



Australian Government
Indigenous Business Australia

15 February 2006

MEDIA RELEASE

IBA considers funding options for Micro-Enterprise Development

Indigenous Business Australia (IBA) today announced it has considered its options for the future provision of financial support for micro-enterprise development for Aboriginal and Torres Strait Islander people.

IBA has decided it will not continue with current micro-enterprise development pilots being delivered by Hillsong Emerge. These pilots arose from an initial funding agreement between the former Aboriginal and Torres Strait Islander Commission (ATSIC) and Opportunity International.

The move comes after a Board meeting in Canberra. It follows an evaluation of the experience obtained through a number of pilots currently underway in Australia, as well as consideration of experiences in other developed economies.

“Our Board considered the need to be able to offer a micro-finance product to Indigenous people and we have concluded that such a product should be available in the suite of products IBA can offer,” said IBA Chairman Mr Joseph Elu.

“The outcomes of pilots funded to date, as well as overseas experience, shows that while there is a demand for such a product, it is often limited, which can make delivery overly expensive.”

IBA now plans to develop a product it can deliver concurrently with its existing products, rather than proceeding with a stand alone programme.

Mr Elu said in looking ahead, IBA would target micro-finance products to Indigenous Australians seeking to move off Centrelink payments or the Community Development Employment Programme (CDEP) through the creation of small businesses able to offer self employment opportunities.

“Applicants for micro-enterprises often have no assets and can offer no security, but still have a business idea which is worth nurturing,” Mr Elu said in a statement. He said that based on experience in other developed economies, programmes of this nature can have higher failure rates, but could also offer an important hand-up for the most economically depressed people in society.



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Mr Elu said Hillsong Emerge's work had provided valuable first hand experiences in the issues which arise in delivering this type of programme, while highlighting the need to maximise cost-effective delivery mechanisms.

Said IBA General Manager, Mr Ron Morony: "We have also learnt that support and after care arrangements for people embarking on micro-enterprise ventures is a vital part of financing these ventures. IBA has built some experience in this area over the years.

"Today's decision by the Board means that our future support in this area will include further discussion with the banking sector to ensure that applicants have a range of choices in the way they finance their entry into micro-businesses."

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