



Australian Government
Indigenous Business Australia

22 January 2016

MEDIA STATEMENT

Report reinforces IBA's plans for Indigenous Home Ownership Program

Indigenous Business Australia (IBA) acknowledges the findings from the Australian National Auditing Office (ANAO) Report on *the Indigenous Home Ownership Program*.

CEO Chris Fry agrees we need to do more to deliver on the objective of increasing home ownership among Aboriginal and Torres Strait Islander peoples in order to close the gap in home ownership disparity.

'Since its establishment, the Indigenous Home Ownership program has assisted more than 17,000 Aboriginal and Torres Strait Islander families to purchase their own home and its estimated to have resulted in almost \$2 billion of wealth generation for Aboriginal and Torres Strait Islander peoples.

'In recent years we have witnessed that home buyers on the lowest income bands are unable to service a home loan in most parts of Australia due to sharply rising house prices and the associated costs of home ownership such as rates, insurance, utilities - and this applies to both Indigenous and non-Indigenous Australians.

'IBA always tries to ensure that our home loans can be repaid without creating a financial burden for the customer.

'This sometimes means that potential customers in the lowest income bands are not eligible for a loan, because they would not afford the repayments to buy homes at the current prices.

'The Indigenous Home Ownership program has delivered consistent outcomes for over 40 years, however recent structural changes in the housing market - particularly around reduced affordability and significant deposit requirements - mean that it is timely to review the program's business model.

'IBA agrees that there are strategic issues facing the program, and over the past 18 months we have been exploring alternative models better designed to utilise our capital and resources more efficiently, deliver modern banking products and services to customers, and expand IBA's capacity to assist Indigenous Australians into home ownership.

'IBA is also committed to addressing the specific recommendations relating to business improvements and to rectify, as a matter of urgency, an area for improvement identified by the audit.

Mr Fry said the value of home ownership to IBA's customers is considerable.

'This value includes both direct economic benefits such as economic empowerment and independence through increases in personal assets and savings to broader indirect benefits such as security, privacy and control – which are key features of owning your own home', Mr Fry said.

Mr Fry said that he looks forward to when the gap is closed between Indigenous and non-Indigenous home ownership rates, when home ownership is a realistic option for Aboriginal and Torres Strait Islander individuals and families.

Media contact: Daniel Hughes 02 6110 2731, or daniel.hughes@iba.gov.au