

Submission No. 17  
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BY: ATSLA

Mr Richard Marles MP

Standing Committee on Aboriginal and Torres Strait Islander Affairs.

Dear Mr Marles,

I am an Aboriginal man and have previously run my own business in Sydney for 30 years, I am now living in Dubbo and for the past 2 years have been working for the NSW Department of State and Regional Development as Aboriginal Business Development Manager, covering Western NSW.

I have an associate Degree in Indigenous Community Management and Development from Curtin University, Perth W.A.

I will refer directly to the Terms of Reference and keep answers short.

*Whether current government, industry and community programs offering specific enterprise support programs and services to Indigenous enterprises are effective, particularly in building sustainable relationships with the broader business sector.*

The short answer is no or only partially effective.

Money is given to organisations and individuals without the necessary training and management procedures to handle the business.

A simple example is where an organisation consisting largely of people who have lived on welfare and cant get jobs in their town, get a grant to hire a consultant to do a business plan and submission for further funding.

The funding is approved and the organisation has the money to proceed with the business venture which ultimately fails because:

- The participants have usually never had a job, let alone run a business.
- There has been no training given in any aspect of business, Governance, Marketing, Customer Service etc.
- They misuse positions of trust.
- Nepotism takes preference instead of logic when employing staff.

I could give numerous real life examples, however I would need permission from the organisations involved.

The answer is Education and Mentoring which is what I try to do in my job, I encourage Boards to seek training in Governance and I assist with the other aspects of business processes where formal training is not available or too time consuming and where my first hand past experience can help.

*Identifying areas of Indigenous commercial advantage and strength.*

Indigenous culture is the primary potential commercial advantage however it is not marketed well at present. It could become a subset of marketing Oz.

There should be areas where Government Indigenous agencies and possibly whole of Government should be encouraged to purchase goods and services from Indigenous organisations.

Many years ago I approached ATSI and NSW Land Council to purchase goods from my business (I imported and sold I.T. equipment) I was told they were locked into Government contracts. What a load of rubbish when one blackfella can't buy from a brother. This is an easy thing to change and would fulfil a vital part of any business..... a reliable customer that pays its bills.

There are numerous small businesses that can be setup with easy training that would employ hundreds of people, distribution can be handled as easily from remote areas as metro areas these days.

An example would be I.T. and office consumables, Laser toners, ink cartridges etc. easy to order as they have a unique part number, little or no technical skills needed is the sales force and guaranteed repeat business.

CDEP organisations need training to utilise participants more effectively. I helped one CDEP who were "lost" as to how to make money.

Brief conversation:

CDEP :We are a not for profit organisation.

Me: That doesn't mean you cant make a profit, just what you do with it  
CDEP How can we compete with China's labour at 50c an hour ?

Me: You get your labour for free 15 hours a week.

The whole CDEP structure needs to be revised, there is absolutely no incentive for CDEP's to train participants in "real world" skills, now they just send them out to mow lawns for the Local Council for nothing.

Free black slave labour is a great thing isn't it.....But if its used to up skill people in a correct manner it will work, the participants and the Community win.

*The feasibility of adapting the US minority business / development council model to the Australian context.*

Should this question be asked of The Hon Dr Craig Emerson MP - Minister for Small Business ?

To be serious, there are parallels that could be adopted, don't forget that they have been operating for 38 years and their minority groups are:

African Americans

American Indians

Asian

Hispanic

Hawaiian and Pacific Islanders

Of the above groups the only one very similar to Indigenous Australians are the American Indians who were generally raised in the past on welfare, and other than Hawaiians are by far the smallest group, so overall statistics are weighted incorrectly.

Asians and Hispanics are generally good at business having been brought up in competitive environments. African Americans, although a minority have had 100 more years of Education than Indigenous Australians.

Would the Australian model include minority groups in Australia or just indigenous Australians.

If just Indigenous Australians then the answer to success lies in Education, not just another top heavy Government Department whose sole purpose is to throw money at Aboriginal problems, sure some money is needed but it should be spent to educate in business first not just to buy or start a business for people who have not had a regular job and have no idea that a successful business entails hard work, also start small and grow the business, don't invest hundreds of thousands of dollars on businesses with unproven staff. I immediately think of all the sheep stations bought with Government money for Aboriginal groups that have no sheep !

Aboriginal Culture needs to be seriously addressed to drive home the point that a business is a separate entity that needs to be looked after. I say to people who mistreat their business "If you had a cash cow that gave you money instead of milk, would you look after it ? Would you feed it regularly? Would you treat it as a member of your family ? Would you consider it to be important to your family ? " They all answer yes. I then tell them that that is what their business is etc etc.

*Whether incentives should be provided to encourage successful businesses to sub contract, do business with or mentor new Indigenous enterprises.*

Yes, and as I said in point 2 this should start with Australia's biggest business, The Government, and lead by example.

Thank you for your time reading my "pet subject" I am available to discuss or answer any questions from your committee or anyone reading this document.

Yours in unity,

Paul Schenk.