



OPPORTUNITY COMES KNOCKING

GIVEN THE RIGHT CHANCE FOR SUCCESS, INDIGENOUS
BUSINESSES CAN TRANSFORM LIVES.

STORY: DAVID KIRKPATRICK



“By forging partnerships between Aboriginal business owners and the Australian government, there is a real opportunity to see some growth in the Aboriginal business sector.”

In many ways successful Indigenous businessman and author Neil Willmetts is the prototype the House of Representatives Aboriginal and Torres Strait Islander Affairs Committee had in mind when framing its recently released report, *Open for business*.

The report contains 15 recommendations aimed at developing Indigenous enterprises in Australia.

Underpinning the report is the Rudd government's desire to close the life expectancy gap between Indigenous and non-Indigenous people, which is currently 17 years, by giving them greater access and opportunities within Australia's business sector.

“That gap is underpinned by a range of other gaps—social and economic—not the least significant of which is between the rates of unemployment,” committee chair Richard Marles (Member for Corio, Vic) said.

“The Indigenous rate of unemployment runs at three times the rate of unemployment of non-Indigenous Australians. And we will never close the gap in relation to life expectancy until we come to terms with this unemployment, which is a key indicator of the economic health of the Indigenous community.”

The current status of Indigenous participation in business is fairly damning.

It's estimated there's three million small businesses in Australia and only 3,000 of those are Indigenous-owned.

Non-Indigenous people are three times more likely to own and run their own business compared with the Indigenous population.

Neil Willmetts is one individual that bucks that trend. He is a shining example of a self-made Indigenous businessman, who started his own company with nothing more than \$500 in the bank, a laptop, mobile phone and some business cards.

He dropped out of high school in year 11 (but later went on to study at university) and now runs a successful Brisbane-based consultancy, Willmetts Consultants, which provides fee-for-service advice to government, Indigenous organisations, small businesses and corporate sector clients.

He numbers corporate giants like Gloria Jeans Coffee and Australia Post as his clients, and has plenty

of government agencies on his books. His company currently employs several contracted human resource and business consultants and will celebrate its fifth anniversary in January.

But Neil Willmetts came from very humble beginnings. He grew up in the small town of Innisfail in north Queensland with a “large family and lots of cousins”.

He's the youngest son of an Aboriginal mother, whose Aboriginal family were forcefully sent to Palm Island (off Townsville) in 1925, and an Anglo-English father (Lance), whose great grandfather was one of the first mayors of Townsville.

“From an early age, my parents installed a clear understanding of my Aboriginal identity and a good work ethic in us,” Mr Willmetts said. “Although I was a troublesome teenager, I have worked hard to be where I am today and believe it is because of the guidance of my hard-working parents.

“Seeing this dedication to the community has been pivotal to my development.”

“My parents have dedicated their lives to the Aboriginal community where my mother has managed the local Aboriginal Housing Cooperative for over 30 years.

“Seeing this dedication to the community has been pivotal to my development.

“I also attribute my motivation to succeed to my siblings and older Aboriginal leaders. My siblings consist of a carpenter, school teacher, senior government official and a motor mechanic.”

Neil Willmetts is the nephew of Pat O'Shane and the late Mick Miller, both of whom hold important places in Australian history.

Mick Miller and the late Phil Stewart were the first two Aboriginal school teachers in Australia, graduating in the late 1950s.

Mr Miller was a charismatic Aboriginal leader and educator, a fighter for Aboriginal land rights and the author of the powerful 1985 Commonwealth Government Review into Aboriginal Education and Employment which is known as the 'Miller Report'.

Pat O'Shane was also a teacher and the first Aboriginal female lawyer in Australia before becoming a well known Sydney magistrate.

With that sort of background it's little wonder Neil Willmetts is beginning to make a name for himself in his own right.

IN BUSINESS: Trainee Patrick Willock is supervised by liaison manager Williams Jumbo as he trains at the Ngarda Civil and Mining Company in WA, which is half-owned by Indigenous interests. Photos: Newspix

He participated in the government's 2020 Summit earlier this year, provided a detailed submission to the Aboriginal and Torres Strait Islander Affairs Committee inquiry into developing Indigenous enterprise, and appeared before it at one of its public hearings.

He's also authored two books on the subject of Indigenous business, *How to Start a Successful Aboriginal Business in Australia* and *The Essential Guide to Employing Aboriginal People in Australia*.

Mr Willmetts has given most of the 15 recommendations contained within the *Open for business* report his ringing endorsement.

"I am very happy with the recommendations," he said. "They got a number of the key issues.

"It was good to work with a committee that understands the business sector.

"I am very hopeful that a number of these recommendations will be taken up." But he sees the handing down of the report and its recommendations as a beginning, not an end.

"The recommendations that are not implemented will not be forgotten by Aboriginal business owners," he said.

"I will continue to lobby the Australian government to implement all of the committee's recommendations until they are implemented."

But he's also given the Rudd government kudos for what it has already achieved so far, including the Apology to the Stolen Generation, staging the 2020 Summit and now this review into Indigenous business.

"The Australian government has recently demonstrated that they are committed to improving the lives of Aboriginal people," Mr Willmetts said.

"By forging partnerships between Aboriginal business owners and the Australian government, there is a real opportunity to see some growth in the Aboriginal business sector."

Mr Willmetts is particularly enthusiastic about two key recommendations that will give Indigenous businesses greater access to a share of the government and private sector procurement pie.

It's something that he strongly lobbied for in his submission to the inquiry.

Recommendation 9 urges the government to establish a series of target levels of government procurement from Indigenous businesses, and require all Australian government agencies and authorities to nominate a target level.

And recommendation 13 suggests the establishment of a pilot Indigenous Supplier Development Council in Australia for a period of five years.

"All recommendations were positive. The recommendations about establishing the Minority Supply Council and a whole-of-government Indigenous business procurement strategy were very positive," Mr Willmetts said.

These 'supplier councils' are modelled on similar organisations already in operation in the northern hemisphere.

Indeed, the Canadian Aboriginal and Minority Supplier Council provided a submission to the inquiry urging the Australian government to adopt such a scheme.

"In our four years of operation CAMSC has been effective in facilitating over \$200 million of procurement for Aboriginal and minority companies," its submission stated.

"We know the model works so we enthusiastically support the founding of a similar organisation in Australia."

INDIGENOUS ENTERPRISE:

Nora Campbell, an artist from the Titjikala Arts Centre in the Northern Territory, with one of her paintings that will be placed on the front of NAB automatic teller machines throughout Australia. Photo: Newspix



ROLE MODEL: *Successful business owner Neil Willmetts. Photo: Newspix*

One of Neil Willmetts's more contentious suggestions, lowering the company tax rates for Indigenous businesses from 30 per cent to 10 per cent, wasn't among the committee's 15 recommendations.

However, in recommendation 11, the committee stated the government should consider ways of encouraging Indigenous start-up businesses in its current review of Australia's taxation system.

"My suggestion is not new, but it is innovative and should be considered," Mr Willmetts maintained.

"At this year's Australia 2020 Summit, former Macquarie Bank boss Bill Moss suggested a similar strategy to stimulate Aboriginal employment.

"If the Australian federal taxation system is to play a vital role in modernising Australia's economy to meet the great economic, social and environmental challenges of the 21st century, then an Aboriginal employment/business exemption



PROMOTING SUPPLIER DIVERSITY:
*Harriet Michel, President of the National
 Minority Supplier Development Council
 (top right). Photo: Andrew Dawson*

“If we are serious about closing the gap, we have to do considerably more to prepare people for enterprise.”

tax for companies should be considered when reviewing the role and structure of company taxation.

“If this tax is adopted, it will increase the number of jobs for Aboriginal people, providing economic independence, and possibly the number of Aboriginal businesses being established.

“Put simply, it will be a win-win situation for Aboriginal people and business.”

Perhaps one of the most innovative recommendations made by the committee explores



Developing through diversity

Supplier diversity is being heralded as the way forward to develop Indigenous enterprises.

According to America’s National Minority Supplier Development Council, supplier diversity is “an organised effort within a corporation to ensure that there are minority suppliers in their supply chain”.

NMSDC is a private not-for-profit organisation, designed to expand business opportunities for minority owned companies and link businesses with minority suppliers.

NMSDC President and top American businesswoman, Harriet Michel, spoke with the House of Representatives Aboriginal and Torres Strait Islander Affairs Committee about the success of supplier diversity and the practice of mandating a requirement to purchase goods and services from suppliers of an ethnic minority.

A minority supplier in the United States is defined as a business at least 51 per cent owned, operated and controlled by persons who are black, Hispanic, Asian-American or Native American.

Ms Michel described the NMSDC as “corporate America’s outreach to minority businesses”.

“The sole purpose of our organisation is to bring together corporations and minority owned businesses under the best possible set of circumstances in the hope that they will do business with one another,” she said.

“We have over 3,500 major American corporations and other buying organisations, including Coca Cola, IBM and Cisco Systems, as our members and we represent over 15,000 minority businesses. Purchases by corporate members from minority businesses now exceed US\$100 billion.”

Ms Michel believes a similar model of supplier diversity could work in Australia, if established correctly.

“Looking at the success of the development of the minority business sector in the US, I would hope that the government would provide, first of all, the seed funding for the development of the Australian council—there is a proposal to fund it for three years.”

This could be complemented by policy mandates within government agencies to consider Aboriginal businesses as suppliers.

She identified openings for Australian Indigenous businesses in areas with low entry costs, such as personnel and consulting firms.

"You are not immediately going to find an Indigenous manufacturer of parts because it is a high-cost barrier. The inventiveness and the intuitiveness of these people coming into the marketplace is astounding in how they figure out what kinds of products and services they can offer up to a corporation or to government."

Ms Michel said Indigenous entrepreneurs should work on accessing information and focusing their business.

"When they get the chance to visit a corporate buyer they have to be able to answer the question, what added value do they bring to that company? They ought to be able to say how their product or how their service is able to help that particular corporation."

The House of Representatives Aboriginal and Torres Strait Islander Affairs Committee has recommended in its recently released *Open for business* report that the Australian government pilot an Indigenous Supplier Development Council for five years.

The experience of the United States shows that supporting minority businesses as they develop is in the interest of large corporate entities. As minority groups prosper economically, they have higher income and increased demand for products, forming a key market base.

In the United States minorities represent 28 per cent of the population, a figure that is not reflected in business ownership statistics.

"Because of our increase in minority populations and the projection of what the United States will look like in 2025, where many cities will be majority minority cities and because our corporations are in global competition to retain or expand market share, they had to then begin to look at these minority populations as real customers who had real income to spend on real products and services," Ms Michel said.

"These companies compete for our business—they compete for minority business in the United States. The best way to show your potential customers that you value their business is by doing business with them.

"You do not have the same percentage of minority population here, but as that community becomes more self-sufficient and more are employed, they are going to buy more products and services, and these companies that step in first will have an advantage.

"Today the aggregate revenue of our minority communities is \$1.5 trillion (US), which is larger than the total revenue of many countries. So there is no corporation in the United States or abroad that will ignore those populations in terms of their bottom line. Why do corporations do this? Economics and demographics. We know that your Indigenous population is very small, but in the United States we have moved to a situation where doing minority supplier development is a business imperative for any smart corporation that wants to be globally competitive.

"I assure you that once a policy is in place, once a government says, 'We welcome you as potential suppliers to us', once corporations say, 'We welcome you', we will all be astounded in two or three years time at the types of businesses that the Indigenous community has come up with."

potential partnerships for Indigenous communities to be involved in so-called 'green industries'.

Recommendation 6 urges the government to provide additional funding for the Commonwealth Scientific and Industrial Research Organisation to expand its research and partnering work in the areas of natural resource management and carbon emissions reduction leading to potential commercialisation opportunities for Indigenous communities.

At the heart of this recommendation is Indigenous ownership of vast tracks of land in Australia and traditional methods of taking care of the environment, particularly fire management in the vast tropical savannas of northern Australia.

According to CSIRO, the vast majority of bushfires in Australia occur in the savanna country of the tropical north where bushfire issues relate to landscape management rather than protection of life and property.

The Indigenous tradition of landscape burning on a small but continuous scale has been adopted as a key landscape management tool.

In the Northern Territory 44 per cent of the land mass and 84 per cent of the coastline is under Aboriginal ownership.

Perhaps one of the most innovative recommendations made by the committee explores potential partnerships for Indigenous communities to be involved in so-called 'green industries'.

"With the growing demand for carbon-offset products in Australia and internationally, the tropical savannas of northern Australia are likely to play a key role in an emerging carbon economy," CSIRO stated in its submission to the inquiry.

"Frequent burning of savanna landscapes is a considerable source of greenhouse gases, accounting for about 50 per cent of the Northern Territory's emissions, which is three per cent of Australia's total human-driven emissions.

"However, the tropical savannas of northern Australia are net carbon sinks, even if burnt frequently.

"To maximise their sink potential, CSIRO and partners are seeking more knowledge of the long-term potential sink-strength, and how sensitive this is to land use, particularly tree clearing, grazing and fire."

CSIRO, in partnership with the Northern Land Council and Aboriginal Traditional Owners in Arnhem Land are investigating the complex issue of how factors, such as property rights, may govern carbon offsets in the savannas on Aboriginal land.

Other sorts of partnership were also highlighted during the inquiry. Mining giant Rio Tinto prepared one of the most comprehensive submissions to the committee.

It pointed to a number of successful joint ventures already in operation in Australia including Ngarda Civil and Mining in the Pilbara region of Western Australia.

The business is half-owned by Indigenous interests and the other half by Leighton Contractors. In its first nine months of operation, Ngarda secured approximately \$9.2 million in contracts for work over the next five years.

But there was a sting in the conclusion of Rio Tinto's submission. It warned about "preparedness" for these initiatives to be implemented and become successful.

"What we have seen in the mining industry over the past decade in Australia is that there are plenty

of opportunities, but very few programmes, services and networks to build preparedness," Rio Tinto's submission stated.

"And without preparedness, there can be no sustainable outcomes for Indigenous businesses.

"If we are serious about closing the gap, we have to do considerably more to prepare people for enterprise and that requires coordinated government services and recognition that Indigenous people are capable of, and currently running, successful businesses." •

The *Open for business* report is available at www.aph.gov.au/atsia or for more information email atsia.reps@aph.gov.au or phone (02) 6277 4559.



NATURAL TALENT: *Traditional methods of caring for the environment could provide business opportunities for Indigenous communities: Photos: Newspix and aapimage*

