

**2016 – 17 ADDITIONAL SENATE ESTIMATES**  
**CROSS PORTFOLIO INDIGENOUS MATTERS**  
**27 October 2017**

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**Opening Statement**

Good morning Senators

With the recent tabling of IBA's Annual Report for 2016/17 - I would like to provide the Committee with a brief update of IBA's outcomes and achievements.

In 2016–17, IBA met or exceeded most of its performance targets, while also embarking on an innovation agenda to expand our offering, enhance our impact and support a wider range of Aboriginal and Torres Strait Islander communities, businesses and families to achieve their economic aspirations.

As a result of significant efforts in the Indigenous Home Ownership program, IBA wrote 544 home loans valued at \$168 million, exceeding our target of 530 loans. This resulted in approximately an additional 1,200 Indigenous Australians enjoying the social and economic benefits of home ownership.

Over 92 per cent of loans were provided to first home buyers and 78% to customers in regional and remote areas.

We achieved this through more structured marketing and outreach activities, by reduced starting interest rates for low income earners, streamlining our application process and introducing online and digital enhancements to improve the customer experience.

We have built a very strong pipeline, and aim to continue to support substantial numbers of Aboriginal and Torres Strait Islander people into home ownership in coming years, building on the almost 18,000 home ownership outcomes created over the life of the program.

We believe we will significantly exceed our lending targets for the current financial year. IBA has already approved 320 home loans against a yearly target of 580, equating to more than \$100m in home lending.

During the year, IBA repositioned its Business Development and Assistance offering to provide an end-to-end service, tailored to meet customer needs at various stages of their business journey.



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Over the year, IBA supported more than 950 Indigenous business owners or entrepreneurs with their business ideas, with over 500 recipients of business support or finance in regional or remote Australia.

Overwhelmingly, our customers tend to be start-up, early stage and emerging businesses who are not able to access mainstream finance through the major lenders. In the year, 60 per cent of our business finance customers were based in regional and remote Australia.

We have innovated. We introduced a start-up finance package, a procurement assistance loan, invoice finance and film finance to complement our business loan and asset leasing offering, as well as more tailored business support and workshops. We also introduced an Accelerator Program for Indigenous entrepreneurs. We will run again this year, and are also exploring an Indigenous women in business offering to launch in 2018.

Additionally, we formed many partnerships with Indigenous organisations delivering business development services at the grassroots, with a long term goal of supporting communities to lead the delivery of services in their respective regions.

In 2016–17, IBA investments achieved a strong portfolio return of 6.3 per cent for our Indigenous co-investors, exceeding our target return. Our investments generated approximately \$14 million in employment, training and procurement benefits for Indigenous Australians.

IBA provided 109 Indigenous organisations with investment support, with close to 40 organisations now co-investing with IBA, holding total equity of over \$130 million. This represents an increase of more than 60 per cent from Indigenous equity held as at 30 June 2013.

Going forward, IBA will continue with its innovation agenda for 2017–18 and beyond, as set out in our corporate plan. We are deeply committed to the financial success and economic independence of Aboriginal and Torres Strait Islander peoples; it is why we exist.

Thank you and I look forward to your questions.

Senate F&PA Committee

Tabled Document

Inquiry: Mr. Rajiv Misra, Chief Executive Officer,  
Indigenous Business Australia  
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