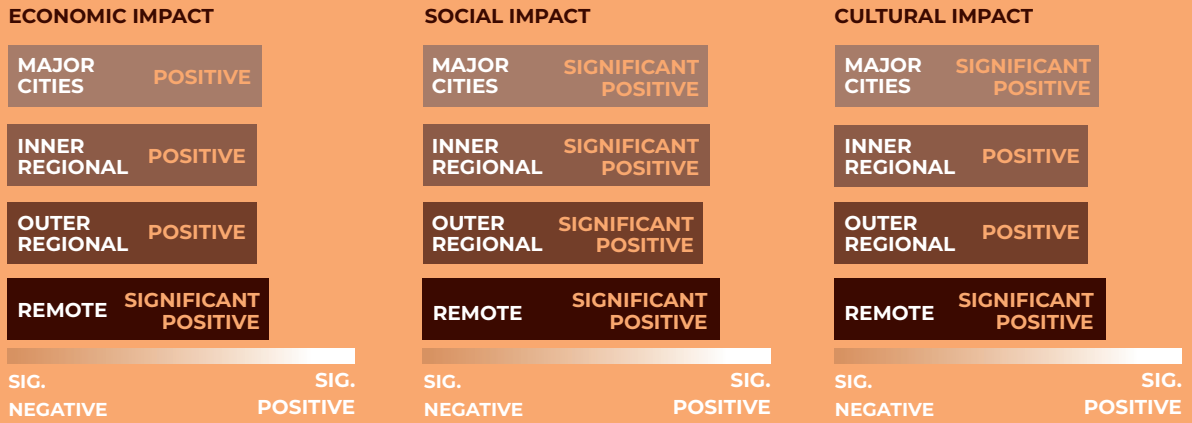
This map displays the location of IBA customers in each postcode across Australia. Note: larger circles represent multiple customers within a postcode.

- Housing Solutions - location of our home loan customers
- Business Solutions - location of our customers across our suite of products in the Business Solutions division.
- Investment and Asset Management division - spread of assets and Aboriginal and Torres Strait Islander organisations co-investing with IBA.

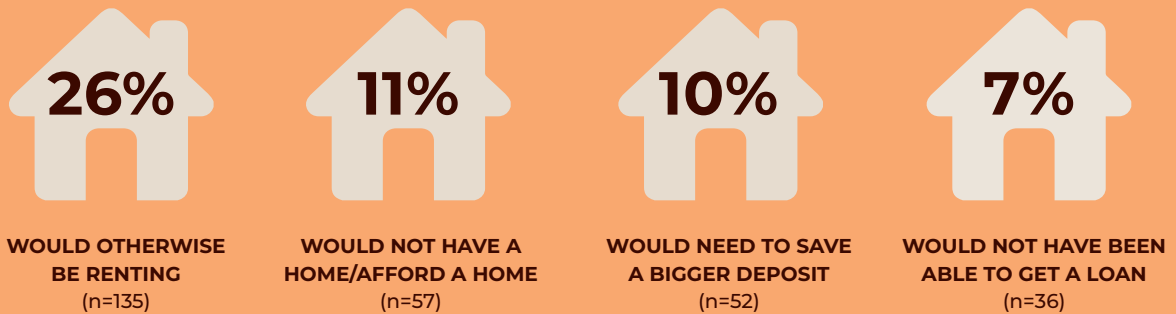
CUSTOMER SATISFACTION



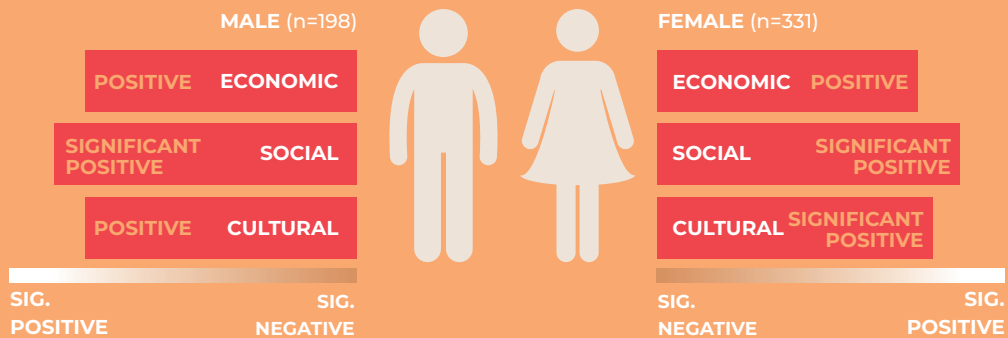
IMPACT ON HOMES CUSTOMERS BY REMOTENESS



IMPACT OF RECEIVING A HOME LOAN (N=521)



IMPACT ON HOMES CUSTOMERS BY GENDER*



* Insufficient sample size for non-binary individuals.

BACKGROUND

In February 2020, Indigenous Business Australia (IBA) commenced a process to supplement performance measurement and reporting with the release of its IBA Impact Framework. The Impact Framework was designed to deepen our understanding of the impacts our products and services have on the lives of our customers. In recognition of the Indigenous worldview, IBA sought to better understand how our customers define “success” and ultimately to confirm if IBA was a key enabler and facilitator of achieving those aspects that make up how a full experience of life is assessed, that is, from economic, social and cultural perspectives. The aim of the impact approach is to identify and measure the social, economic and cultural impacts of IBA’s products, services and staff capability to have a net positive impact on the lives of our customers. The hard work, hopes, and aspirations of Aboriginal and Torres Strait Islander people are at the centre of these impact studies.

This is IBA’s second impact study to be conducted within this advancing impact management environment. Both impact studies were undertaken with formal oversight by the Research Ethics Committee at the Australian Institute of Aboriginal and Torres Strait Islander Studies.

This year’s study followed a very similar approach to last year with the same principles and processes but with a different data analysis methodology. This year’s approach also draws on the Impact Management

Project (IMP) framework to guide the direction of impact measurement. A consistent principle of our impact studies is to ask IBA customers to tell us about the economic, social and cultural impacts that they, their families and/or communities have experienced. We ask them to tell us about any negative impacts and we ask them to tell us about the role that they feel IBA played in assisting them to improve their lives.

DATA COLLECTION


In September 2021, a quantitative online survey was conducted of IBA customers who have had a product with IBA for more than 12 months. These products include IBA home loans, business loans, business leasing, business cashflow and business support services. For investment, the survey was sent to all IBA investment customers. Table 1 below shows the number of survey send outs, survey completes, response rate and approximate survey length for three different IBA customer cohorts.

In-depth follow-up interviews were also conducted with 10 homes customers, 13 business customers and, when a COVID-19 window permitted travel, another 10 stakeholders associated with three different IBA co-investors, including board members, senior staff and external contractors. These interviews sought more detail about customer contexts and the nature of the impacts on their lives and/or the institutions.

Figure 1: Number of survey send outs, survey completes, response rate and approximate survey length for the different IBA customer cohorts

	HOME LOANS	BUSINESS (loans, leasing, cashflow)	BUSINESS (support services & programs)	BUSINESS (Business Relief Package)	INVESTMENTS
Survey send outs	~n=5,255	n=298	~n=695	~n=156	~n=44
Survey completes	n=521	n=21*	n=38*	n=16*	n=19
Response rate	~9.9%	~7.0%	~5%	~10%	~43%
Survey length	~13 mins	~14 mins	~8 mins	~8 mins	~9 mins

* Given low sample size, caution must be applied to the extrapolation of results to all IBA business customers.



“WHAT IBA’S DOING IS IT’S GIVING
THEM A HAND UP, IT’S NOT
GIVING THEM A HAND OUT.”

– IMPACT SURVEY PARTICIPANT/
IBA CUSTOMER

KEY FINDINGS

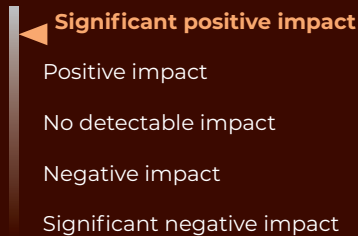
The key findings from the report are summarised below for IBA's main product ranges through a series of impact barometers. These impact barometers provide an indication of the overall impact or external footprint on customer experiences, including direct and indirect effects, with assessments of economic, social and cultural impacts of their lived experiences.

Below are the impact barometer results for IBA's three key product lines, namely Housing, Business and Investments and the overall impact. The results reveal that overall, responding customers described IBA having significant positive impacts (the highest rating), which they can attribute back to each of IBA's key products and services.

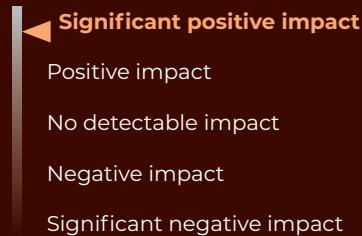
Participants revealed the life changing difference IBA had made by providing them with access to participate and contribute to the economy. One participant describes IBA's contribution best through the following quote, "what IBA's doing is it's giving them a hand up, it's not giving them a hand out."

The next sections will report the key results for each product line.

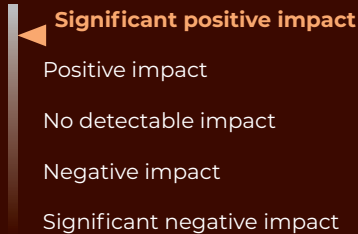
HOUSING



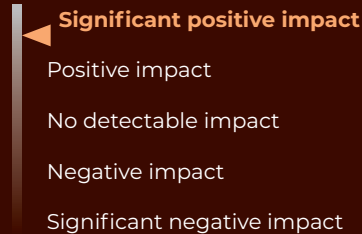
BUSINESS



INVESTMENTS



OVERALL





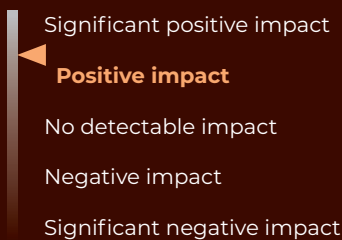
IN TERMS OF SOCIAL IMPACTS,
HOME OWNERSHIP HAD
SIGNIFICANT POSITIVE IMPACTS,
PARTICULARLY IN RELATION TO
A SENSE OF STABILITY, SECURITY
AND HAVING A SAFER PLACE.

IBA'S IMPACT THROUGH HOME OWNERSHIP

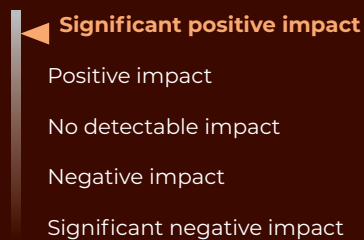
"SINCE BECOMING A HOME OWNER I HAVE SO MUCH STABILITY IN MY LIFE THAT I NEVER HAD BEFORE. I THINK I MOVED ABOUT 12 TIMES IN A FEW YEARS, LEADING UP TO BECOMING A HOME OWNER. I'D NEVER THOUGHT I'D BE IN A SITUATION WHERE I KNOW WHERE I'M GOING TO BE LIVING IN FOUR YEARS."

– IBA HOME OWNERSHIP CUSTOMER

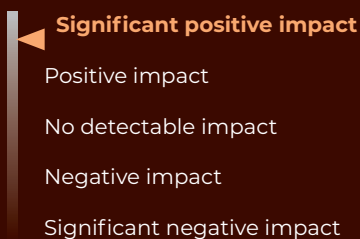
ECONOMIC



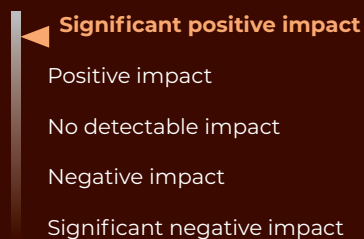
SOCIAL



CULTURAL



OVERALL



Home ownership had a positive economic impact on IBA's surveyed customers. The two key elements that define the economic impact barometer score are impacts on financial skills and impacts on finances. For the former, over half the participants felt having an IBA home loan helped improve their financial skills in terms of dealing with financial organisations, understanding financial documents, and understanding different financial products. For the latter – impact on one's finances – a large share indicated that home ownership had positively impacted confidence in their current financial position and helped their ability to make good financial decisions, as well as save and spend wisely, and write a budget. A majority of IBA homes customers (58%) agreed that home ownership had resulted in more money being left over after paying bills, and had improved their ability to pay bills. It implies positive and tangible financial benefits have emerged for customers and are apparent when compared with their former circumstances. For example, one IBA homeowner noted, "It's really helped us be financially free because paying a mortgage is cheaper than rent." The result is surprising given that for many Australians, usually mortgage servicing costs are more expensive than renting. But another customer shed some light on the reduced cost, mentioning, "[w]ell its been fantastic, because obviously with you know, my repayments are very affordable. I was paying more rent in Sydney just for an absolute two by one shoebox."

In terms of social impacts, home ownership had significant positive impacts – particularly in relation to a sense of stability, security and having a safer place. For instance, one respondent noted, "[s]ince becoming a homeowner I have so much stability in my life that I never had before. I think I moved about 12 times in a few years, leading up to becoming a homeowner. I'd never thought I'd be in a situation where I know where I'm going to be living in four years."

Another customer echoed this sentiment:

"[Home ownership] has given me the flexibility and security here [of] actually owning a home. And it hasn't put any disadvantages on my financial situation whatsoever. Being I think more financially free than I've ever been, even with owning a home."

AN INCREDIBLE HOUSING JOURNEY

One of IBA's customers who received a loan from IBA twenty years ago spoke about their extraordinary home ownership experience. The home owner identified that when they started out, it was a real struggle finding a place to rent, reflecting the biased stereotypes they faced when seeking private rental accommodation.

"When we first looked for private rental, we found it very hard because it was me and my husband walking around together, and he's got beautiful dark skin, and... we couldn't get a flat. And I wondered why. So I left him home one day, and because I could talk whitefella still, I was able to get a flat. So it was racism we were running up against straight away, which is not uncommon."

The same home owner spoke about how grateful they were to IBA staff from the local office approving their loan, despite not having the full amount needed as a minimum deposit. The home owner spoke of two years of stringent financial discipline to pay down their existing debt prior to approaching IBA for a loan, showing their grit and determination to achieve their dreams.

"I went to a financial adviser, and they looked at my finances [and debt] and said, 'dear I don't know how you are going to do it.' I went home even more determined and I said, 'I'll show you.' I did it in 2 ½ years."

The participant also spoke about how, after they received their loan, home ownership changed their lives. It provided a great stable platform, from which to build a better life for themselves, their children and now their grandchildren.

"It completely transformed our lives. Our kids had stability. When you live in social housing, you don't have the choice of where you are placed. You just have to take the house that comes up. And that was not a good setting for us. We wanted the better life. I don't drink, take drugs, don't gamble. I don't waste my money, I see it as an asset... I grew up in a children's home, so I do have trauma. But I was determined to make a better life for my kids... My promise to myself was that my kids would have a better life than I did. Giving them stability. Giving them access to schools.... Three of my boys went to year 12.... And it flows on, if you can give your kids the stability early on. My kids are all grown up and they've left home now. We've got 13 grand kids. One son's bought his home. They are all in good employment, one's a diesel mechanic, one's a carpenter, one's a painter... Even my grandkids they say to me, 'oh gran, don't sell this house, it has so many memories for us.' Those sorts of things make you cry."

Home ownership provided some customers more control over who visits and stays and on the overall safety of their location.

When it came to social impacts on hopes and aspirations, home ownership has significant positive impact around customers' sense of pride in themselves, control in life, improved quality of living, ability to have bigger dreams for the future, confidence in their financial future, and resulted in greater motivation at work.

Home ownership had a significant positive impact on customers' sense of culture. It has helped other Indigenous people have a positive view of home ownership and be inspired to own their own home. Also, it enabled homeowners to be in a position to help family and friends, as well as stoking a greater sense of pride in Indigenous culture. Around half felt positive impacts on their ability to preserve, practice and/or promote Indigenous culture, including around being able to display greater Indigenous art and culturally significant pieces around their home. One participant noted,

"...we can also take that time, because of the financial freedom [from home ownership], to travel and teach our children about our culture - which is really important to me. And it gave us an opportunity to live in an area, which is really important to my culture."

When asked to identify the negative impacts of home ownership, a large proportion did not list any negative impacts. For those that did, the shock of costs associated with rates and maintenance, higher financial pressure and at times the feeling of being tied down were some of the negatives. For example, one participant remarked, "[I was] forced to move away from community and country. Locked into higher interest rate with IBA compared to banks." Another participant spoke about having little or no recourse against a powerful builder, when faced with poor quality construction of their newly built home.

Some of these issues likely reflect similar burdens to anyone making the shift into homeownership. The issue of IBA's rates not being as competitive as commercial banks in part reflects the more relaxed borrowing conditions for IBA customers, as it is primarily an entry point for first home buyers with less than commercial levels of deposit or high leveraging ratios. After building some equity, IBA's slightly higher interest rates makes refinancing with a commercial institution a more attractive proposition. Such settings have arguably helped encourage around 5% of home loan customers to successfully refinancing with a commercial lender in 2020-21 – a positive outcome for greater Indigenous participation in mainstream financial services. But an inability to refinance may be affecting certain groups disproportionately, such as single carers (see home ownership experiences of single people and single carers, page 14).

Overall, the results suggest home ownership had significantly positive impacts on the lives of IBA customers.

WHERE IS THE MOST IMPACT FROM HOUSING OCCURRING?

While participants overall rated either positive or significant positive impacts resulting from IBA's involvement, it is clear that certain elements of the experience stood out. Figure 2 displays the ranking of scores for each statement based on highest perceived impact. It reveals that the most positive impacts from home ownership were in relation to expanded life, hopes and aspirations as well as greater safety and stability. It implies that home ownership through IBA is providing principally a safe and stable platform from which customers can take pride in themselves and begin a better life, planning and aspiring for a more positive future. Relatively fewer beneficial impacts were accrued in culture and community and finances.

Figure 2: % of home ownership participants that strongly agree/agree with statements



Statements on type of impact	% agreed/strongly agreed
Home ownership has given you a sense of pride in owning your own home	96%
Home ownership has helped you and/or your family to feel a sense of stability	95%
Home ownership has enabled you to have a more secure place to live	92%
Home ownership has helped you and/or your family to feel more secure about the future	91%
Home ownership makes you feel more in control of your life	85%
Home ownership has reduced your concerns about housing instability, eviction or homelessness	85%
Home ownership has enabled you to improve the quality of your living space	85%
Home ownership inspires you and/or your family to have bigger dreams for the future	83%
Home ownership has made home a safer place for you/your children	82%
Home ownership has improved confidence in your financial future	81%
Home ownership has increased your confidence in your current financial position	78%
Owning your own home has given Indigenous people around you a more positive view of home ownership	75%
Home ownership has helped improve your ability to make good financial decisions	74%
Home ownership has improved motivation in your work/career	74%
Home ownership has given you more control over who visits and stays	72%
Home ownership has better enabled you to help family & friends	71%
Owning your own home has inspired other Indigenous people around you to own their own home	71%
Home ownership has given you pride in your Indigenous culture	70%
Home ownership has enabled you to live in a safer location	68%
Home ownership has helped improve your ability to save & spend wisely	66%
Getting an IBA home loan has helped you to deal with financial organisations	62%
Home ownership has improved your ability to write a budget	61%
Home ownership has better enabled you to live in both worlds	61%
Getting an IBA home loan has helped you to understand financial documents	60%
Home ownership has strengthened your connectedness to your family & community	59%
Getting an IBA home loan has helped you to understand different financial products	59%
Home ownership has improved your ability to still have money left over after paying bills	58%
Home ownership has improved your ability to pay bills	58%
Home ownership has improved your ability to make big purchases (e.g. white goods, car)	56%
Home ownership has better enabled you to contribute to the community	55%
Home ownership has helped you preserve, practice or promote your Indigenous culture	55%
Home ownership has reduced your exposure to violence or other behaviour problems	46%
Home ownership has helped you and/or your family to participate more in community activities	42%
Home ownership has helped you to participate in Indigenous cultural activities & events	40%



HOME OWNERSHIP EXPERIENCES OF SINGLE PEOPLE AND SINGLE CARERS

Households with single people and single carers are an increasingly prominent demographic in Australia. They are well represented amongst IBA customers, with 28% of IBA home loans going to single women customers, many of whom have children.

THE POSITIVES OF HOME OWNERSHIP FOR SINGLE CARERS & SINGLE CUSTOMERS

IBA home loan customers said the positive impacts of buying their own home were having greater stability, security and owning a tangible asset. Overall, 95% of home loan customers felt a sense of stability and 92% felt they had a more secure place to live. The result was reflected in the responses of single customers, with one customer recalling their previous difficulties in the rental market:

“...I couldn’t imagine trying to worry about finding a rental property for me and my kids. I love the fact that I own my house and I never have to worry about that again.”

Safety is a significant concern for people who experience social and economic marginalisation, not least of which are single carers, which coupled with a lack of suitable housing and economic opportunity increases their exposure to instability and potentially volatile, and occasionally violent situations. The impact survey results reveal that 8 in 10 customers felt home ownership had made home a safer place for them and their children. Note, less than half of home loan customers indicated that owning their own home had reduced their exposure to violence or other behavioural problems. It is important to recognise when considering exposure to violence that it is likely many IBA customers are not experiencing violence directly prior to owning their own home, and as such, the issue may not necessarily reflect a significant challenge for many IBA customers.

Customers also appreciated that home ownership gave an opportunity to invest in a tangible asset, particularly for their children. One customer said:

“...it’s piece of mind knowing that this is ours and the kids will be left with something in the future.”

Some single carers believed they would not have been able to purchase a home with mainstream lenders with one customer saying that the banks had:

“... never given me the time of day. Like you know, so I have never had a loan or anything before until I had this home loan.”

Another customer said:

“...being a single and only on one income obviously, no other banks would ever look at me. So IBA really helped by yeah, giving me a home loan.”

The Impact survey revealed that at least 1 in 5 customers tried other banks, and were not able to obtain finance anywhere else apart from IBA. As the above quotes illustrate, many other IBA customers are often discouraged to even approach commercial lenders due to negative experiences they have come to expect from interactions with commercial banks, particularly for those without a borrowing history or assets to back them due to historic economic exclusion. As such, until such time as a prospective homeowner can prove their borrowing capacity, IBA often presents the only feasible source of capital available to many Indigenous Australians, particularly those on a single income.

SOME NEGATIVES OF HOME OWNERSHIP FOR SINGLE CUSTOMERS

While we celebrate the positive impacts that home ownership has brought to our customers, it is important that we acknowledge the negative impacts that our customers experience, particularly our single customers. Some of the identified challenges include **increasing interest rates, difficulty budgeting for maintenance issues on one income, lack of support through the process from increasingly over-capacity home lending staff and not having the time to explore financial planning options.**

HIGH INTEREST RATES

Single carers felt IBA’s increasing interest rate puts undue pressure on their one income household. IBA provides financial access to customers who would otherwise not be able to borrow from mainstream lenders due to a range of factors, reflecting historical dispossession and socioeconomic exclusion, which has left many Indigenous families without an inherited asset base through which to borrow and continues to result in economic exclusion for many. The interest rate IBA offers to customers is based on their income levels and increases incrementally on an annual basis. In that way, customers are – over time – encouraged to refinance with a commercial lender, and thereby complete their transition into the mainstream financial sector, opening up capacity for IBA to support new customers. This approach of progressively changing the incentives to encourage refinancing with a commercial lender may be applied irrespective of a household’s status, or the fact that they were on a single income, making refinancing with a mainstream lender a more difficult proposition for single carers in particular. One customer noted:

“It’s a big thing being separated now. It would be nice if it went back to 2%, that would be great because I could manage. But for people like me, single parents or single incomes, that would help a lot.”

While customers understand the justification for IBA’s interest rate policy, some felt that the interest increase is added too soon with increases commencing 12 months (some 24 months) after settlement. Some customers felt that the increase (and the timeframe to increase) came as a surprise because they were not made aware of it during the application process. One customer suggested the time between settlement and the first increase be extended to allow customers to settle into home ownership and the new obligations that come with it.

“... you get the letter saying we’re increasing it now after six months or 12 months. We’re supposed to be... I feel that you’re supposed to be there for Aboriginal people to help them and it’s like, you’re adding this interest on now. I feel that it should have come maybe five years into the contract or something. That’s just my opinion, personally.”

DIFFICULTY BUDGETING FOR MAINTENANCE ISSUES ON ONE INCOME

While many homeowners in mainstream commercial finance arrangements utilise a redraw facility to pay for large expenses such as repairs and maintenance, IBA does not offer a redraw facility. That becomes very challenging for people in a one income household, and single customers expressed their frustrations on how long it can take to save to fix maintenance issues. This can often mean going without for long periods whilst saving enough to fix the issues.

One customer suggested IBA providing a redraw facility to help in such cases.

"I think the only negative I can think of is like not being able to redraw. Like my hot water system went out a few years ago. You know, I'm a single person with a mortgage and it's challenging to get things like that fixed and to save the money. Like I was without for almost nine months."

A customer noted that there was an inflexibility within the home loan product to be able to deal with urgent challenges:

"They didn't waterproof my bathroom. So, we go back to the IBA and because I'm pretty distraught now because like I've got no money left, I'm in the red for quite a lot of this thing. And just like deer in headlights again, ring up, see what I can get as support. Get no support."

LACK OF SUPPORT

Some single carers felt disappointed in the lack of support they felt they received from IBA staff throughout the process. Around 96% of IBA home loan customers are first home buyers and many are often the first in their families to purchase a house. Customers have an expectation that IBA will provide them with essential information about managing the various issues associated with home ownership. A limitation is that IBA cannot provide financial advice to customers, which may limit the scope of support that IBA staff feel they can provide.

"It's very hard to get a straight answer out of IBA too. Like I rang them and asked if they had any resources or support for selling, they just said nup, do it yourself."


Further, staffing caps coupled with growth in the number of customers mean that fewer IBA home lending staff are available to provide the hands on support that customers seek, particularly when they do not have family, friends, or a spouse they can turn to for advice or to act as a sounding board.

"...I had a home loan officer who was very hard to actually get information out [of]. So being a first home loan buyer for any person, black, white or brindle, I really was relying on ... IBA talking me through the process. I felt that I had to instigate a lot of the phone calls."

TIME

Single carers found that they did not have the time to undertake financial management as a means to plan for the future, and that extended to investigating refinancing opportunities with mainstream lenders. Single carers often must juggle many critical matters alone such as raising children, running a household, work, study, and community commitments. When asked if a customer had investigated refinancing with a bank, one customer explained:

"Yes, yes. I have. But as I've been flat out doing all the things that need to be done to a house, I haven't had time. I have actually been to one... not one, about two or three and because I was recently separated it became harder to just do everything on my own."

A close-up photograph of a hand using a key to unlock a door handle. The hand is positioned on the right side of the frame, with the index finger inserted into the keyhole. The key is a blue metal key. The door handle is a dark, ornate metal knob with a circular base. The background is a blurred wooden door. The text is overlaid on the upper right portion of the image.

“...BEING A SINGLE AND ONLY ON
ONE INCOME OBVIOUSLY, NO OTHER
BANKS WOULD EVER LOOK AT ME.
SO IBA REALLY HELPED BY YEAH,
GIVING ME A HOME LOAN.”

– IBA HOME OWNERSHIP CUSTOMER



FINANCIAL LITERACY

WHAT IS FINANCIAL LITERACY?

Financial literacy is about having command over one's financial matters and the agency to make good decision around for example, interest rates, finance products, budgeting, and have a mindset of forward planning. Being financially literate can help make better financial decisions around saving, borrowing, investing and more. These better financial decisions are about improving everyday life which impacts on overall wellbeing. Limited financial literacy can result in difficulties managing family resources, a lack of savings, unnecessary debt accumulation and increased financial stress.

INDIGENOUS FINANCIAL LITERACY/CAPABILITY

It is a misconception that the communal culture of many Aboriginal and Torres Strait Islander groups are incompatible with concepts of finance and are, therefore, incapable of understanding it. It is not an issue of capability, rather it reflects a lack of exposure and access to financial products. Historical dispossession and socioeconomic exclusion of Indigenous peoples have meant that many communities lack intergenerational transfer of financial knowledge and practice of money management skills and material wealth. As one customer explained:

"...if you don't know the information and you didn't grow up with that information and [those] kind[s] of financial discussions in your family home, and that way of living. And the lifestyle. You're not going to be able to practice that."

ACCESS

Access is key to increasing financial literacy amongst Aboriginal and Torres Strait Islanders. Customers who obtain finance through IBA have an opportunity to have hands-on learning to further their financial literacy. IBA customers learn quickly when given the opportunity, as one home loan customer said:

"I struggled with finances in the past and being organised and having a budget. But now I have like a clear goal and I quite enjoy the feeling of when I'm able to pay a bit extra off, it feels so good."

The Impact survey revealed 74% of home loan customers felt homeownership helped improve their ability to make better financial decisions, whilst only 48% of business customers agreed. This is understandable given the complexities of running a business and the fact that a lot of business owners start with a better understanding of financial matters than the average person seeking a home loan. 66% of home loan and 67% of business customers felt home and business ownership improved their ability to save and spend wisely. Overall, a majority of both business and homes customers indicated that IBA made a positive impact on their confidence and ability to make better financial decisions.

It is important to note that only providing finance without some form of support to understand the nature of financial products has the potential to negatively impact some customers particularly if they have not been provided with the tools to make good financial decisions. IBA provides introductory workshops into business, home ownership, budgeting and understanding credit. IBA's business customers are offered on-going support in the form of relationship managers and one-on-one mentoring with experienced business owners. But noting the myriad of challenges that can arise in the home ownership and business ownership journeys, perhaps more can be done to support IBA customers to understand and deal with those challenges as they emerge.

Interviews with business and home loan customers revealed that IBA customers want more interaction and discussions with front line staff at the initial stages. One customer explained that it is about taking the time to explain to customers and show that things like home ownership is achievable.

"if people don't know and they don't really understand, it's just about showing them and getting them to understand. And then they [are] you know, like, 'oh yes. I can do this!'"

Changes may not happen right away, but it's about planting that seed and walking them through the steps customers need to take to achieve the very real possibility of business or homeownership for themselves.

"...it's about building their financial capacity, their literacy, and building their skills to get them to the next stage. Next stepping stone. So there's a lot of little things that we've got to work through with them to get them ready, but it's about changing attitudes and behaviours. Now, that's not going to happen overnight."

IBA home loan customers revealed how exposure can change mindsets and encourages others to aspire to owning their own home. For our customers' broader familial and community networks, seeing the tangibility of home ownership can turn into believing that it can become a reality for them too. For instance:

"... my father bought a home. My mother, when she was with him bought a home. So I've seen other people who own homes, right. So I've had that. They've been my role models. My brother bought a home. My partner, none of her family... very few of her family own their home. So, to them, for her to do that. They see someone and [now] my aunty owns that house."

"Got to be role models for who we touch. The thing is, if you don't know someone who owns a home, you'll never be impacted by it... But if you know someone and you go hold on a second. This person's not far off from me, they're a relative and they're not doing too much more than what I'm doing. And they own their home."

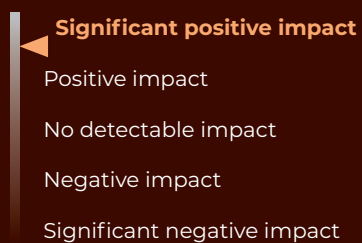
94% of surveyed customers felt owning their own home was important, but only 51% felt that it was becoming the norm for Indigenous people to own their own home. More needs to be done to address the current and growing demand for IBA home loans. And 71% of surveyed business customers recognised the importance of business ownership, but only 38% felt it was becoming a norm for Indigenous communities. The more Indigenous people see their own families and communities participating in wealth building opportunities such as home ownership, as well as business or investments, the more normalised and attainable those goals become, which will in turn boost financial literacy levels across communities.

IBA'S IMPACT THROUGH BUSINESS FINANCE

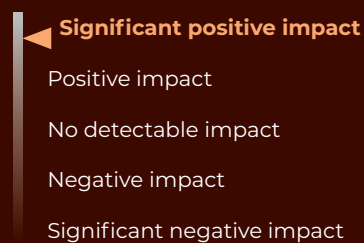
“THE ABORIGINAL BUSINESS OWNERS ARE THE STARS [OF] THIS, YOU KNOW. THEIR FAMILIES AND ALL THAT WHICH [GIVES] SUPPORT, ARE SUPPORTED BECAUSE OF THE WORK THEY PUT IN. ESPECIALLY A LOT OF THESE INCREDIBLE YOUNG ABORIGINAL PEOPLE COMING THROUGH NOW, WITH ALL OF [THE] AMAZING THINGS THAT THEY'RE DOING.”

– IBA BUSINESS CUSTOMER

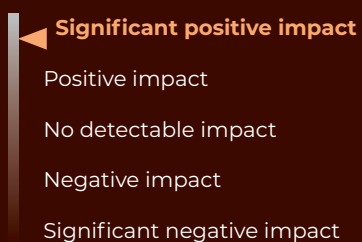
ECONOMIC



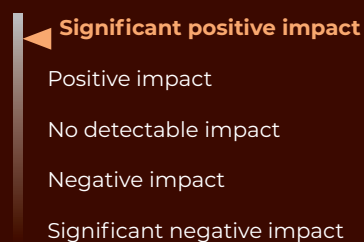
SOCIAL



CULTURAL



OVERALL



While the sample size of responding Business Solutions customers is relatively small, the responses provided were very positive. IBA customers on average agreed that business loans, leasing and cashflow products had a significant positive economic impact on their lives. When it came to business skills and success, the overwhelming majority agreed that IBA's products played an important role in their business, including to help grow their business, improve business success and start a business. One business owner noted, "IBA has catapulted our business 10 years forward." The business owner articulated how IBA's business loan enabled them to not just save money, but also significantly expand their business:

"We got IBA in and there was an office becoming available across the road from where we were. And it was actually cheaper for us to pay the mortgage on it than pay our rent. So we got them in and they went through everything with us and they lent us the money on that. Now we use that, because we're building collateral in that office. We use that office now to borrow money to invest back in our business. Like we've got probably I don't know, 10 or 12 trucks and cars and excavators. We got on plant purchasing with them. You know, if we didn't have them the banks probably wouldn't lend us that."

Around half felt that IBA has helped improve their ability to manage financial risks and make good financial decisions. Further, just under half agreed that IBA had improved their ability to access business networks. When it came to financial skills, the positive impact was less significant, but still benefited many IBA customers.

Most respondents did not agree or disagree that IBA's products necessarily helped improve their ability to deal with financial organisations or understand financial documents. That result is in contrast with over half of IBA's housing customers, who indicated positive impacts against those criteria. But the difference is not surprising either, given that many of IBA's business customers generally have a greater depth of financial experiences than housing customers.

As part of the economic impact, business customers who responded also indicated the significant positive impacts for employees including in relation to learning new skills and knowledge, having a greater sense of

purpose, greater self-confidence, better quality of life, and having an enhanced means of supporting their family.

For the business owner themselves, customers agreed that IBA had significant positive social impacts on their lives. Customers described feelings of greater freedom and independence and the ability to support other people, including, "control of destination and decision-making", "autonomy, independence, my own boss", "self-determination", and "growth and opportunities for mob". Customers also indicated high positive impacts for their life, hopes and aspirations – including pride, motivation, leadership, confidence, control and being inspired to have bigger dreams. Business owners overall indicated they were able to take better care of their family and themselves, make long-term plans and build good leadership skills. Some also recognised that:

"[t]he Aboriginal business owners are the stars [of] this, you know. Their families and all that which [gives] support, are supported because of the work they put in. Especially a lot of these incredible young Aboriginal people coming through now, with all of [the] amazing things that they're doing. You know, what IBA's doing is it's giving them a hand up, it's not giving them a hand out."

Business owners indicated that IBA had a significant positive impact on their ability to preserve, practice and promote culture. This included positive impact in terms of practicing culture within community – such as inspiring other Indigenous people to have a more positive view of business ownership, instilling a greater sense of pride in culture, participating in cultural events and contributing to family, friends and communities. The majority of participants agreed strongly with the notion that business ownership helped them to be able to 'live in both worlds', recognising the importance of being proud of one's self in both Indigenous and non-Indigenous society.

A few participants reported negative impacts of business ownership, which centred around stress, cashflow and time pressures. Such pressures are arguably similar to those that non-Indigenous business owners experience. Some also identified significant red tape and resulting delays between commencing an application with IBA through to when approval finally came through.

IBA'S BUSINESS CUSTOMERS VIEWED THE STRONGEST POSITIVE IMPACTS OF THEIR WORK AS PRINCIPALLY OUTWARDLY FOCUSED, WITH SIGNIFICANT BENEFITS ACCRUING TO THEIR EMPLOYEES AS WELL AS CONTRIBUTING TO THEIR CULTURE AND COMMUNITY.



While sample sizes are low, IBA's business support customers revealed the highest level of dissatisfaction, with 1 in 4 responding customers revealing that the support IBA provided had not helped progress their business goals. It reflects in part the challenges to their ability to run their business during the COVID-19 pandemic and associated lockdowns. Some customers revealed that IBA could improve its services through better communication, the hosting of more networking events and small grants that could tide them over through difficult times. For instance, one business support customer suggested IBA staff should:

"... make contact to see how our business is going and if we need any assistance with any problems."

Another customer suggested IBA offer more:

"... experts in other areas, you can access to talk to e.g., if I want to set up a make up brand, to facilitate an intro to someone willing to offer some advice from their own experience (not an ongoing mentoring thing necessarily)."

And another business customer mentioned:

"At the moment, the support I get from my business manager is fantastic. I would like though to have access to small business development grants, of sums of \$5 to \$10K to give a business boost once a year or so. One of the businesses I am in is quite seasonal, and during quiet times, it would be great to be able to help the business through that."

In response to the challenges that COVID-19 posed to IBA's business customers, IBA offered the Business Relief Package, which provided increased working capital assistance of up to \$200,000 via either a loan, a grant or a combination of both, expanded eligibility criteria as well as a free Business Impact Assessment.

Recipients of IBA's Business Relief Package identified how the support kept them going despite facing lockdowns and the crippling effects of COVID-19. One participant noted how IBA "... gave me an opportunity before a normal bank would've, they helped me expand my businesses and [had] saved me during the COVID pandemic. I will forever be grateful to IBA and its staff."

The vast majority of business relief customers felt the package help them progress their business goals and sustain themselves during the lockdowns.

For instance, customers noted:

"We survived the COVID lockdowns and have been able to keep staff on."

"Right now, my only goal is surviving the extreme Covid downturn in my business, I believe that if I did not receive my past grant, I would not be answering this survey."

"By believing in me, by backing me, by giving me the financial support to move forward. They are the reason I am still in business, and I will be forever grateful for it"

Other customers took the opportunity to invest in their businesses to expand their capacity and get in front as the economy begins to open up, including:

"[to] [d]iversify into future expansion"

"[IBA] [g]ave me COVID assistance, upgraded my computer system, organise accounting firm [to] assist in running business."

Overall, participants agreed that business ownership had a significant overall positive impact on their lives thanks to IBA, exemplified by this business owner's life changing experience:

"Without [IBA] I wouldn't be here I don't think. And that's the truth. Like I said, this invoice financing... [W]hen we first started we turned over \$2 million. The next year it was \$7 [million], I think we were \$15 [million] last year and we're looking on track so far this financial year, which is only a couple of months. If we keep tracking the way we're doing it's looking about \$25 million."


WHERE IS THE MOST IMPACT FROM BUSINESS OCCURRING?

Figure 3 displays the ranking of scores for each statement based on highest perceived impact in relation to business loans, leasing and cashflow. It is clear that the largest positive benefits for responding clients are in relation to employee impacts and towards culture & community. In contrast to home loan customers who benefited from stability and safety; and life, hopes and aspirations, IBA's business customers viewed the strongest positive impacts of their work as principally outwardly focused, with significant benefits accruing to their employees as well as contributing to their culture and community. The smallest relative impacts were in financial skills.

Figure 3: % of business participants that agree/strongly agree with statements



Statements on type of impact	% agreed/strongly agreed
Indigenous employees at your business get to learn new skills and knowledge	100%
Indigenous employees at your business have a greater sense of purpose in life by having a job	94%
Indigenous employees at your business have an improved level of self-confidence by having a job	89%
The IBA product you've used have played an important role in your business	86%
Business ownership has given you a sense of pride in owning your own business	86%
Business ownership has given you pride in your Indigenous culture	86%
Business ownership has better enabled you to contribute to the community	86%
Owning your own business given Indigenous people a more positive view of business ownership	86%
Indigenous employees at your business can afford to live a better quality of life by having a job	83%
Indigenous employees at your business are better able to support their family by having a job	83%
IBA has helped improve your ability to grow your business	81%
Business ownership has helped you to participate in Indigenous cultural activities & events	81%
IBA has helped improve your ability to make your business successful	76%
Business ownership has improved motivation in your work/career	76%
Business ownership has helped you make better long-term plans for yourself and/or family	76%
Business ownership has helped you build good leadership skills	76%
Business ownership has better enabled you to live in both worlds	76%
Business ownership has better enabled you to help family & friends	76%
Business ownership has improved your ability to still have money left over after paying bills	71%
Business ownership has improved your ability to write a budget	71%
Business ownership has improved confidence in your financial future	71%
Business ownership makes you feel more in control of your life	71%
Business ownership inspires you to have bigger dreams for the future	71%
Business ownership has helped you take better care of yourself and/or your family	71%
Business ownership has strengthened your connectedness to your family & community	71%
Business ownership has helped you preserve, practice or promote Indigenous culture	71%
IBA has been important in you being able to start a business	67%
Business ownership has improved your ability to pay your general household & living bills	67%
Business ownership has helped improve your ability to save & spend wisely	67%
Business ownership has strengthened your current financial position	67%
Business ownership has enabled you to improve the quality of your living space	67%
Owning your own business has inspired other Indigenous people to own their own business	62%
IBA has helped improve your ability to manage your business	57%
IBA has helped improve your ability to manage business risks	57%
Business ownership has improved your ability to make big personal purchases	57%
IBA has helped improve your ability to manage financial risks	52%
IBA has helped improve your ability to access business networks	48%
IBA has helped improve your ability to make good financial decisions	48%
IBA has helped improve your ability to understand different financial products	43%
IBA has helped improve your ability to deal with financial organisations	38%
IBA has helped improve your ability to understand financial documents	29%

A close-up photograph of a person's hand touching a vibrant, patterned fabric. The fabric features a complex, colorful design with circular motifs in shades of orange, blue, and purple on a pinkish-red background. The hand is positioned in the lower-left quadrant, with the index finger pointing towards the center of the frame. The lighting is soft, highlighting the texture of the fabric and the skin of the hand.

“[IBA] GAVE ME AN OPPORTUNITY BEFORE
A NORMAL BANK WOULD’VE, THEY HELPED
ME EXPAND MY BUSINESSES AND [HAD]
SAVED ME DURING THE COVID PANDEMIC..”

– IBA BUSINESS CUSTOMER



— RED TAPE & TIME DELAYS: SETTING EXPECTATIONS OF THE PROCESS —

IBA can best support borrowers with service delivery that is streamlined and consistent. Delays to processing times of application assessments are costly for our customers and can hinder opportunities for economic and business advancement. 87% of IBA Impact Survey respondents were satisfied or highly satisfied with their experience with IBA, with around 8% of respondents dissatisfied with their experience. As noted in the dashboard (p.g 5), the most dissatisfaction is amongst responding business support customers (34%), with 12% of business COVID Relief Package customers and 6% of home loans customers also dissatisfied. A significant component of reducing customer dissatisfaction is addressing red tape and time delays, leading to IBA customers experiencing delays when seeking finance and additional support, hampering Indigenous business growth and the opportunity to acquire a home in tightening housing markets.

This Impact Report highlights three key themes associated with 'red tape' raised by surveyed customers:

- process timing, delays and inflexibility
- administrative burdens
- and effective communication.

The challenges often centre around expectations management, where customers have or are led to have certain expectations around timeframes and the processes associated with securing IBA support. Indeed, the most recent IBA Customer Satisfaction (CSAT) survey revealed that business customers placed a high importance on the whole process being completed in a timely manner, but which was an area they felt IBA could make improvements.

PROCESS TIMING, DELAYS AND INFLEXIBILITY

Access to timely support is critical for home buyers and businesses, intensified by COVID-19 disruptions. Customers felt IBA could improve its responsiveness to loan applications. One IBA home loan customer expresses their exasperation about delays in the process while watching house prices rise at an unprecedented rate:

"I would say there were many delays with Indigenous Business [Australia] in the actual getting the loan process. There were many, many delays and so our settlement really should have been around October."

One IBA customer expresses their consternation about the inflexibility of IBA systems and how expectations of customer responsiveness are not reciprocated by IBA staff:

"... I've had this excuse oh our [IBA] systems aren't flexible enough for three or four years now. When are they going to be able to work properly? ... Because you [IBA] ... expects us to work properly."

ADMINISTRATIVE BURDENS

IBA customers described the administrative burdens they experienced when applying for IBA home loans and business finance products. For instance, one home loan customer described the lengthy process of applying through various documents and the delays in their search for a home:

"...if we didn't find a house in that timeframe, then we'd have to wait and then reapply. So we'd have to go through all the process again and the process was like... it took us months and months and months, the process. And hundreds and hundreds of thousands of documents."

Our business customers have told us they want to spend their time growing their business; every moment spent distracted from this goal by administrative burdens detracts from business outputs and subsequent growth.

For example, one business expressed frustration with the frequently required updates of paperwork and the length of time it took to complete the process, experiencing some trepidation before their loan was eventually approved:

"It was a... struggle to start with. Like it took us eight odd months of toing and froing with paperwork and whatnot. Business plans and everything else. But when it was all settled and done, you know, and everyone was happy with the final review of what we were proposing and where we were heading."

EFFECTIVE COMMUNICATION

Most interviewed customers benefitted and gained confidence by having access to expert guidance supporting them throughout their learning of business jargon, government regulations, and red tape. But some customers indicated they experienced poor communication from IBA staff, who were not necessarily easily contactable. For instance:

"[s]o yeah, we're just a bit disappointed that at first we never got told... I don't know, we never had much communication as such with IBA afterwards."

IBA customers value the time they can spend "on the tools" to keep their business operational, efficient, and profitable, but one customer conveys their frustration at the process of applying for IBA support, and presents an opportunity to improve our approach to communication further:

"And I rang IBA and I sort of spoke to them, and I did a lot of running around. Which was pretty hard when you're sort of just working by yourself and spending a lot of time putting into this sort of stuff. And it sort of went on for two and a half, nearly three months. And it just felt like I was getting the run around. And I ended up, I sort of went **** this."



CLOSING THE GAP

The National Agreement on Closing the Gap is an agreement between all levels of government and the Coalition of Aboriginal and Torres Strait Islander Peak Organisations to reduce Indigenous disparity. It aims to reduce disparity between Indigenous and non-Indigenous people in education and employment rates, life expectancy, suicide rates and other areas. The 17 targets of the agreement fall under areas which include housing, safety, health and wellbeing, education and employment, justice, land and waterways, languages and digital inclusion.

IBA works with Indigenous Australians who want to turn their aspirations into a reality. We support Indigenous Australians to access the key economic enablers of home ownership and business and investment, which counter the effects of dispossession, discrimination and socioeconomic exclusion that have historically left many Indigenous Australians in a state of poverty. The flow on effects of a discriminatory environment and poverty are many of the symptoms that the National Agreement on Closing the Gap attempt to address.

The Impact Report 2021-22 reveals that as a result of providing economic access, the positive impacts directly or indirectly address some of the disparities identified in Closing the Gap. The section below provides examples of how our customers are overcoming those disparities.

EDUCATION AND EMPLOYMENT



Target 7: Increase the proportion of people aged 20-24 years attaining year 12 or equivalent qualification to 96% by 2031.

Target 7 aims to increase the percentage of Indigenous youth completing high school. IBA is indirectly contributing to this through home and business ownership programs. Surveys uncovered that business customers felt that business ownership had allowed them "...to send [their] kids to good schools..." and provide them with opportunities to "... get a better education or better pathways to careers than [their parents]."

Many home loan customers said that the stability of home ownership was "...good for our children because they've got a family home and they go to the same school." This stability allows families to focus on their children's education, and as one investment customer says, "[s]table housing leads to generally increased school attendance". One of IBA's home loan customers shared that she had become a kinship carer for her nieces and nephews. Since she bought her own home, she was able to provide them with stability and safety that allowed the children to focus and flourish in school:

"My eldest niece is 10 years old and she's well advanced in her schooling. She's two years above her learning level."

This same customer went on to explain that her "...nieces are [now] talking about becoming doctors and veterinarians and ambulance drivers."



Target 8: Increase the proportion of people aged 25-34 years who have completed a tertiary qualification (Certificate III and above) to 70% by 2031.



Target 9: Increase the proportion of youth (aged 15-24 years) who are in employment, education or training to 67% by 2031.

Targets 8 and 9 are about increasing the number of Indigenous youth completing tertiary studies and engaging in employment, education and training.

One of IBA's business customers said they "...take on an apprentice every year..." and believed to have a "...90% retention of all those [Indigenous] apprentices...". He went on to explain how his understanding of Aboriginal culture allows him to better support his Indigenous staff, including providing life changing opportunities:

"Well we've just had a young boy who's done his apprenticeship with us...We said 'mate, we're going to give you a shot at this'. So he did a plumbing apprenticeship with us. He's just bought his first unit... he's a real success story.... He's an operational manager now for us."

Business customers found high positive impacts on Indigenous employees with 100% agreeing that their staff get to learn new skills and knowledge. One customer said that it is important to "[b]uild capacity of Indigenous people," and another shared the satisfaction felt as a business owner "[s]eeing [their] mob change and grow because of an opportunity [they] were able to give them."

Surveys reveal that IBA investment customers use 41% of their financial returns to benefit their education and skills development programs and initiatives.



Target 10: Increase the proportion of people aged 25-64 years who are employed to 62% by 2031.

Target 10 is to increase the number of Indigenous people who are employed. In 2020-21 Indigenous Australians made up 51.2% of the total jobs supported by IBA, IBA's associates, subsidiaries and program customers, or 1,451 Indigenous employees.

Breaking down the 2020-21 statistics reveals:

- for IBA Business Solutions customers, 60.4% of employees were Indigenous (1233 out of a total of 2,042 employees).
- for IBA subsidiaries and associates, 26.4% of employees were Indigenous (155 Indigenous employees out of a total of 588 employees).
- within IBA, 30.7% of employees were Indigenous (63 out of a total of 205 employees).

Through IBA Investments, Aboriginal and Torres Strait Islander organisations are creating more employment, education and training opportunities for people in their communities, as one co-investor shared:

"We've grown the organisation from under 10 programs when I came here, we now have 29 programs."

Further, business customers indicated the significant positive impact their owning a business has had on creating a better life for their employees. Amongst business customers:

- 100% agreed that Indigenous employees at their business were able to learn new skills and knowledge
- 94% agreed Indigenous employees at their business have a greater sense of purpose in life by having a job
- 89% agreed that Indigenous employees at their business have an improved level of self-confidence by having a job
- 83% agreed that Indigenous employees at their business can afford to live a better quality of life by having a job, and
- 83% agreed that Indigenous employees at their business are better able to support their family by having a job.

Australian research reveals that Indigenous businesses are more likely to employ Indigenous people, which is backed by our survey respondents' responses. Further, 2 in 3 business survey respondents use Indigenous suppliers. IBA's business and investment customers are not only creating purpose for themselves, but great employment outcomes for other Indigenous people as well. A majority of both home loan customers (74%) and business customers (67%) said home and business ownership had improved motivation in their work or career.

HOUSING, SAFETY, HEALTH, AND WELLBEING



Target 13: Reduce the rate of all forms of family violence and abuse against Aboriginal and Torres Strait Islander women and children by at least 50% by 2031, as progress towards zero.

Target 13 is to reduce the rate of family violence and abuse against Indigenous women and children. In relation to safety and security:

- 92% of responding home loan customers revealed that home ownership provided a more secure place to live,
- 82% of responding home loan customers revealed it provided a safer place for their children,
- 68% of responding home loan customers indicated that it allowed them to live in a safer location, and
- 46% of responding home loan customers noted that it reduced their exposure to violence or other behaviour problems.

Coinciding with the above benefits, home ownership is also integrally linked with employment and educational outcomes (as discussed above). The complementary nature of education, employment and the safety that home ownership affords reduces exposure to extreme, volatile and dangerous situations, which often occur in environments where scarcity is prevalent. The reduced exposure to those environments in turn reduces the likelihood of being in highly stressful situations, which may lead to less violence and less contact with the criminal justice system.



Target 14: Increase the proportion of people living in appropriately sized (not overcrowded) housing to 88% by 2031

Target 14 of the National Agreement is to reduce the number of Aboriginal and Torres Strait Islander Australians that are living in overcrowded houses. On average, 3.2 people live in Indigenous households across Australia. In 2020-21, an estimated 1,248 people were housed through IBA home loans (1,021 of whom identified as Indigenous Australian), from a total of 448 loans approved, which results in a total of 2.8 people per home loan.

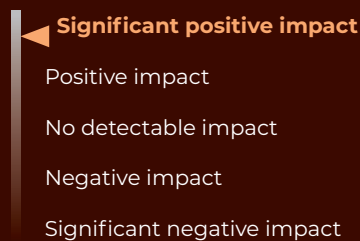
IBA's home loan customers report they have been able to provide a safe environment for their own families, with one customer noting, "[m]y kids can grow up in a good neighborhood in a house that isn't overcrowded." The issue of overcrowding is not so much about having more space, rather the negative flow on effects from long-term overcrowding on health, security and the impact on being able to organise their lives. Having too many people living in one inadequately sized house can make it difficult to maintain a house, limit usage and plan for utility bills, create routines that help with sleep and meal preparation, and space to focus of one's own health or education needs. As one family said, when people have their own homes, they're able "to start a family on good foundations".

IBA'S IMPACT THROUGH INVESTMENTS AND ASSET MANAGEMENT

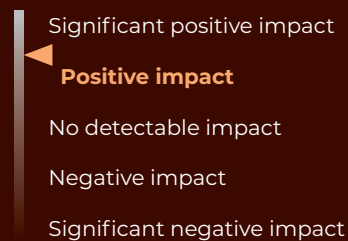
"PART OF THE JUSTIFICATION FOR GOING WITH IBA IS OBVIOUSLY THEY'RE AN ABORIGINAL RUN ORGANISATION. THE OTHER THING WAS THAT WE FELT WE COULD BE USING THAT MONEY MORE WISELY."

– IBA INVESTMENTS AND ASSET MANAGEMENT CUSTOMER

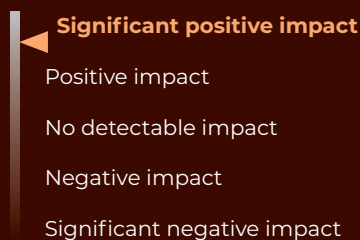
ECONOMIC



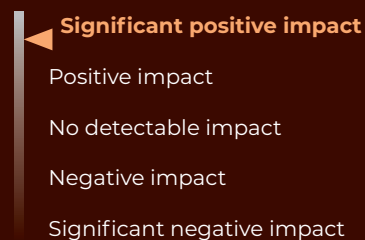
SOCIAL



CULTURAL



OVERALL



19 out of a potential 44 respondents from Investment and Asset Management co-investors responded to the survey, which provides a sizeable sample for analysis. Co-investors described the significant positive economic impact of IBA's products and services on their organisations. As part of the economic impact, clients revealed the heightened level of financial security and empowerment derived from IBA's investment program. Key benefits included enabling better financial returns, and increasing capital reserves. An investor noted:

"[T]he returns that we've received over the journey, which is going back to I think November 2017, have – looking at the long-term picture – it's been very good."

Respondents also noted the higher positive impact on financial investment expertise. In particular, the experience increased their confidence towards investing and increased their ability to understand and manage investments. One respondent noted how, "IBA helps us to understand more, and we are now better off. We are very remote, and we feel included when they visit." For many co-investors, being able to preserve a balance between rate of return, managing risks and liquidity/flexibility was critical.

Investment and Asset Management co-investors rated IBA as having a positive social impact, just below the cusp of being deemed a significant positive social impact. Key social impacts related to inspiring hopes and aspirations within the organisation. Respondents described how community members benefited including supporting their pursuit of economic independence, improvements to social wellbeing and through funded actions that supported or complemented their organisations' existing core services. The vast majority also agreed that their partnership with IBA helped seed new ideas, inspired action or improved community services and helped progress infrastructure development ambitions for the community. One co-investor explains how the investment translated into community benefits:

"We've grown the organisation from under 10 programs when I came here, we now have 29 programs. We've opened clinics out in Katanning and Narrogin. Because we know the need is out there. Previously I've seen a huge neglect in this region to invest and you know, we hear the language and terminology 'invest in your organisation, invest in your workers, invest in every aspect that you can' and so I saw an opportunity there that with you know, some of the funds that we did have. We needed to think smarter about what we were going to do with that. And ensure that we can also attract quality people to the board and be able to maximise in all of that for the community as well. So, at the end of the day it's always about ensuring this organisation has the ability to deliver what it needs to and what it is responsible for doing for its community."

Related in some respects was the strong consequential cultural impacts of IBA's partnership, which co-investors rating IBA as having an overall significant positive impact. Benefits included fulfilling community objectives through activities related to education and skills development, cultural activities and the provision of health services. Respondents indicated significant positive impacts in relation to preserving, practicing, and promoting Indigenous culture. They described how partnering with IBA promoted pride in culture, and enabled cultural empowerment for community members to live in both worlds.

There is negligible evidence of any negative impacts from the 19 co-investors who completed the online survey and the 10 co-investor stakeholders interviewed for this study.

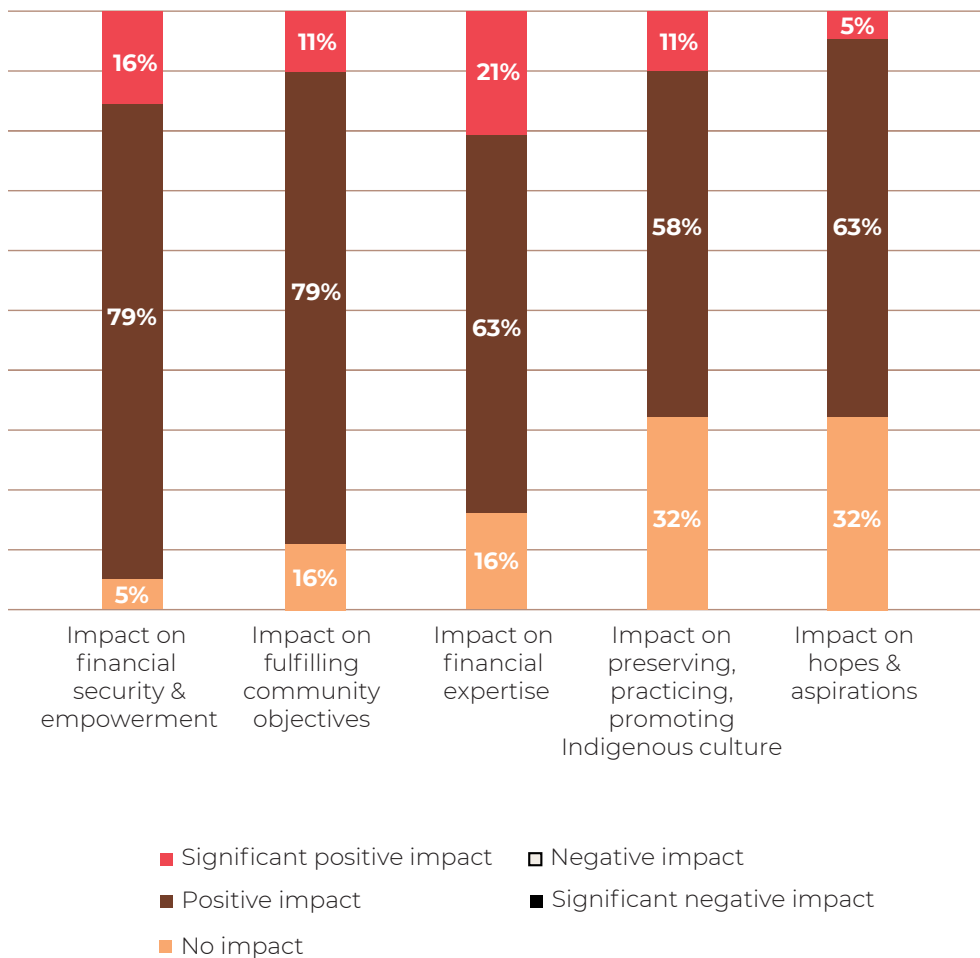
The co-investors' commitment to investing with IBA is not only having direct benefits to their financial bottom line, but it is also enabling IBA investments to deliver a niche product that commercial financial providers do not. Through these partnerships, IBA Investments is completely self-funded.

Overall, co-investors experienced significant positive impacts resulting from partnering with IBA, with 89% reporting the highest satisfaction rating (8-10/10). And all respondents noted that they were happy with what their organisation has achieved through their engagement with IBA Investments and Asset Management.

WHERE IS THE MOST IMPACT OCCURRING?

Figure 4 displays the relative levels of impact that co-investors ascribed to IBA's products and services. The result reveals that the most positive impact for their organisation was in relation to direct financial security and empowerment, followed by the ability to fulfill community objectives, and the impact on financial expertise. No participants revealed any negative or significant negative impacts.

Figure 4: How are investors being impacted





OVERALL, CO-INVESTORS
EXPERIENCED SIGNIFICANT
POSITIVE IMPACTS RESULTING
FROM PARTNERING WITH IBA, WITH
89% REPORTING THE HIGHEST
SATISFACTION RATING (8-10/10).

CO-INVESTOR CASE STUDY: EAST KIMBERLEY JOB PATHWAYS

East Kimberley Job Pathways Pty Ltd (EKJP) was established in 2013 to deliver the Community Development Program across the broader East Kimberley and Halls Creek regions of Western Australia. It is a not-for-profit community development company owned in partnership by two well respected Aboriginal organisations – Wunan Foundation and Kununurra Region Economic Aboriginal Corporation (KREAC). Its range of services are focused on creating employment pathways including being a registered service provider of the National Disability Insurance Scheme and providing a waste and recycling program.

As at 30 June 2021, EKJP's total funds investment in the IBA Indigenous Procurement Fund (IPF) is approximately \$2.1 million. EKJP has been an IBA co-investor since mid-2017. Over this period, its average annual rate of financial return is 7%.

EKJP Chairman Nick Thomas says investing with IBA has helped EKJP increase its capital reserve. EKJP has both reinvested its annual financial returns and been able to provide some financial support to other organisations to improve community outcomes in the region.

"If we're the ones in the community perhaps who is doing better than others, we don't want to keep sitting on that cash and let those other organisations die in a ditch ... we feel if we are able to, we should support those other organisations so get a bit more collective effort around it."

Another benefit according to Mr Thomas is that the financial returns from the investments can be used at the discretion of the Board, which is focused on improving community outcomes by using the funds to complement its government-funded core business. For example, EKJP is considering using its IBA investments to fund a capital infrastructure project in Halls Creek:

"We're currently operating out of a number of very dilapidated buildings and sheds, and it's very difficult to engage with the local people on any professional or consistent basis ... so we've taken the commitment now to build a suitable service centre and that's going to cost us up to \$3 million. And that will allow us to improve the impact of service delivery. Now, it's likely that we might... that we will use the IBA investments to fund that project, to build the building."

Over time, Mr Thomas says investing with IBA has enabled EKJP to become a more confident financial investor with increased investment knowledge and skills.

"The investment relationship manager Jana King has been very proactive and customer focused. We have enjoyed working with her. It will be good if other areas of IBA (lending and enterprise) also provides seamless services to the end user through a single point of contact similar to how the Investment arm deals with customers."

Overall, the organisation's executive reports that it is extremely satisfied with its ongoing relationship IBA Investments.

CO-INVESTOR CASE STUDY: WUNAN FOUNDATION INC.

Under the continuous leadership of Chairman Ian Trust, Wunan Foundation Inc (Wunan) is one of Indigenous Business Australia's (IBA) most long-term co-investors. The investment partnership started with the shared ownership of a commercial office building in Canberra back in 2002. This commercial building was then incorporated as a seed asset into the IBA's I-REIT, a financial investment product that IBA commenced offering in 2013, with Wunan amongst the initial four institutional co-investors.

"Well it was a good investment ... it was a really solid base tenant, with the Department of Health I think it was. And giving us good returns."

As at 30 June 2021, Wunan's total funds investment in the I-REIT is approximately \$4.5 million. Wunan's cumulative financial return from the I-REIT is 120% since the initial investment in 2013. Wunan also maintains a Direct Investment with IBA for a commercial hotel in Darwin, giving Wunan a total investment portfolio value with IBA of approximately \$5.9 million.

This enduring partnership between Wunan and IBA has made a strategically important contribution to the influential role that Wunan Foundation plays in assisting and empowering the Aboriginal people of the East Kimberley region. Along the journey, the Wunan leadership team has developed financial investment skills, gained investment knowledge and a commitment to building community wealth as a key element of addressing Indigenous marginalisation in the region.

Within the first ten years of operations, Wunan successfully achieved its goal to build its wealth up to \$10 million. Wunan's goal now is to build this intergenerational wealth to \$100 million in net capital assets over the next fifteen years.

"You've got to create an economic horse, that pulls the social development cart. So some of that money has gone into making the horse bigger. And the other part [has been] developing some of our social infrastructure."

In 2020, Wunan's 'economic horses' included \$30 million in operational, commercial and residential properties, as well as an accounting business called iBase, which provides a range of back-office services to Indigenous Organisations including accounting, bookkeeping, payroll, audit coordination, grant management and more.

Wunan's 'social development carts' include the provision of early years wellbeing and family support programs, the opening of an accredited, not-for-profit, private primary healthcare medical practice in Kununurra, as well as the delivery employment, education, governance and leadership programs.

CO-INVESTOR CASE STUDY: SOUTH WEST ABORIGINAL MEDICAL SERVICE

The South West Aboriginal Medical Service's (SWAMS) investment journey with IBA commenced in 2017. Like many IBA co-investors, SWAMS' foray into the world of managed financial investment funds commenced with the desire to get better financial returns from their cash reserves than the low interest earnings from cash bank accounts or fixed term bank deposits. This story is a great example of how the power of economic empowerment can assist in the generation of significant beneficial social and cultural impacts for the families across their region.

As at 30 June 2021, SWAMS has more than \$2 million in financial investments spread across IBA's Indigenous Prosperity Fund (IPF) and the Indigenous Real Estate Investment Trust (I-REIT) with cumulative financial returns since the original investment amounts of 13.7% and 16.2% respectively. SWAMS Chief Executive Officer Lesley Nelson says the financial returns from their investments have been spent on strengthening the capacity of its Board to govern the organisation.

"When I started back in 2015, I realised that to secure the organisation's financial security and future, we needed to empower our board members with higher financial knowledge and governance understanding. Our Board is made up of community members from all walks of life, and by strengthening their knowledge, they are able to act with self-determination and act on their own authority with confidence."

Financial returns have enabled the provision of corporate governance training, the holding of extra meetings and commencing the payment of sitting fees in acknowledgement of the community leadership role the Board members are fulfilling.

"I think part of the process of investing in the directors has resulted in real eagerness to learn and as a result, they have become very astute board members. The board have always been involved in every aspect of the decision-making process because that creates a more inclusive understanding of this business going forward for them and our community. The board are given insights and presentations when there's new programs coming in, when we have new updates, when there's any significant challenges for us and they are able to guide us."

As a result, the CEO and the Board have steered the organisation through a period of significant growth in health services across the region. Also, not one of the 90+ staff members lost their job during the COVID-19 economic slowdown.

SWAMS Acting Chairperson Ernie Hill says the SWAMS Board has been a cautious investor in its first four years as a co-investor with IBA. However, he says the Board may consider increasing its total amount of investment and taking a little more financial investment risk in the future in the hope of increasing revenues.

"We were dipping our toes in before we made that big investment ... I think it's that nest egg really, that flow on effect that we can fund stuff that we necessarily don't have the funding for."

SWAMS' unique financial investment policy ensures that any profits are reinvested into the delivery of high-quality decision-making by the local leadership, which is translating into better health services for those in need.

CONCLUSION

Indigenous Australians are the stars of the Impact Report. IBA's Aboriginal and Torres Strait Islander customers are courageous, talented and committed to a better life for themselves, their family and their community. But they also recognised the importance of having an equally committed partner on their journey. When asking about IBA's role, most say they would not have achieved the positive changes to their quality of life without IBA. Although each IBA customer journey is a unique experience at the centre of this impact story, it is evident that IBA has played a strong partnering role, which – principally – enables access.

This impact study shows how IBA is causing ripples of significant positive community impact across Australia. The report describes customer experiences with IBA's products and services. Most importantly, it explores the life changes that have occurred for individual IBA customers, businesses and institutional co-investors.

APPENDIX

#	Recommendation	Response
1	IBA to consider investigating models to increase the number of Home Ownership staff required to process the 2,500+ customers on the waiting list, e.g., request to increase average staffing levels by negotiation with the Department of the Prime Minister and Cabinet, or the Commonwealth more broadly.	<p>COMPLETE</p> <p>IBA homes team have implemented a number of process changes that has resulted in the waitlist time being drastically reduced. As a result, customers are being invited to apply a short period of time after they are application ready. IBA continues to assess staffing levels across the organisation and identify ways for creating efficiencies and utilising partnerships to increase impact.</p>
2	IBA to consider working in partnership with the Department of Social Services to investigate models for priority placing or fast-tracking home loan and home renovation applications for applicants providing out of-home care for children in the child protection system.	<p>PROGRESSING</p> <p>IBA has considered the recommendation and is pursuing a Family Domestic Violence (FDV) initiative to support victims and their children with easier access to housing. Better serving the interests of people experiencing or supporting those experiencing FDV will form an ongoing area of work for IBA to continue to improve upon.</p>
3	IBA to consider undertaking a review every two years of its policy and process for appointing and inducting third party providers, to ensure they understand IBA's customer service charter, the goals and objectives of the Business Solutions program and how to work with IBA customers.	<p>COMPLETE</p> <p>Under the new Strategic Partnership Framework implemented in late 2020 the Business Solutions Program now has additional tools to ensure its partners understand the Program's goals and objectives for IBA customers. Through the program's partner selection process, it ensures that all partners have the know how to work with its customers.</p>
4	IBA to consider establishing a clear and consistent policy, process and communications method for delivery of application outcomes to customers who have been declined business finance and/or support.	<p>COMPLETE</p> <p>In January 2021 the program enhanced its process for communicating declined business finance applications by updating its formal letter to provide additional information. Additionally, customers are advised verbally prior to issuance of the letter.</p>

#	Recommendation	Response
5	IBA to ensure implementation of the information and communications technologies reform project and 2021 Digital Strategy specifically to deliver improved online accessibility for customers, including greater ease of access to product fact sheets, services and key local office contacts.	<p>PROGRESSING</p> <p>Business Services contributes to several IBA information and communications technologies reform projects designed to make IBA's products and services more accessible as well as enhance customer experience. These include the Core Business System and 2021 Digital Strategy. Additionally, with the support of the Communications team Business Services manages and updates content and resources on specific digital program platforms for Strong Women Strong Business (SWSB) and the Futures Forum.</p>
6	IBA to consider prioritising business customers seeking to establish a for-profit operation that aims to address issues of high community need such as family empowerment and child protection, or aged care services.	<p>COMPLETE</p> <p>The Program works with many businesses/ organisations that provide services and products that address issues with high community needs. The providers of these services are traditionally slower to gain traction in generating revenue in a commercial manner based on the historical grant reliant environment programs they have been set up in. IBA will continue to be responsive to all providers of social impact services.</p>
7	<p>IBA to consider developing a Co-Investor Community Impacts Policy that:</p> <ul style="list-style-type: none"> • leverages IBA, as a mechanism of government, to advocate for systemic change in priority areas identified by Indigenous co-investment partners • develops a list of high-impact priorities, as defined by the co-investor community to strategically advocate for long term economic, social and cultural impacts. 	<p>COMPLETE</p> <p>IBA has considered this recommendation and has subsequently established a new Directorate being the Community and Customer Experience Directorate, which is drawing on Indigenous voices, including co-investors, to identify and overcome barriers to Indigenous economic participation.</p>

#	Recommendation	Response
8	IBA to consider developing and implementing a residential property development product that supports Indigenous organisations, who own land, to monetise their land by undertaking residential property development.	COMPLETE IBA is currently developing a Residential Housing Development Product to support the development and monetisation of Indigenous owned land assets and to provide Indigenous landowners with the support, knowledge and property expertise required to navigate through the complex housing development process.
9	IBA to consider embedding as part of its evaluation framework, a suite of user-friendly tools for IBA customers to track their contribution against key national and global initiatives such as the National Agreement on Closing the Gap or the Sustainable Development Goals.	COMPLETE IBA has considered this recommendation and continues to undertake evaluation work with progress being made on the FY21 Impact Investment Reporting. The Impact Report 2021-22 incorporates a section articulating how IBA is contributing to the outcomes within the National Agreement on Closing the Gap.
10	IBA to consider a review of the staff induction program to strengthen staff training on customers' service expectations and creating and maintaining successful relationships, with a particular focus on Business Solutions.	COMPLETE IBA has considered its staff induction program, and as a result inductions now include presentations on IBA's Customer Charter from the People, Performance and Culture team and from Legal Services. Further to this, the new Community and Customer Experience division is investigating ways to improve customer service and staff training into the future.
11	IBA to consider developing an online training module to deliver annual staff training on managing relationships and customer interactions through a trauma informed lens, including a clear process on how to review the sensitivity of communicating about applications that are declined.	COMPLETE Implemented 30 April 2021 with a current completion rate of 83%.
12	Drawing on the findings of this study, IBA to seek to increase capped staffing levels particularly for Business Solutions, in light of the rapid growth of the Indigenous business sector.	COMPLETE IBA has considered this recommendation and notes that the application of capped staffing levels is a matter of Commonwealth policy. IBA continues to assess staffing levels across the organisation and identify ways for creating efficiencies and utilising partnerships to increase impact.

#	Recommendation	Response
13	IBA to consider initiating a formative evaluation of the first 12 months of operation of the IBA Impact Framework.	<p>COMPLETE</p> <p>IBA has considered the recommendation and is integrating the Impact Framework as part of its formal business intelligence and continuous improvement framework, incorporating Evaluation and Performance Management. IBA will put in place appropriate measures to enable evaluation of the combined framework following a full cycle of implementation.</p>
14	IBA to consider undertaking some in-depth case studies across Home Ownership, Business Solutions and Investments and Asset Management customers, to deepen understanding and classification of what direct and indirect impacts are (more detail on the current classification of these impacts is provided in the full report).	<p>COMPLETE</p> <p>Despite COVID related disruptions, IBA's contracted research team has undertaken a number of in-depth case studies, including as part of survey and interview collection, and site visits to inform the Impact Report 2021-22. These will be highlighted in the full version of the Impact Report 2021-22.</p>

