

**Senate Community Affairs Committee**  
**ANSWERS TO ESTIMATES QUESTIONS ON NOTICE**  
**FAMILIES, HOUSING, COMMUNITY SERVICES AND**  
**INDIGENOUS AFFAIRS PORTFOLIO**  
**2012-13 Supplementary Estimates Hearings**

**Outcome Number:** 7

**Question No:** 473

**Topic:** Medina Vibe Hotel

**Hansard Page:** Written

**Senator Scullion** asked:

Is it IBA policy to have an Indigenous corporation as a partner in its joint ventures?  
Why is this policy now not applied in respect of the Medina Vibe? Are there any other IBA joint Ventures that do not have an Indigenous partner?

**Answer:**

Indigenous Business Australia (IBA) aims to be a partner of choice for Aboriginal and Torres Strait Islander investors considering a significant investment. IBA adopts a whole of portfolio approach to its investments, regularly reviewing the performance of its portfolio to monitor financial, employment and other outcomes.

Investments can generate Indigenous economic outcomes, such as through employment, training and supply chain opportunities, whether or not there is an Indigenous co-investor. The returns from profitable investments can also support IBA's work more broadly. For example, in March 2008, IBA allocated \$25 million in profits generated from its investment portfolio to its Home Ownership Program, with those funds available to be lent to Indigenous Australians purchasing homes.

IBA does not currently have an Indigenous co-investor in the Vibe Medina Hotel because it purchased Larrakia Development Corporation's interest in the hotel earlier in 2012. IBA is currently, and has been for some time, actively pursuing a sell-down of a proportion of its interest in the hotel to another Indigenous investor who will benefit from the sound returns generated from the investment. Such transactions take time to execute properly, to allow for due diligence and commercial negotiations.

IBA has some other investments that do not currently have an Indigenous co-investor. IBA is actively seeking to increase Indigenous participation in our investments, with the exception of one investment currently being divested.