

2017-18 ADDITIONAL SENATE ESTIMATES
CROSS PORTFOLIO INDIGENOUS MATTERS

2 March 2018

Opening Statement

Good morning Senators

I am pleased to advise since the Senate Estimates hearing in October last year - IBA has built on the strong outcomes for 2016-17 with even better performances across programs this financial year to date.

IBA set out to put our customers at the centre of our work, focus on results and think of smarter and better ways to do business.

We are consistently striving to increase our reach and impact, and I believe our results reflect these efforts.

Although we are a small commonwealth agency our customer base is Australia wide - with over 700 customers in remote areas, 3,900 in regional areas and 1,750 in urban areas.

Across all our areas of work IBA expects to invest or lend more than \$350m in capital in 2017-18 - which I believe is the largest capital outlay by IBA in any one year history.

Building on the improvements made in 2016-17, demand for IBA home loans continues to be strong, with pipeline that has grown to historically high levels, providing our customers with the opportunity to own safe, secure housing and build inter-generational wealth.

We expect to significantly exceed lending targets for the full year and in fact have already achieved our annual home loan target. Over 75% of these home loans were in regional or remote Australia.

As of 28 February 2018, IBA's home ownership program financed 633 new home loans with a total value of \$213 million (up from \$99 million in 2016/17). We expect to approve over 850 home loans this year, and may even achieve 1,000 approvals. This is close to double the historical average and reflects online process improvements, better engagement and increased productivity.

It is important to note this home loan activity translates to an additional 1380 Aboriginal and Torres Strait Islander people enjoying the benefits of home ownership - in addition to the 18,000 home ownership outcomes achieved by IBA since 1975.

In Business Solutions, IBA's performance significantly lifted since the introduction of its new suite of innovative products and services. As at 31 January 2018, IBA has already met or is on track to exceed all of the performance targets in our funding agreement with the Commonwealth.

I'd like to acknowledge the TOs, the Nungawal people, and acknowledge the elders past, present and emerging

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As of 28 February 2018, IBA's home ownership program financed 633 new home loans with a total value of \$213 million (up from 59 in 2016/17). We expect to approve over 850 home loans this year and may even achieve 1,000 approvals. This is close to double the historical average and reflects online process improvements, better engagement and increased productivity.

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We provided strong outcomes through the delivery of 801 instances of business support to 683 customers to 31 January.

To 28 February 2018, 210 finance applications were approved for Indigenous Entrepreneurs, to the value of \$31.7 million of which approximately three quarters were at start-up and/or pre-bank stage.

We are also undertaking a variety of innovative projects that include: Virtual Business Accelerator programs, attracting talented founders, across Australia and development of an app for Indigenous businesses owners to access timely information and advice to support their business. In early May, we are also hosting the Strong Women, Strong Business conference in Adelaide, bringing together Indigenous women in business from across Australia.

Through IBA's investment program the wealth created for our Indigenous co-investors exceeded \$10 million, to 31 December 2017 – a portfolio return of more than 7%. We now have over 50 Indigenous organisations from across Australia co-investing with IBA in our funds and direct investments, with more than \$130m in equity invested.

To conclude, IBA remains deeply committed to the financial success and economic independence of Aboriginal and Torres Strait Islanders. It's why we exist.

Thank you and I look forward to your questions.

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