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**Submission to the House of Representatives Standing Committee on
Aboriginal and Torres Strait Islander Affairs: *Inquiry into developing
Indigenous enterprises***

Professor Bobby Banerjee, University of Western Sydney; Deirdre Tedmanson, University of South Australia; Alan O'Connor, University of South Australia and Dr Murray Muirhead; Christopher Talbot and Peter McDonald, UnitingCare Wesley Adelaide; Gary Lewis, Pukatja Community Council; Dennis Colson, Turkey Bore & Tjutjunpiri Community; Roxanne Colson and Bebe Ranzam, Anilalya Homelands Council.

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Introduction

This Submission has been prepared by the collaborative research team working on a University of South Australia, Australian Research Council (ARC) Linkage grant, '*Social and cultural factors in Indigenous enterprise management and governance*':

Professor Bobby Banerjee, Associate Dean (Research) at the College of Business, University of Western Sydney and Deirdre Tedmanson, Key Researcher with the Hawke Research Institute of Sustainable Societies at the University of South Australia are Chief Investigators for the Project; Rev Dr Murray Muirhead is Partner Investigator and Alan O'Connor holds the Australian Postgraduate Industry Award Scholarship (APAI).

The collaborating Industry research partners for this Australian Research Council grant are:

- **UnitingCare Wesley Adelaide (UCW)**: a major non-government social welfare agency which operates a social enterprise fund and holds a Commonwealth Government contract to operate the Adelaide Indigenous Business Centre in South Australia. The UCW has long-standing historic connections with the Anangu Pitjantjatjara Yankunytjatjara peoples of central Australia;
- **Pukatja Community Council** which is the largest Anangu community on the APY Lands. Pukatja's Chairman Gray Lewis is a Traditional Owner and an elected member of the APY Executive and its immediate past Chair. With community members and elders he has petitioned for many years for greater support for enterprise development in remote communities, particularly on the APY Lands;
- **Turkey Bore and Tjutjunpiri Community** are amongst the largest group of homeland communities on the APY Lands and have a range of enterprise activities in various stages of development. Turkey Bore families work closely with **Anilalya Homelands** communities and families who form the other major industry partner to the research. Dennis and Roxanne Colson together with Bebe Ranzam have represented the interests of Turkey Bore and Anilalya Homelands in this research partnership.

In addition to the above the **Bungala Aboriginal Corporation** which operates the Community Development Employment Projects (CDEP) program has joined the project as a contributing financial partner to support the research and enterprise development activities as these develop.

Our research aims to address Indigenous economic self-sufficiency by developing model/s of Indigenous enterprise development and governance with a specific focus on the sustainability of Indigenous communities in remote areas. This collaborative research partnership uses participatory action research methods and is seeking new ways to promote economic participation and development, support capacity at local and regional levels and build opportunities for Indigenous families and individuals to become more socio-economically independent.

Background

Considerable research over the last decade indicates that according to social and economic indicators of employment, education, occupation, income, housing, and health, Indigenous people are worse off than other Australians (Altman, 2001; ATSI 2001). The disparity increases when examining the economic status of communities living in remote areas. The absence of a sound economic base in many remote Indigenous communities restricts job opportunities and the capacity for economic independence. Indigenous economic and enterprise development in Australia have largely been unsuccessful, especially in remote areas with a variety of factors suggested for the failure including historical exclusion (Altman, 2001); poor management skills, tensions between social and economic goals, and market demand factors (Altman, 2001; Daly, 1992; Herron, 1998); inadequate community participation (COAG, 2004); a lack of educational and training facilities (Arthur, 1999); and poor governance mechanisms (Taylor & Bell, 2004; Nettheim et al., 2002).

Government policy for Indigenous communities has generally followed a top down approach, focusing on industry sectors like mining and resource extraction which, in many cases, have generated negative economic, social and environmental outcomes for Indigenous communities (Altman, 2000; Banerjee, 2000; 2001a; Banerjee & Linstead, 2004). Business enterprises owned and operated by Indigenous communities are one way for remote Indigenous communities to participate in the real economy, helping to overcome the disempowering effects of the welfare economy (Pearson, 2000). The challenge is to develop enterprise management and governance structures that allow Indigenous communities to participate in economic activity without sacrificing their social and cultural ties that are integral to their wellbeing.

The aim of our research is to develop understanding of and identify opportunities for sustainable enterprise development and governance in remote Indigenous communities in Australia. We note that many Aboriginal communities in remote areas are already operating in the private business world and/or economically contributing not only to the functioning of their communities through contributions to natural resource and land management, feral animal culling and environmental maintenance but also to gross national productivity through contributions to the 'customary economy' (Altman, 2001). We cite here as one example the high economic turnover and cultural vibrancy of Indigenous arts and cultural tourism sectors which generate wealth for the Australian economy. Most Indigenous art is produced from and in remote communities and this major national industry, of particular importance to economic life in the Northern Territory and central South Australia is built specifically from Indigenous knowledge, Indigenous labour and Indigenous traditional knowledge and cultural capital. In addition most Aboriginal communities augment welfare support through operating a subsistence economy in the hunting, gathering and reciprocal exchange of food, housing, clothing and other commodities. This customary economy and the organisational life of Indigenous communities is often rendered invisible to non-Indigenous observation yet demonstrates an efficiency and industriousness that should not in our view, be underestimated.

Using an innovative community-based multi-stakeholder approach, our research is identifying social and cultural factors affecting enterprise development in remote Indigenous communities on the APY lands and developing appropriate enterprise management and governance frameworks. The broader benefit is to develop sustainable Indigenous owned and operated enterprises in remote regions. Sustainability is defined as integrating the economic, social, cultural and environmental concerns of Indigenous communities into the way in which the enterprises are developed, governed and managed (Banerjee, 2003). Social and cultural ties are important to the fabric and operation of Indigenous communities (Altman, 2001). Yet there is very little research on how such ties should be addressed in developing and governing Indigenous owned and operated enterprises. This project aims to identify socially and culturally

appropriate enterprise development and governance models that also meet economic needs of local communities. Our research fills this gap by working in partnership with three remote communities in the APY Lands and a major nongovernmental organization, UCW Adelaide which is committed to Indigenous issues and operates relevant social enterprise and entrepreneurial support programs. The research is identifying enterprise development and governance models that respect social and cultural ties and meets the economic needs of local communities.

Remote Indigenous communities face social problems of health, nutrition, substance abuse, unemployment, poor education and training. Enterprises can provide additional sources of revenue and the potential to generate positive social outcomes, such as employment, community participation, access to fresh food (through market gardens) and the transfer of cultural knowledge to the next generation. The significance of our research is that we are attempting to develop *sustainable* Indigenous enterprise, marking a fundamental shift in focus from the primary economic bottom line to promoting a better understanding of social and cultural issues in the development and management of enterprises. As a collective partnership we are examining how enterprises can be developed and governed to meet economic, social and cultural aspirations of communities.

To date, conceptualisations of the Indigenous economy, especially at the regional and local levels, have not recognised the importance of customary and cultural practices in contributing to Indigenous competitive advantage (Altman, 2001). As Altman (2001: 16) has argued, relying purely on market mechanisms may be appropriate to assess the economic performance of conventional business firms but it may not address the problems faced by the Indigenous economy. He describes the Indigenous economy as being a “hybrid economy” consisting of “market, state (i.e. governments) and customary (i.e. cultural) components” and calls for the recognition and integration of these components when developing strategies for Indigenous enterprise development. Developing a sustainable Indigenous enterprise implies understanding relationships between the market economy (currently very limited in remote communities), the state economy (federal and state agencies that contribute to the regional economy), and the customary economy (so-called “subsistence activities” of Indigenous communities that occur outside the market such as hunting, gathering and fishing as well as other culturally productive activities). **Attachment 1** provides a graphic representation of the interaction between these sectors.

There is very little research that examines Indigenous enterprise development from this perspective (Altman, 2004). While there is plenty of research that describes the importance Indigenous communities place on social and cultural ties (Altman, 2001, 2004; Arthur, 1999; Banerjee, 2001a), little is known about how social and cultural issues can be integrated into any enterprise involving Indigenous communities. Using a participatory action research approach (learning by doing), our collaborative research project is developing new knowledge in this area and aims to provide relevant information for practitioners, policy makers, Indigenous communities and Indigenous entrepreneurs.

A sustainable Indigenous enterprise needs to take into account not only economic issues, such as revenue and profits, but also the social and cultural factors such as ceremonial activity, family issues, and subsistence activities. Remote Indigenous communities also face social problems of health, nutrition, substance abuse, unemployment, poor education and training. Whereas enterprises can provide additional sources of revenue they also have the potential to generate positive social outcomes such as employment, community participation, access to fresh food (through market gardens) and the transfer of cultural knowledge to the next generation (through cultural tourism ventures). It is at this intersection between customary, state and market that “*economic opportunities not available to mainstream citizens may open*

up” (Altman and Dillon, 2005). We consider that it is the development of education, employment and housing policies and programs that respond to the intercultural space of the ‘hybrid economy’ that perhaps have the greatest potential to cohere market stimulus with cultural processes.

In order to develop sustainable Indigenous enterprises, there needs to be a high degree of community acceptance of the enterprise (Smith 2004). Such acceptance involves understanding how to enhance the legitimacy, authority, and accountability of the governance of community enterprises. Extensive research over the last 20 years suggests that strong governance is a crucial success factor for sustainable development in Indigenous communities (Cornell, 2002; Smith, 2004). Governance is broadly defined as “the processes, structures, and institutions through which a group makes decisions, distributes and exercises authority and power, determines strategic goals, organises corporate, group and individual behaviour, develops rules and assigns responsibilities” (Dodson, 2003: 11).

Research on governance issues for Indigenous Australians is limited in the context of its applicability to enterprise development. Current research suggests that rather than pursue top-down policies, a more appropriate model to develop Indigenous enterprises is to enable Indigenous communities to “establish commercial entities which will control, own and develop business opportunities when they occur on Indigenous land and safeguard future options” (Altman, 2000: 16). Our research is contributing to a better understanding of the role of social and economic factors in Indigenous enterprise development as well as providing a practical benefit by developing an enterprise management and governance framework that could be adapted for other remote Indigenous communities across the nation.

Figure 1 provides an overview of the conceptual framework of our collective enterprise development research:

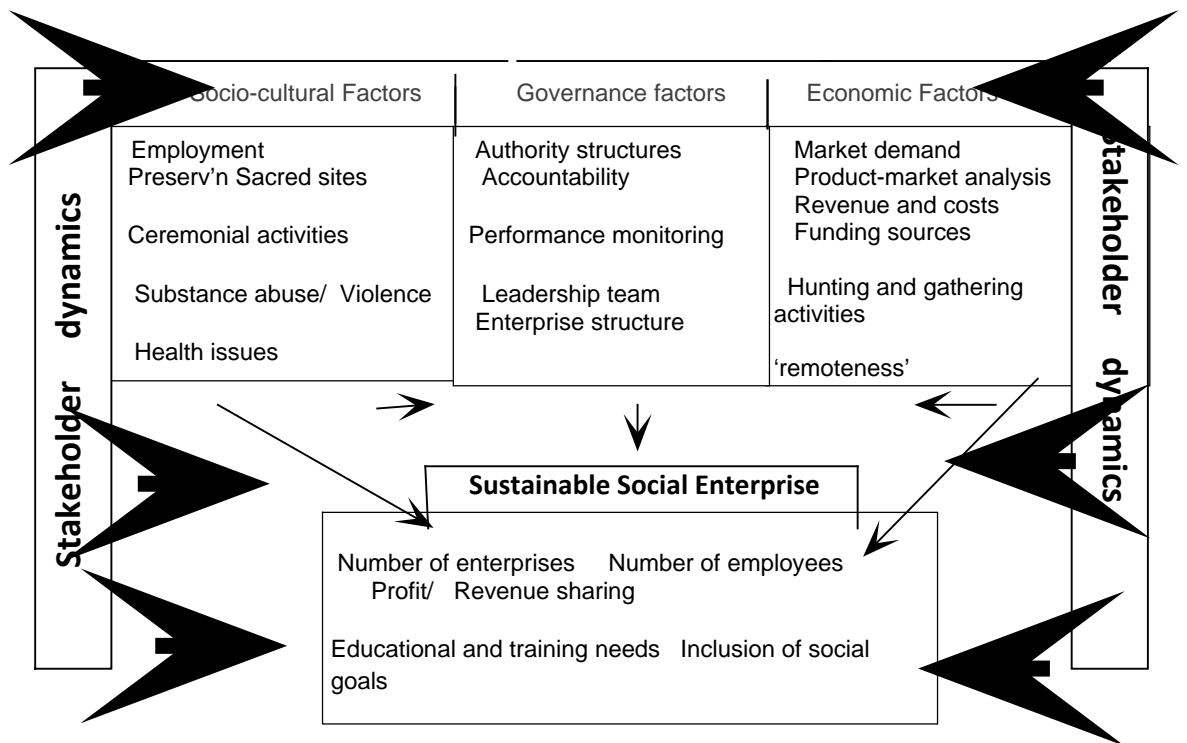


Figure 1: Sustainable Enterprise Development and Governance Framework (Banerjee and Tedmanson, 2006).

Our research will contribute to the understanding that is emerging in the literature about the central role of social enterprises in developing business acumen while providing for sustainability, by enhancing knowledge about how social and cultural concerns of Indigenous communities influence enterprise management and governance. A social enterprise is defined as a “market based venture for a social purpose” (Dees & Anderson, 2002: 16). Social enterprises produce goods and services on an on-going basis, have explicit social aims to serve the community, involve the direct participation of community members, and can be either for-profit or non-profit (Borzaga & Defourny, 2004). Such enterprises are usually locality or community based and part of a stakeholder economy; structured and governed by and for stakeholder interests to ensure that surpluses are principally reinvested to achieve agreed community aims. Combining social and profit motives presents several challenges, ranging from the complexities of combining different objectives, market pressures that can compromise social value creation, and social and political pressures that can compromise financial performance (Dees & Anderson, 2002). Our project aims to explicitly consider the social outcomes of developing a commercial enterprise where social benefits are regarded by community members and key stakeholders as a valid performance indicator of success. What these social outcomes are and how they relate to economic criteria are questions that the project seeks to answer.

The focus in social enterprise has been on developing enterprises where revenues and profits are used to meet specific social goals such as funding programs on substance abuse, violence and programs that promote community well being (ATSIC 2001). Our research project marks a departure from more conventional approaches that claim that the conflicts between economic and social goals are the cause of failure of many Indigenous business ventures (Herron, 1998). Rather, it is argued that a more effective analysis and integration of community social needs can help design appropriate management structures that reflect Indigenous values and beliefs, and meet the expectations of community members for the development of a sustainable enterprise. Rather than insulate commercial and economic issues from social and cultural ones, a sustainable Indigenous enterprise would have appropriate management structures that ensure that revenues from the commercial enterprise are used to meet social goals.

Integrating cultural responsibilities, obligations and shared responsibilities with social, environmental and economic dimensions may strengthen the sustainability and success of Indigenous enterprises. Cultural responsibilities include reciprocal kinship obligations, and ceremonial activities and ritual alliances. The process by which Indigenous social and cultural factors affect governance and decision making, accountability, authority and levels of community support for entrepreneurial leadership is poorly understood so we seek new understanding of the impact that community life has on the viability and sustainability of enterprises and on how community social and cultural concerns can be integrated in management and governance structures of enterprises in remote Indigenous regions.

One of the many challenges in developing a sustainable enterprise is learning how to integrate the concerns of different stakeholder groups (Banerjee, 2001a). This *stakeholder approach* is a key theme of social enterprises (Dees & Anderson, 2002) and provides an opportunity to assess enterprise performance not only on the economic bottom line but also on social, cultural and environmental criteria as identified in conjunction with community members and stakeholder groups. An understanding of stakeholder relationships is crucial in enterprise development, management and governance because there are several key stakeholder groups that administer remote Indigenous communities.

Stakeholders are defined as “any group or individual who can affect or is affected by the organization’s objectives” (Freeman & Reed, 1983: 91). Different stakeholders have differing stakes and balancing the needs of competing stakeholders is not an easy task. In an attempt to identify which stakeholders really count, Mitchell et al. (1997) classified stakeholders on their

possession of three attributes: power (stakeholder's power to influence the enterprise), legitimacy (of the stakeholder's relationship with the enterprise), and urgency (the extent to which the stakeholder's demands require immediate attention). A variety of stakeholder groups operate on APY Lands and the research will develop a classificatory framework of stakeholder relationships based on the attributes identified by Mitchell et al. (1997). The framework will enable integration of the needs of key stakeholder groups with enterprise goals by identifying which stakeholders are a key to enterprise success.

We have identified that it is important for any business enterprise management and governance to ensure structures and processes for Indigenous communities to be actively involved in decision-making, leadership and accountability. One of the reasons identified by several government and non-governmental agencies for failure of long-term economic development in remote Aboriginal communities is lack of community participation in top down centralized programs. In many cases economic and governance policies involving Indigenous communities have failed to take into account the social and cultural expectations of the community. We are therefore taking a community based approach where the economic, social and cultural needs of the community determine the nature and structure of business enterprises. There is research internationally which shows that sustainable economic development in Indigenous communities is linked to the extent of their involvement in the process (Cornell, 2002). This is innovative because it addresses the important area of enterprise governance by identifying structures and processes for Indigenous communities to be actively involved in decision-making, leadership and accountability. Indigenous communities living in remote areas face many challenges in developing appropriate governance mechanisms because of problems arising from jurisdictional overlap, resource allocation, legitimacy, capacity and adverse socio-economic conditions (Smith, 2004).

Based on extensive stakeholder consultation, we are developing new models of enterprise management and governance that will identify key decision makers, describe processes of representation and and accountability. This aims to broaden the field of inquiry into how management and business research, which traditionally has focused on large and medium scale for-profit corporations, is then translated into Indigenous contexts by describing the organizational and management challenges faced in developing new enterprise. We believe a framework is needed that enables culturally appropriate forms of development through enterprises that can provide employment opportunities, increased self-sufficiency options and positive social outcomes for local communities. An 18-month exploratory study involving the collaborating partners, funded by research grants from the University of South Australia and the Australian Institute of Aboriginal and Torres Strait Islander Studies (AIATSIS), identified three potentially viable areas for micro enterprise development: cultural tourism, market and bush tucker gardens, and a community bakery. The main findings from the exploratory study were:

1. there were community members who were keen to start enterprises
2. their main motivations were to get family members involved, generate revenue and provide employment opportunities for their children
3. all enterprises may not be viable purely on commercial terms given the remoteness of the location and demand factors
4. any enterprise in the region required the involvement of a variety of stakeholder groups.

Our current research is building on this exploratory study by analysing the social and cultural issues that need to be addressed in developing the proposed enterprises and understanding what kind of enterprise management and governance structures are required. While the project

focuses on remote communities on the APY Lands, the enterprise management and governance framework being developed can be adapted for other jurisdictions and remote Indigenous communities. The project is designed placed to contribute to national benefit in an under researched, unique area of policy and practice. Our key aims are therefore to:

- Understand how social, cultural and economic factors are interlinked in enterprises involving Indigenous communities, in order to enhance the economic benefits to be derived from developing enterprises.
- Understand the dynamics of organization/stakeholder relationships and stakeholder attributes in order to develop a classificatory framework for analysing stakeholder relationships. There are several stakeholders that have to be considered including Commonwealth and State Government agencies; non-governmental organisations; service providing agencies; and private sector organisations. The research seeks to understand perceptions of stakeholders about economic, social and cultural issues surrounding enterprise development.
- Identify key success factors for existing enterprises and the barriers to future enterprise development;
- Conduct a social and cultural impact assessment of the proposed enterprises (cultural tourism, market and bush tucker gardens, and a community bakery); and
- Develop an enterprise management and governance framework that incorporates economic, environmental, social and cultural factors, to succeed at enterprise goals.

By investigating relationships between social and cultural factors in Indigenous enterprise development we are pursuing both theoretical, policy and practice outcomes. The multi-stakeholder and participatory action research approach will enhance our understanding of stakeholder theory (Freeman & Reed, 1983) in the context of Indigenous communities and the development of sustainable enterprises. The research will extend the knowledge base by investigating Indigenous enterprises that have both social and cultural goals (education and training, employment, reduced welfare dependency, maintenance of cultural ties and ceremonial activity) and economic goals (revenue and profit generation). The knowledge produced by the research project will help develop a policy framework for enterprise management and governance that meets the needs of remote Indigenous communities. The main research questions that emerge from our project of relevance to this Inquiry by the Standing Committee are:

What are the important social and cultural concerns of communities that will be impacted by proposed enterprises?

What is the role of stakeholders (Commonwealth/ State Government agencies; service providing agencies; non-government and private sector organizations) in enterprise development, management and governance? How do different stakeholder groups differ in their attributes of power, legitimacy and urgency?

What are the major elements of an appropriate social and cultural impact assessment tool for the proposed enterprises? What are key success factors and key barriers to success?

What are the educational and training needs for community members that will manage enterprises?

How can these concerns be integrated when designing the organization structure of the enterprise that will manage the enterprises?

What are community members' and stakeholders' conceptions of how authority should be organised and exercised in enterprise management and governance?

Comments to this inquiry based on research to date

Our current ARC research project is still in its early stages. A long lead time is needed to build effective enterprise in remote areas. There has been much instability caused for APY (and other) remote area Indigenous communities by major shifts in Federal government public policy for Indigenous Affairs in the past 2 years, including changed governments and uncertainties over for example: housing services, community council and CDEP funding. However, we wish to convey to the Inquiry that while hard and fast empirical findings are not yet available, the following are considered clear and important issues to be addressed:

Overview comments of 'findings' to date:

- There has been overwhelming and sustained support for enterprise development on the APY Lands from the communities represented by our collaborating partners. Time and time again people have remained positive and outspoken in their commitment and enthusiasm for self generated enterprise development, despite obstacles and changes/uncertainties/delays that could diminish hope, there has been an unwavering commitment to pursuing opportunity for business development.
- Men, women and young people have expressed a constant wish to be supported to develop their own individual, family, home-land and community businesses.
- At this point our findings indicate the preferred businesses as stated by our partners and members of the community that we have interviewed include: a general bakery; bush-tucker and vegetable gardens; soap and cream sole producer for commercial sale; mobile food and coffee business; second-hand goods store; small scale agistment on homelands; chicken farm supply; re-cycling and waste management initiatives; cultural tourism enterprises including a commercial family operator as well as a homeland based social enterprise involving cultural tourism and rehabilitation; paper and cards arts and crafts production; garage and car maintenance; possible regeneration and commercial operation of a latent date farm.
- The businesses identified aim to substitute 'imported' products with local grown/owned self generated goods (eg gardens/bakery); develop a community social enterprise endeavour out of services currently provided to the community from 'outside' (eg second hand shop); bring in paying visitors who will increase local economic activity (eg. cultural tourism); service community with hospitality not currently available where there is a gap in the market (mobile coffee/cafe for sporting carnivals and visiting non resident government and other professionals) or retail products initially internally within and across the Lands but also aiming to sell produce and products more widely to an Australian or international market (eg soaps/creams and paper products).
- Women in particular and male elders have primarily come forward to operate and manage such businesses. There is concern that unless young people are enabled to see their land and culture as 'asset' not 'deficit' the future of economic life within the community will not only stagnate but lessen.
- Sole operator and family owned businesses have become the main focus of interest and appear at this stage to be preferred over community based business model. For social enterprise however, community and homeland are the favoured auspice.
- Older people and women have particularly expressed dismay that businesses which operated in earlier days in the life of the community have been run-down and were not adequately supported by external stakeholders when such support was necessary to enable Anangu business enterprise to be developed and sustained **[see Attachment 2]**.
- Lack of or inadequate access to, what are considered to be basic citizenship entitlements for all Australians **[see Attachment 3]** – such as inadequate housing, education, health, welfare, telecommunications, banking and financial services and infrastructure (roads, sanitation, water supply) are a major impediment to the development of enterprise activity. If basic and essential services have been denied to a section of the population based on race/remote location, daily survival is a priority and the disproportionate burden of poverty and lack of food, shelter, water highlights the potentially prejudicial nature of any expectation by government policy makers that in the short-term people will be either willing or able to easily develop entrepreneurial and business ventures.

- Lack of access to commercial services such as banking and financial services is a further disincentive for those Anangu who wish to develop sustainable enterprises on their own land or through individual and family work effort.
- A particular difficulty is the lack of opportunity for people in remote areas access to basic business skills, mentoring about financial planning and the regime of eg. loans and capital investments is limited.
- Recent changes in Indigenous Affairs public policy at State and National levels have impacted on the capacity of communities, families and individuals to plan ahead with certainty. Many community members have expressed the view that constant change and uncertainty have a negative effect on community confidence and hence on enterprise development. What is perceived as an escalating interference by government in the daily lives of Indigenous peoples, combined with negative portrayal of 'remote' Indigenous community life in media and government reportage debilitates and dissipates initiative.
- Motivation is a key driver of entrepreneurial effort and consequently some people have expressed the view that constant policy and funding changes coupled with negative attributions about remote Indigenous community life and futures, incapacitates rather than enables individual family group and community effort.
- The CDEP program is viewed as an important part of community and social functioning and access to a community wide collective work subsidy programs such as CDEP, that are flexible enough to support individual, family and communities is considered to be an essential base underpinning for any current or future enterprise development in remote areas, particularly in the initial stages of such enterprises. CDEP has enabled people to develop projects while maintaining family ties and duties and is predicated on group advancement rather than work subsidy based on individualised units of activity.
- Access to timely and culturally appropriate introduction to business courses/ business strategy and operational training/ marketing and particularly business financial skills is also considered important especially in the pre-enterprise phase and for young people. There are no programs of support that inculcate business models, approaches or cost/benefits to young Anangu who are currently underexposed to opportunities to innovate or create their own commercial or social enterprises.
- For many Indigenous individuals, families and communities in remote areas there is limited exposure to or 'role models' of successful engagement in 'business', of private sector management, organisations or commercial activity. For many 'mainstream' families and communities acculturation to 'business' and private sector operations comes through exposure in the course of everyday life or through knowing family members who are in business. Education, training, partnerships and mentoring are therefore particularly important for those who've not had this exposure to 'market' mores and norms: yet all government programs and supports in this regard have to date ignored or failed to penetrate and reach remote areas.
- The support of the non-government sector as a vehicle for 'micro-financing', training and community development back up is viewed by many we have held discussions with as just as important as, if not preferable in some cases to government support because it is **a)** flexible **b)** responsive to the diversity of local contexts **c)** respectful of cross-cultural context and **d)** prepared to work in collaboration and partnership.
- Private sector contact and/or support has been negligible for communities in the APY lands, except for that offered by the Anangu Enterprises (Ninti corp) which is an Indigenous owned and operate business consortium based in Alice Springs. Anangu Enterprises have provided contract financial and HR management support to Indigenous enterprises, mentoring and training where requested. Profits are distributed back to the Anangu communities who are shareholders in this company. We believe this to be an interesting and potentially viable model which requires greater support.
- There appears to be a perception amongst some government and private agencies charged with providing support to Indigenous businesses that for remote communities this is 'too hard', or 'doomed to fail'. During stakeholder consultations and interviews, the researchers have been exposed to occasionally racist misconceptions about Indigenous peoples generally and remote traditionally oriented communities in particular. Our research has found that the experience of rejection and/or racially discriminating or negative views being espoused by agencies resourced to support Indigenous enterprise and business efforts has a particularly discouraging effect on

- potential Indigenous enterprise development or entrepreneurs. People have spoken of the need for champions and support: not 'can't do' approaches.
- The burden of administrative and governance arrangements placed on communities with regards to the operations of land councils and the cumbersome layers of highly politicised bureaucratic and organizational demands act as a specific and unnecessary barrier to Indigenous motivation and self generated enterprise endeavours.

Comments on Inquiry Terms of Reference:

1. **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**
 - From our experience the answer would be in general terms no, such services have not been effective in building sustainable relationships with the broader business sector. We would particularly suggest this is the case with regards to government and industry programs. We will discuss community programs separately.
 - There is little or no support available to Indigenous people in remote areas for business enterprise activity. Existing government support is targeted to urban and regional areas leaving only the NGO/ community sector prepared to work with remote communities on enterprise development. Some support is available for specific larger economic development but this excludes small sole operators in remote areas. Comprehensive, easy to access and timely support is needed to back remote Indigenous communities and individuals to develop sustainable enterprise.
 - Effectiveness means achieving sustained outcomes in a timely and appropriate manner in this case for the cross cultural context in which such outcomes are to occur.
 - The current range of support programs for Indigenous enterprise development are more targeted to urban and regional settings than for remote Indigenous communities which arguably have the greatest need for such support. The majority of such support programs have to date focused on aspects of business support such as access to start-up business funding and limited support, if Indigenous entrepreneurs comply with certain stringent conditions.
 - Programs are on the whole oriented to larger economic development initiatives; few programs if any provide for micro-financing, training and development, access to business planning and advice or comprehensive linking to business mentoring or help build partnerships or sustainable relationships with the broader business sector.
 - Indigenous peoples are being encouraged into being competitive as 'mainstream' business operations by current programs which often presume a 'level playing field' in terms of the types of funding and advice support proffered, while the barriers and historic legacies of exclusion have created many uniquely challenging barriers for any and all Indigenous entrepreneurs (see research by Foley: 2000, 2003,2005).
 - Insufficient attention is paid in our view to issues of training, skills development and mentoring. Little incentives or purposeful links are made that encourage existing business corporations to invest in Indigenous enterprise or establish long term relationships of mutual advantage.
 - Community programs on the other hand are often motivated by an awareness of the underlying and disproportionate socio-economic disadvantage borne by Indigenous individuals, families and communities and are more inclined to be flexible, responsive and enabling in ways that nurture the human, social and cultural capital if new start-up Indigenous enterprises.
 - For example we would highlight the high levels of Indigenous engagement in the Indigenous Stock-exchange ISX operated by Peter Botsman which is predicated on motivational and supportive community development principles. Similarly the work by Peter Kenyon and the model of IDEAS is built around similar social and whole of family and community 'enabling'. Such approaches provide for a political economy that is inclusive and valuing of Indigenous cultural heritage and sees these qualities as a form of competitive advantage rather than a 'deficit' incommensurate with the world of business.

- Much publicity has been accorded the Cape York partnership model of engaging 'big business' into a peak relationship with a regional Indigenous governance body. Little evidence based research however has tested or verified the efficacy of this model in translating into meaningful enterprise development and support for small scale (or medium to large) entrepreneurial effort at the local level. This 'top down' stake-holder engagement model has shown promise and produced regional 'economic' plans however to date there is little evidence after some years of regional engagement that sustainable socio-economic or employment gains have been achieved for local Indigenous communities and evidence based information on how top-down and regional approaches lead to local change would be a timely input.
- One exception we would cite is the Commonwealth government support for Indigenous Business Centres that can provide a more immediate and 'holistic' on ground basic support for Indigenous enterprise development. Such incubators have the capacity to nurture new small businesses from the 'ground-up' ideas stage, taking people through a stepped process of engagement with business planning, training and development, marketing and expansion and by co-locating Indigenous businesses
- One of the critical things that gives credibility to the non-government operated Indigenous Business Centre in Adelaide with Indigenous people, is that the UCW Adelaide organization has a long-standing relationship with various Aboriginal communities. The Uniting Church has a history of relating with Aboriginal people including
 - The missionary movement – the establishment of the Presbyterian Ernabella Mission during the 1940s
 - The self determination movement - the establishment of the self determining body Uniting Aboriginal Islander Christian Congress (UAICC) and the withdrawal of missionaries during the 1970s
 - A current invitation to the institutional church to return and re-negotiate the relationship
- This project is a demonstration of a re-negotiated relationship between UCW Adelaide and the local UAICC regional council. The elders of those communities know the full history and philosophical approach of the Uniting Church. They are prepared to recommend the Centre to Indigenous people because of the trust, credibility and ongoing relationship that the Uniting Church has with the region.
- One of the barriers to Indigenous enterprise development is that many Indigenous people do not have trust or faith in government departments. They are more likely to work with NGO's which are widely known in the community. This may also be the case in some instances with private corporations and indeed some Indigenous stakeholders we have interviewed have expressed a preference to deal more directly with the private sector as long as this was based on a long-term commitment to 'both ways' learning, mutual respect, reciprocity and trust.
- The people we work with value the independence of our advice, and do not see us as having any hidden agenda's in the work. From that point of view it makes the relationships between us less complex and less likely to be displaced or compromised by other issues - such as shifts in public policy or commercial or other opportunisms. Shifts in public policy however can impact the whole field of enterprise development.
- Short term funding is an extremely serious barrier to successful enterprise development. Not only does it tend to undermine specific enterprise ideas/developments. It undermines relationships because staff are more likely to turn over, and it is very damaging to announce a program or for example a project like this or a major service like the Adelaide Indigenous Business Centre then to have to tell people two years later that it may or will close. This tends to undermine over-all relationships within the broader Indigenous community.
- Indigenous enterprises need both time to develop, and assistance in the form of periods of guaranteed markets for their products and services to help to put them on a secure footing. Within this research project we have been approached by private philanthropic people who wish to provide a 'social investment' for specific APY enterprises. They are prepared to wait some time for return on their capital outlay, providing there is adequate support provided to the latent enterprise and evidence that there is social benefit which they believe will lead to and build economic benefit. This type of social investment is we believe an untapped resource in Australian society.

- While the Indigenous Volunteers program provides mentoring and voluntary support for Indigenous projects there is no structured and concerted business mentoring available to Indigenous entrepreneurs in remote communities.
- One of the challenges that faced the UCW Indigenous Business Centre is that there is no specific funding to help to develop connections and market/promote indigenous products and services to the wider business community. Critical leverage is necessary for new businesses to penetrate new or existing markets and close ties to 'mainstream' business is therefore important. While the majority of new businesses may have some collateral or back up finance available this is less likely to be so for the majority of Indigenous individuals, families and communities. Lack of links to 'mainstream' business and joint venture capital is a particular barrier impeding the growth of remote area Indigenous enterprise development.
- Partners to this project UCW Adelaide have provided a small micro-financing arrangement to one of the APY enterprises which was ready to grow and needed a low or no interest loan (which will be repaid over a longer than usual time-frame) to be able to meet demand for product and invest in marketing. Such arrangements need be considered for all new Indigenous enterprise and would be, we argue, far more effective on any risk/benefit analysis and a better use of tax-payers dollars than providing little option for Indigenous peoples in remote communities than reliance on residual welfare.
- By introducing individual entrepreneurs to successful non-Indigenous counterparts the cross fertilization of ideas and networks can be empowering for Indigenous enterprises, help to develop new market niches and provide opportunities for new enterprises to learn from the experience of others. Such arrangements however would need careful monitoring and accountabilities for cultural match and to safeguard the creative ideas and intellectual/cultural property rights of Indigenous enterprises and Indigenous entrepreneurs.

5. Identify areas of Indigenous commercial advantage and strength

- Our work has focused on the 'ground up' practical advancement of the enterprise development explicitly sought by our Indigenous partners and their communities. However there are clear advantages and strengths already evident in the nascent and early stage enterprises emerging.
- **The strength** of community networks and cultural links is a powerful social capital enabler transferrable into micro, small to medium enterprise contexts. The value-add of 'productive diversity' particularly in relation to cross-cultural contexts where family or community businesses operate in dominant cultural contexts has been researched by Kalantzis and Cope 1997). Similarly entrepreneurship academic Peredo (2006) has documented international examples of the power of Indigenous sociality and notions of reciprocity as strength in entrepreneurship. Our research hopes to relate this understanding of the important role of social capital to enterprise development Australian remote community Indigenous contexts.
- We consider that Indigenous contexts particularly in remote communities have **the advantage** of being rich in social and cultural capital which provides a strong base for self determined sustainable development both in terms of the underpinning co-operative nature of human capital networks, links and solidarity but also what are unique cultural and environmental resources in terms of International market opportunities for small scale cultural and eco-tourism, hospitality and arts/crafts where this is the wish of local people. The challenge is the translation of such rich and unique cultural and environmental diversity into a **competitive advantage** in the market place on terms determined by and for the individuals, family, homelands and communities concerned.
- The remoteness of location is a basis of **strength** for the community in the maintenance of traditions, language and cultural integrity. However, remoteness also poses challenges in the provision of enterprise development support and galvanising opportunities for start-up enterprises to penetrate existing or new markets. The three major APY Lands community partners in this research project are located some 450kms from Alice Springs (or Coober Pedy) and hence are distant geographically from suppliers, other businesses and potential consumers. We are exploring web-

based marketing, partnering with existing businesses and networking their products and services in response to such challenges.

- From our early assessments and discussions to date: some of the factors which are arising as barriers to enterprise development include the distance from markets, the lack of start up capital, the need for increased business training, governance mechanisms, the absence of a sound economic base in each community and the lack of role models in communities with a business background.
- Of the six current start-up enterprises developing through the project we make the additional preliminary observations:
 - Each of these enterprises is starting from an individual or a community base and is therefore not yet connected to the broader business community. Some are sole operators; some homeland based, kinship or family group; others are community enterprises;
 - Some of these enterprises will happen with minimal external assistance, some will benefit from philanthropic assistance or a low interest loan and others will require ongoing support and /or the establishment of partnerships with existing businesses. One example of the latter is an extensive study of waste management issues in the APY lands conducted by Anne Prince Consulting (APC). This business consultancy study liaised closely with Anangu communities and the Australian Postgraduate Industry Scholar for this research project and has built in recommendations to its report which facilitates Indigenous control of, employment from and potential for ongoing sustainable enterprise from the recycling and waste management plan developed for the APY Lands. This is an example of business, government and community co-operation which fosters and plans long term for Indigenous enterprise. It is also an example of turning a 'deficit' (waste and old car bodies) into an 'asset' and is what we would term an exemplar of a 'strengths based approach' to enterprise and community development.
 - Some possible examples of Indigenous commercial advantage in the APY Lands are the cultural tourism enterprise and the paper products enterprise based on local art:

Cultural tourism – the homeland/s concerned are in unique location with potential for international appeal for high end boutique eco-tourism; there is opportunity for a network of linked cultural tourism accommodation across the lands; the main challenge is transport as people need fly from Alice Springs, Uluru or be taken by a guide from Coober Pedy.

Paper products – this enterprise has unique potential; it has gained the attention of private 'social investors' to support start-up; the main challenges are supply, production and retail/marketing; determining a business model and strategy and the need for extensive T&D support for the development of a homeland based business.

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

- The US Minority Business Development Council initiative to support the development of minority businesses appears to be a comprehensive and evidence based approach to documenting the occurrence and comparative performance of minority businesses in the US economy. It provides for the demographic tracking of minority businesses and advocates on behalf of small businesses within US government. It supports and stimulates demand for the uptake by US government agencies and existing 'mainstream' business, of minority business products and services and suggests strategies for them to become preferred suppliers and contractors.

- The Report referred to by the Standing Committee for consideration in this Inquiry provides a demographic mapping of minority businesses. It is not however a document and apparently not a program geared specifically towards the needs of First Nations, Indigenous/Aboriginal peoples. Within the Report provided by the Standing Committee as background to this Inquiry and the overview of the US minority business development program obtained, Indigenous enterprise development is incorporated within a broad systemic approach to the advancement of 'minority' businesses.
- While this in and of itself is a very positive thing, it may not necessarily be automatically transferable to the Australian context on its own, nor is it necessarily automatically applicable or appropriate on its own to remote Indigenous Australian enterprise development contexts.
- We believe while of great value the Minority Business Development Council model cannot be viewed as a 'magic bullet' on its own and needs to be a key part of a major approach to support and investment in Indigenous business and enterprise development which includes support for the underpinning building blocks of ground-up education, seed funding and skills training for enterprise development. We will outline some of our reasons for making this observation below:
- Firstly: the US constitutional framework and governmental system operates with distinct differences from that of the Australian constitutional division of powers: our hybrid bicameral 'Westminster' model of Parliamentary and public policy decision making differs from the US presidential system of government. The approach to small business development enacted by the MBC for example takes place within a very different constitutional and socio-economic context and given population comparisons, occurs also at a much larger scale. This does not mean it cannot happen in Australia but necessitates likely stronger levels of government advocacy and support to be effective.
- The US governmental system has traditionally adopted specific legislative measures to compel both its own institutions, tertiary institutions and those of the private sector to adhere to mandatory measures for Affirmative Action in employment for minorities, with reporting required on attainment of minority quota goals.
- While Australia has some comparable Affirmative Action measures for women these have always been voluntary in nature, to date not covered minority ethnicities, nor involved legislatively mandated quotas.
- There is significantly advanced affirmative action, quota systems and equal opportunity institutional, social security and legislative infrastructure for minority advancement in both public and private sectors the US, which is not evident in Australia. Consequently the advancement of minority business development in the US takes place at a much larger scale and against the backdrop of a more comprehensive and concerted equity based educational, training and development infrastructure and underpinning of institutionalised support.
- There is also a culture of direct corporate engagement with public policy and administration in the US in which decision making is strongly impacted upon by an industry of strategic 'lobbyists'. The US MBC is therefore more likely to have impact through advocacy and lobbying than such a counterpart in Australia unless strong public policy supports its development.
- Secondly: The diversity context of social formation, race-relations and migration in the US, is distinct from that of Australia. US historic policy shifts post the 'civil rights' movement in the '60s have led to in-depth pedagogical, economic and social policy reform to remove structural inequities facing African American citizens. Such advances in the politics and policy frameworks of services and programs of 'diversity' aim to tackle both direct systemic and indirect discriminatory practices and include economic as well as social development measures. This concerted approach has not been a feature of the Australian politic, other than in a more residual manner as reflected in Equal Opportunities legislation in national and state jurisdictions which outlaws direct discrimination only but does not embed strategies of affirmative employment or deal with indirect, systemic or institutional racisms.
- While such 'minority' advocacy and support in the US is primarily driven by recognition of the civil and human rights of African American US populations, it has in more recent decades galvanised also around the movement of Hispanic peoples into the US, as de-regulated trade and shifts in foreign policy territorialities have opened or made more

porous old borders between the US and its Latin American neighbours. Specific recognition of the not only social and cultural but also more importantly the entitlement to economic rights and advancement of First Nations peoples in the US has accompanied these policy shifts resulting in greater attention to minority, including First Nations enterprise development.

- While the report provides a statistical time-series comparison between minority groups of levels of business engagement, when it does mention “American Indian or Alaska Native” peoples it does not identify or deal with some of the specific barriers and issues that are unique to First Nations contexts specifically:
 - the residual generational impact of colonization and state policies of exclusion such as the ‘stolen generations era’ in Australia or residential boarding schools programs in Canada and parts of North America
 - questions of native title and collective group rights such as land rights
 - questions of treaties, mining or other royalties and tenure entitlement
 - the disproportionately high burden of disadvantages borne by Indigenous peoples who even in ‘minority group’ comparative terms, remain the most marginalised of all population groups within all western nations.
- Thirdly: the US has an historic tradition of ‘residual’ rather than ‘universal’ social welfare provision and consequently has a well developed philanthropic and corporate sector tradition of support for social, community and enterprise development initiatives. Australia, since Federation and until the mid 1990s was distinguished internationally for its unique centralised industrial arbitration and social wage system, commonly referred to as ‘working man’s [sic] welfare’ or ‘welfare state’ and comprised of universal entitlements. Thus a comprehensive ‘safety net’ of basic wage, employment, education, housing, health and welfare provisions has traditionally been the responsibility of the Australian nation-state.
- As result, Australia has a less developed and less proactive philanthropic sector and less of a tradition of civic engagement by corporations. The translation of the Minority Supplier Diversity model will require strong corporate and public sector leadership to be as effective as it is currently in the North American context.
- The scale of philanthropic corporatism in the US is far larger and well developed than in Australia. Large business corporations have historically worked in partnership more closely with non-governmental organisations to support and resource comprehensive poverty alleviation or socio-eco development strategies and also been more likely to advocate on behalf of small business in the US than in Australia. The MBC model may therefore transfer less quickly and easily to the Australian context without a series of related and planned accompanying support strategies and champions.
- Australia’s Indigenous peoples were generally historically excluded from the normative state ‘social wage’ provisions to Australian citizens and ‘mainstream’ employment until the 1967 Referendum and economic and employment gains have also been extremely slow since that time. The engagement of Indigenous Australians in ‘mainstream’ business is very slowly growing but to date very little infrastructure has been put in place at either the public policy or service delivery levels to underpin Indigenous enterprise development.
- To transfer the US Minority Council model on its own, without relevant and comprehensive state support to accompany and underpin enterprise development in Indigenous contexts, will potentially therefore be a slow process of corporate engagement with what are more likely to be the more advanced Indigenous businesses. It will not necessarily result in stimulus for an overall increase in Indigenous enterprise development. However the public profile and advancement of current Indigenous businesses will boost morale and assist the generation of wealth.
- We argue that documenting the change in minority businesses over time; greater engagement with established corporate sector bodies as mentors and partners as well as encouragement for preferential procurement for Indigenous suppliers will be very important; but that also much more effort is required to foster latent new Indigenous enterprise, support the development of entrepreneurial skills, develop culturally appropriate enterprise models and respond over time to Indigenous led initiatives for

the development of enterprise engagement – ie a 'bottom up' approach to accompany 'top down' measures.

- We would like to take this opportunity to draw the Committee's attention to the extensive work that has been done by the **Harvard Project on American Indian Economic Development**: <http://www.hks.harvard.edu/hpaied/>. This longitudinal study conducted by the John F. Kennedy School of Governance at Harvard since 1987, aims 'to understand and foster the conditions under which sustained, self-determined social and economic development is achieved among American Indian nations'. From research and findings of the project, its economists, business professionals and public policy experts argues unequivocally that the most essential ingredient to sustained economic and social development is meaningful self government: "... the key factors are not the economic factors that many people might think would be most important - things like natural resource endowments or location or educational attainment. Those things certainly matter, but their significance rests on a foundation of political change".
- The Harvard Economic Study argues that the 'nation building approach' to Indigenous economic development is critical to sustained progress and contrasts this to what it terms the 'jobs and incomes approach'. It argues that the key factors for sustained social and economic change to the parlous conditions of Indigenous communities are: *sovereignty; governance and institutions; culture/cultural match; strategic thinking; and leadership*. A key passage is represented below:

For the better part of a century—since at least the late 1920s—the United States government has tried to find ways to overcome poverty on Indian lands. Its policies have ranged from on-site assimilation to the relocation of Indian peoples into U.S. cities to the termination of Indian reservations. In all that time, self-determination—putting genuine decision-making power in Indian hands—is the only federal policy that has worked. It is the only federal policy that has had any lasting, positive effect on socioeconomic conditions in Indian Country. The evidence is clear: the best way to perpetuate reservation poverty is to undermine tribal sovereignty; the best way to overcome reservation poverty is to support tribal sovereignty.

- The Harvard project argues strongly that enterprise and economic development in Indigenous contexts needs to be viewed as a 'process' and not a single quick fix program or unitary project. In **Attachment 4** to our submission, we provide a representation of the difference between a 'jobs and income' reactive approach and a proactive 'nation building' approach as cited in *Annexure 2: Promoting Economic and Social Development* of the Human Rights and Equal Opportunity Commission Report 2004.
- We note also the extensive work undertaken in Canada to stimulate partnerships between NGOs as community development enabling vehicles; First Nations communities and their networks in and across urban and remote areas; often with the active support of Universities and other research and education bodies - and private corporations. These multi-layered partnerships provide for a matrix of underpinning to advance Indigenous businesses be they micro, small or medium/ sole operators, family kinship groups or community based. We consider this approach, coupled with some of the positive aspects and learning that can be drawn from the MBC report to be more likely to foster overall advancement of Indigenous enterprise effort. These include but are not limited to for example:

- <http://www.turtleisland.org/business/business.htm>
- <http://www.ainc-inac.gc.ca/ps/abc/ab00430-eng.asp>
- <http://www.forestry.ubc.ca/firstnat/intro.html>
- <http://www.ch-nook.ubc.ca/advancedmanagement/AMC.htm>
- <http://www.canadabusiness.ca/pe/>
- <http://www.business.uvic.ca/media/news/view/124>
- <http://www.umanitoba.ca/faculties/management/programs/undergraduate/abe/index.html>

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

- From our experience the answer would be yes, such incentives would be fundamental to stimulating demand for the services and products from Indigenous suppliers. We would however recommend to the Standing Committee that such incentives should also apply to the not-for-profit community sector, both in terms of encouraging such agencies to do business with and subcontract Indigenous enterprise but also where appropriate to mentor new Indigenous enterprises.
- Many large NGOs now run substantial programs of commercial activity that require and demonstrate commercial business acumen. The profits from the 'business' arm/s of many NGOs are now often used to cross-subsidise the activities of what are characterised publicly and legally as 'not for profit' incorporated bodies. Such 'not-for-profits' are however large corporations in their own right which employ or contract and buy in all manner of business services and products. We argue by providing incentives to all manner of large enterprises to subcontract and do business with Indigenous enterprise would broaden the support base for the development and uptake of Indigenous business activity.
- One of the nascent enterprises that Anangu partners are developing is a second-hand shop which will substitute a social and commercial enterprise activity for what to date has been a relatively 'passive charity' service. The community concerned want to take control of the operations, market and 'political economy' of second hand goods supply and demand within their community and develop this as a small profit –making venture beneficial to the community at a number of levels: organisationally, educationally and socially as well as in narrowly defined commercial terms.
- The UCW Adelaide operates *Goodwill*, a chain of second hand goods retail outlets and are offering to mentor and model commercially viable second hand shop retail operations for the community partners. Similarly all major NGOs as well as successful businesses are likely to contract a myriad of services from administrative support to media and PR businesses. Incentives to all such major business of non-profits should encourage preferential tendering for Indigenous suppliers.
- While encouraging the incentives approach for successful businesses and non-for-profits to increase the contracting and mentoring of Indigenous enterprises, we would also suggest that government agencies, tertiary institutions and large corporate bodies such as Land Councils across the national be also encouraged to give preferential tendering or other forms of priority, including mentoring to Indigenous enterprises.
- Greater efforts to stimulate and support Indigenous enterprise need to be systemic in our view. Such effort needs to be comprehensive and work at the development stages of new business start up to provide mentoring for the whole enterprise activity, as well as during the growth phases to assist new enterprises to keep clientele and markets and expand their operations. Incentives for successful businesses to increase contracting and mentoring as a stand-alone initiative, will not we feel make the necessary impact to enable the growth of Indigenous enterprise in Australia.

Summary and Conclusion

In this submission we have provided background information about this ARC Linkage research project. We wish to reinforce the fact that this project emerged from the expressed desire of the Anangu people in Pukatja community, Turkey Bore and Anilaylya homelands on the APY Lands of SA to develop sustainable viable Indigenous enterprise. Despite the level of stress, socio-economic disadvantage, the constant uncertainties, the lack of financial resources and the relentless administrative and governance demands placed on Anangu partners, the

communities concerned and their leaders have remained resolute and resourceful in the pursuit of independent enterprise activity.

While in its early stages of development the project has gained insights into the importance of collaborative partnerships to provide leverage and resources to enable and support individual, family and community entrepreneurial efforts. Many barriers exist to inhibit and limit the potential for Indigenous enterprise development while at the same time many perceived 'disadvantages' can be repositioned as viable assets. CDEP plays an integral and important role in underpinning the opportunities for the start up phase of Indigenous enterprise in remote communities. We also wish to state the importance of not omitting the non-government/ not for profit sectors in considering social capital accumulation, community development and micro-financing options for Indigenous enterprise development. We also would identify the lack of micro-financing options and support for sole entrepreneurs as a major oversight in considering supports for Indigenous enterprise. We suggest a wide array of options and analyses be taken into consideration by the Committee and that the research findings of the Harvard Project on American Indian Economic Development be considered alongside programs of collaborative business, community and educational partnerships operating in Canada.

While acknowledging the very many strengths of the US MBC approach as exemplified in the Report provided by the Standing Committee, we caution that from our observations and experience, without attention to **bottom up as well as top down** approaches, the opportunity to provide a comprehensive approach to fostering Indigenous enterprises will be limited. Approaches that take account of socio-economic, inter-generational and locational disadvantage are important in our view. We highlight to the Committee the comprehensive sustainable approach depicted in **Attachment 4.**

We would like to thank the **House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs** for this opportunity to respond to its call for written submissions to its *Inquiry into Developing Indigenous Enterprises*.

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ATTACHMENT: 1

The Indigenous hybrid economy

Source: Altman (2001)

ATTACHMENT: 2



An Open Letter to Minister Jenny Macklin, **by Makinti Minutjukur**

12 August, 2008

Dear Minister

We welcome you on your first visit to our community at Ernabella/Pukatja.

We are happy to hear that the Government will pay for the repair of the Ernabella Church. That church is part of our present day heritage. Our fathers and grandfathers built it with their own hands. It is a place that helped to keep our community strong.

We are also happy to hear that the Commonwealth and State Governments will help the Amata community to have a new art centre building for Tjala Arts. Community art centres are like the hub of a wheel. They are a fixed point where people work and make money to feed their families; pass on their knowledge to young people; get training in art skills and business skills; and have a quiet safe place to be where they make beautiful things that make them feel proud and happy, as well as giving pleasure to the people who buy their work.

We are also pleased to hear that both your Government and the South Australian Government will do something to help with more houses in our communities. We appreciate the help the governments are giving with these things. We believe that you know that they are the tip of the iceberg. Hiding under the water are the same old problems - bigger than ever.

First though, step back 30 years. In those days we had a community garden supervised by Ungakini's husband, and which supplied our fresh fruit and vegetables. The community bakery run by Peter Nyangu supplied all our bread. Rodney Brumby ran the building projects, supervising the brick making for houses and community buildings in which my father also worked, just one of several of his community jobs. My mother worked in the women's learning centre where she and other women made clothes, home furnishings, and all sorts of practical goods which people bought with the money they earned from their employment in the community.

I worked in the clinic and was trained there by Robert Stephens and others. Many Anangu received health worker training then; few do today. We had the responsibility of doing the jobs that made our community. We earned our living and we did work that was interesting and worthwhile. We were learning in a good way how to be together in one place all the time, and how to start making so many changes in our lives. All this was new, since as you know, only 30 years before that most of us were still living in the bush and living from the land.

I believe *the* reason why all our lives out here have become so difficult and painful over the last 30 years is that governments, who have the power over us because they have the money we need to make the changes from old ways to new ways, have stopped listening to us. Listening properly. Taking the time. Working with us. Trusting us to be responsible for our own lives - since we know them best.

It's true that many people have come from government for visits: politicians like yourself, very senior and important public servants from Canberra and Adelaide, and all sorts of other experts and advisers. That's good of course - but not one of them has ever stayed long enough, or come back often enough so that they can really understand, and so that we can help them understand

what is the reality here - and the other way, so that they can help us understand what the government can do.

You know and I know what some of the problems are: not enough money for people to live and eat properly, and so an increasing health crisis because of bad diet; no proper work for most adults and so a rising sense of hopelessness from young people who can see no future; a terrifying marijuana problem (since Opal fuel it has replaced petrol as the substance abuse of choice) which is a main factor in most suicides among its many other destructive effects; many old "slum" like houses, and not enough houses anyway, so babies, children, everyone gets sick.

The strength of Anangu Pitjantjatjara Yankunytjatjara is in our relationships with each other. That is how our society and our communities work - through our relatedness. Our communities can remain strong only as long as our relationships can be strong, instead of melting away because of no work and no meaning, sickness and sadness. We need to build up those relationships again and we need a different relationship with governments.

I want to ask you, for all Anangu: will you listen to us? As a participant in the 2020 Summit I felt very hopeful that your Government might listen to us.

I understand that governments change, that politicians come and go and so do public servants. We've been here all along, and long before that. Our lives were much better 30 years ago. In the years since there have been many changes, some big, some little. Our money has gone up but mostly down; the places we could work in the community changed, and/or disappeared - that is, they weren't funded any more (such as Wali K which only two years ago employed young men making building products). This is just one example of all the changes that are imposed on us in which we have no part, and no choice. Part of the reason is that the various groups, committees and individuals who make the decisions that affect us all are not properly representative of Anangu tjuta - all Anangu. This is a serious problem and needs urgent attention with full Anangu participation and understanding every step of the way.

Surely we can work together to understand each other properly, to make good plans together that will last, and not change every few years when governments change and officials change. I don't believe it has to be like that. We are a very patient people but none of us has much more time to wait before our communities disappear under the sea, with the rest of the iceberg.

Yours sincerely

Makinti Minutjukur
Disability Support Worker, DFS
Pukatja Community (formerly Ernabella Mission)

ATTACHMENT: 3

August 18, 2008 [THE AUSTRALIAN](#)

Overcrowding opens door to social tragedy John Wiseman, SA political reporter

His deeply etched face is the map of a hard life in central Australia, Aboriginal elder Graham Kuyulura has seen the grog and petrol sniffing come and go in his community of Pukatja, in the remote Anangu Pitjantjatjara Yankunytjatjara lands of northern South Australia. The one constant - not that it provides any comfort - is the squalid and overcrowded housing his people endure, up to 10 to a home that's freezing in winter and an oven in the blisteringly hot summer months. Overcrowding does not attract the attention of alcohol and drug abuse, nor does the violence it fosters in indigenous communities, but it is increasingly being recognised as central to the dysfunction engulfing them. Mr Kuyulura cast aside his shyness, embarrassment and anger about his family's living conditions to open the doors on his home in the remote homelands of South Australia. A series of studies, most recently the Mullighan inquiry into child sexual abuse on the lands, have found overcrowded housing is a root cause of the social ills afflicting indigenous people. Mr Kuyulura and his wife, Ankuna, live with his daughter Nami, a 42-year-old teacher at the school in Pukatja, the largest settlement on the APY lands bordering the Northern Territory and Western Australia.

When the numbers are more than the house can hold, it can mean sleeping outside in the Musgrave Ranges of central Australia, where winter brings sub-zero temperatures at night. Conditions inside are hardly better. A year ago, Nami Kuyulura thought she had escaped the housing crisis plaguing the APY communities, moving from an old house that was home to 13 adults and 10 children to a new three-bedroom, two-bathroom house in an area of Pukatja known as Hidden Valley. But the crisis followed her. The housing shortage on the APY lands means those who have a home must share with relations who do not. At times the new house is home to up to 10 people, with bedding scattered across the dusty and sparsely furnished living areas. When *The Australian* visited on a chilly day last week, Graham and Ankuna Kuyulura and one of his grandchildren were being warmed by a small heater. "It would be fine if it was just mum and dad and three kids, but with all the people it would be too much," Nami Kuyulura said. The overcrowding brings pressures on housing and living standards. In her new home, the hot water and heating system no longer work. Getting them fixed can mean a six-month to eight-month wait and even then nothing is guaranteed.

Kenneth Ken remembers when the community could help itself: when there was a plumber, a carpenter and a mechanic in Pukatja. He lives in an old cement block home where the kitchen is without a stove, the sink is permanently blocked and the outdoor laundry, between the toilet and shower, must be used for running water. He can't remember when the septic tank in the backyard was last emptied or maintained. "In the 1960s, 70s and 80s, we used to have a plumber, a builder to repair whatever little thing cracked up, but the government took it away from us," Mr Ken said standing in the grimy kitchen, in which his sole means of cooking is an electric fry pan. "Look at what we're living in now. They took the work away - we couldn't understand why they took it away, never tell us why. "I'm happy you mob come here so I can share what we living in here now."

The "mob" included federal Indigenous Affairs Minister Jenny Macklin and her South Australian counterpart Jay Weatherill. They are nearing an agreement with the traditional owners of the APY lands and its executive board to spend \$25million on upgrading the housing and building new homes. The APY people are now ready to provide 50-year leases in return for the housing, with a final decision to be made in the next week. In Pukatja, Ms Macklin admitted successive federal and state governments had failed the indigenous communities on the lands. The Mullighan inquiry found that in the past 30 years, social dysfunction on the lands had led to widespread drug and alcohol abuse, violence and a frightening level of sexual abuse of children. Former Supreme Court judge Ted Mullighan warned governments they had at best two years to reverse the decline, before it became irretrievable.

ATTACHMENT: 4

Promoting Economic and Social Development, HEREOC Report 2004, adapted from Harvard Project on American Indian Economic Development.

'Jobs and Income Approach' Reactive	'Nation building approach' Proactive
Responds to anyone's agenda (from the govt or industry)	Responds to your agenda (from strategic planning for the long-term future)
Emphasizes short-term payoffs (especially jobs and income now)	Emphasizes long-term payoffs (sustained community well-being)
Emphasizes starting businesses	Emphasizes creating an environment in which businesses can last
Success is measured by economic impact	Success is measured by social, cultural, political and economic impacts
Development is mostly the tribal planner's job (planner proposes; council decides)	Development is the job of tribal and community leadership (they set the vision, guidelines, policy; others implement)
Treats development as first and foremost and <i>economic</i> problem	Treats development as first and foremost a <i>political</i> problem
The solution is money	The solution is a sound institutional foundation, strategic direction, informed action