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Official Committee Hansard

**HOUSE OF
REPRESENTATIVES**

STANDING COMMITTEE ON ABORIGINAL AND TORRES
STRAIT ISLANDER AFFAIRS

Reference: Developing Indigenous enterprises

TUESDAY, 9 SEPTEMBER 2008

BRISBANE

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**HOUSE OF REPRESENTATIVES STANDING
COMMITTEE ON ABORIGINAL AND TORRES STRAIT ISLANDER AFFAIRS**

Tuesday, 9 September 2008

Members: Mr Marles (*Chair*), Mr Laming (*Deputy Chair*), Mr Abbott, Ms Campbell, Mr Katter, Ms Rea, Dr Stone, Mr Kelvin Thomson, Mr Trevor and Mr Turnour

Members in attendance: Ms Campbell, Mr Marles, Ms Rea, Dr Stone

Terms of reference for the inquiry:

To inquire into and report on:

Opportunities for Aboriginal and Torres Strait Islander people to grow small and medium-size business. This shall include Indigenous controlled enterprises and business in which Indigenous people are joint venture partners.

In particular, the Committee will focus on:

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;
2. identifying areas of Indigenous commercial advantage and strength;
3. the feasibility of adapting the US minority business/development council model to the Australian context; and
4. whether incentives should be provided to encourage successful businesses to sub contract, do business with or mentor new Indigenous enterprises.

WITNESSES

ANDERSON, Ms Majella, Principal Consultant, Black Business Consultancy	48
ARMSTRONG, Mr JM John, Private capacity	30
ARMSTRONG, Mr JM John, Private capacity	48
BAMAGA, Ms Nancy, Member, Nguin Warrup (Black Drum)	48
BROWN, Professor Kerry Ann, School of Management, Queensland University of Technology	34
DENNING, Mr Wayne, Managing Director, Carbon.....	48
FURNEAUX, Mr Craig Walter, PhD Student, School of Management, Queensland University of Technology	34
GEORGE, Ms Helene, Director, Creative Economy	48
HARRIS, Mr Leigh Ronald, Managing Director, Indigenous Tenders	27
HARRIS, Mr Leigh Ronald, Managing Director, Indigenous Tenders	48
JIA, Mr Charles Thomas, President, South East Queensland Indigenous Chamber of Commerce	48
McLEAN, Ms Sherrie, Manager, Indigenous Business Development, Office of Regional Development, Department of Tourism, Regional Development and Industry	2
MEMMOTT, Professor Paul Christopher, Director, Centre for Social Responsibility in Mining, University of Queensland	41
NIDDRIE, Mr Noel Thomas, Director, Winangali Pty Ltd	48
PARKER, Ms Maree, Director, Office of Regional Development, Department of Tourism, Regional Development and Industry	2
ROSE, Ms Allinta Mai-Leh, Managing Director, Deadly Life and Business.....	48
STANLEY, Dr Jane, Private capacity.....	20
WILLMETT, Mr Neil Michael, Managing Director, Willmetts Consultants	10
WILLMETT, Mr Neil Michael, Private capacity	48

Committee met at 10.34 am

CHAIR (Mr Marles)—I declare open this hearing of the House of Representative Standing Committee on Aboriginal and Torres Strait Islander Affairs. We are conducting an inquiry today into developing Indigenous enterprises. I acknowledge the Yuggera and Turrbal nations, the traditional custodians of this land, and pay our respects to their elders, both past, present and future. This is the seventh public hearing that this committee has now undertaken into the inquiry for developing Indigenous enterprises, and we welcome all of the witnesses who are here today and the roundtable participants who will be with us this afternoon. This hearing is open to the public and a transcript of what is said will be placed on the committee's website. If anybody would like further details about the inquiry or the transcripts, please feel free to ask the committee staff.

[10.36 am]

McLEAN, Ms Sherrie, Manager, Indigenous Business Development, Office of Regional Development, Department of Tourism, Regional Development and Industry

PARKER, Ms Maree, Director, Office of Regional Development, Department of Tourism, Regional Development and Industry

CHAIR—With that introduction, I welcome Maree Parker and Sherrie McLean. Although the committee does not require you to speak under oath, you should understand that these hearings are formal proceedings of the Commonwealth parliament and that the giving of false and misleading evidence is a serious matter and may be regarded as a contempt of parliament. Would both or either of you like to make an opening statement and then we might ask you some questions.

Ms Parker—In a few minutes Ms McLean will take you through an overview of our comments and the content of our submission. Just to put some context around it, Indigenous Business Development sits as part of our Office of Regional Development and we are really focussing our comments today around our experience from a departmental perspective. Primarily our work is delivered in this area through the Indigenous Business Development Grant Scheme. A lot of the discussion that Ms McLean will take you through now is really focussed around our experience with that scheme.

Ms McLean—The Indigenous Business Development unit was established in 2001. So, the unit has about seven years of experience in that area. It has changed over that time. For the first couple of years it was focussed on Cape York, and since 2003 it has expanded its coverage to the whole of the state. The grant scheme has two components. One is a business establishment and business expansion program, and the other program is for capacity building. Over that time the grants that have been provided have fallen into three main categories, the first to individual businesses, the second to Indigenous Councils, and the third to Indigenous development corporations. Approximately one-third of the grants go to each of those areas. That is in terms of proponents. Many proponents have received multiple grants, because we utilise staged assistance as a risk management strategy and to ensure that we have continuous engagement to ensure that the proposed assistance is still appropriate as time goes by.

We are currently at the stage of carrying out a review of our grant scheme. This is very timely for us, because we have the opportunity of viewing the submissions that have been made to this inquiry. But we are not at the stage where we are able to provide the inquiry with the results of that review, because it has only just recently got under way. The delivery of the program is generally through our regional offices. We have 19 regional offices around the state, and we have some dedicated Indigenous economic development officers within those regions. Currently we have four, with one position not currently filled. So, we have five. We have a funding arrangement with the federal Department of Education, Employment and Workplace Relations. We are currently negotiating a carryon project from that, which will have a bit more structure around it and expand across the state. That is in the negotiation stage at the moment. We rely on

those people to work in the community and develop proposals, but we also get inquiries directly from the public to the department that we handle in head office.

Just to give you an idea, we are a fairly small office. We have three project officers, a support officer and me, and then we have a management role in terms of the regional offices involved directly in Indigenous enterprise development. There has been a move more recently to look at capacity building and also, as part of our review, we will be reviewing how we deliver the grants, and marrying up the capacity building support with the business development support. There is a lot of learning from what has gone before. Also, the environment in which we deliver the program has changed, which will need to be taken into account in our review as well. For example, Indigenous councils have recently come under the Local Government Act in Queensland, and there is no longer an encouragement as there once was to have Indigenous councils undertake enterprise development projects. Some of those will be devolved to community organisations and some of them will carry on. That arrangement is really in transition at the moment, so we will have to take that into account. Do you want me to go on?

CHAIR—How much more do you have?

Ms McLean—I think that is sufficient. That is a general overview of who we are and how we do business.

CHAIR—We will start with questions and, at the end, you can tell us if there is anything that has not come out that you wish to say. You described the grants as being divided into thirds, with one third to Indigenous councils. Is that right?

Ms McLean—Yes.

CHAIR—Then you said that, in a sense, that third will now go to community organisations given the change of policy. Do I have that right?

Ms McLean—Not necessarily. Some of the Indigenous councils may devolve their business enterprise projects to community organisations, but it is not an imperative that they do so. They may continue to carry them on. That is a recent change and I think we can expect that situation still to evolve, so we are not quite sure.

CHAIR—You have five Indigenous economic development officers, or four with one vacancy. Are they spread amongst the 19 regional offices?

Ms Parker—Yes.

CHAIR—How large are the grants that you are giving out?

Ms McLean—We have a lot of flexibility in the grant scheme. We do not have a minimum or maximum amount, and each application is assessed on a case-by-case basis.

CHAIR—Do you have an average?

Ms McLean—We have an allocation of \$2.5 million per annum to the program and that covers both programs, both business establishment and capacity building.

CHAIR—How many recipients would you have in any given year?

Ms McLean—It varies significantly. We did not have very many last year. We only had about 10. Already this year, with preapplications and applications, we are looking at six.

CHAIR—Is that for this financial year?

Ms McLean—That is for this financial year. That is right. A number of the projects go over several years and some of the projects may be staged. A future stage may be dependent upon satisfactory completion of the earlier stage. It is also important to tell you that we leverage funding from other government agencies, both state and federal, and to date our leveraging capacity has been almost \$2 for every \$1 that we grant.

CHAIR—How will you do that? That might vary, but typically how do you do that leveraging?

Dr STONE—For example, do you require the applicants to find that matched grant or do you do it and bring the funding into the grant pool?

Ms McLean—No, we do not require them to do it. There is no fast rule. Our officers in the region will generally talk to a prospective proponent about who they have approached so far in relation to their project, and we will talk with other agencies about what complementary assistance can be provided. It is important that there is collaboration on our part and that we do not overlap what is being provided. For example, Indigenous Business Australia can fund a business plan. In the early stages of this grant program I see that we also funded some business plans. We do not do that anymore, because that service is readily available elsewhere. But we are able to fund capital items; there are no other agencies providing that sort of assistance. We endeavour to complement each other's funding.

Ms Parker—That is a standard approach that we tend to take within the department more broadly around any regional economic development or regional development programs and projects that we might be looking at sponsoring. One of the fundamental principles is that we look at how we can leverage contributions from other players, be they local governments, economic development organisations or particular firms in some cases. It is an application of that same approach in terms of the grants.

Dr STONE—You are under the umbrella of regional development. Do Brisbane, Cairns or Townsville based Indigenous communities also simply slip in under the regional development umbrella or do they go somewhere else? What is the role of the officers in the field? Do they mentor the people who are successful in getting a grant? Do they have a period of time when they keep working with the applicant? Having come a step forward, what proportion of businesses do you reject out of the applicants and what is the actual success rate of your businesses? How many will still be standing and viable after a number of years, say two or three, of having had a grant in the first instance?

Ms McLean—Addressing the last part of your question, I am not able to answer that right now because we are going through a review process. That is the information that we are currently gathering.

Dr STONE—I think you told us you began in 2001. You have had seven years. Is that right?

Ms McLean—Yes, but there has not been a full review done on the program to date. I recently joined the unit and that is a priority action for me, because that will inform how we restructure our grant program. The environment and some of the other complementary programs have changed as well. I am sorry; I cannot recall the first part of your question.

Dr STONE—I was asking about regional versus metropolitan based Indigenous applicants. Given you are under regional development, does someone in Brisbane also have a chance to apply for a grant for business entrepreneurship support?

Ms McLean—Yes, they do. We get a lot of inquiries directly to our unit.

Dr STONE—From metropolitan?

Ms McLean—Yes. They come through our general 1300 number and then it is referred to our unit. In the past we have funded a business hub through the Brisbane City Council in partnership with DEEWR and the Department of Tourism and Regional Development. However, the funding partners agreed to cease that project and we are currently negotiating for additional offices with DEEWR to cover that area, both south and north metropolitan area.

Ms Parker—So there is full coverage in terms of the program. It can be applied anywhere.

Ms McLean—Any Indigenous person can apply.

Ms Parker—We also get inquiries directly into our regional centres. We have recently had inquiries into our Gold Coast office and into Springwood office. Any of those 19 regional centres can be approached. They do not need to specifically have an Indigenous enterprise development officer for their inquiry to be serviced.

Dr STONE—My other question was about mentoring. Do your regional Indigenous business support people—I think you referred to five positions, with four in place—continue to mentor a successful grant recipient in their new business development?

Ms McLean—On an informal basis.

Dr STONE—So, it is not part of their job specifications?

Ms McLean—Not specifically. They currently see their role as more of a facilitator, facilitating the appropriate assistance, and assisting informally with navigating through paperwork. There is a perception that some of the federal government paperwork is quite difficult to understand and fill out. Indigenous Business Australia offers formal mentoring services. This is more of an informal facilitating role and they might refer potential projects to the Brisbane central unit to consider. We have a preapplication stage. They can put in a

preapplication quite early to see whether it is something that more time should go into to take to full application stage.

Dr STONE—I have a couple of questions about something you said before. Has the funding been cut for the business hub and, if so, how long ago did that happen?

Ms McLean—That is quite recent.

Dr STONE—Would that be in the last 12 months?

Ms McLean—Yes.

Dr STONE—This may be something that has been covered by the review so you may not be able to answer the question in detail. I am interested in the two grants in terms of the capacity building part of it and then the business development program. I assume that an organisation or an individual can apply for both and the idea is that you would apply for a capacity building grant that would get you to the point where you can actually then get the business development grant. Is that the idea? Is that how it works?

Ms McLean—No. In the past the capacity building funds were channelled through business hubs around the state and there was also the capacity to use that money in a range of ways to support business development projects. They did not have to go through a grant. We might have provided a contribution to another department that was providing assistance. There is quite a bit of flexibility with the support that can be provided through our capacity building program, whereas the business establishment program is by grant only.

Dr STONE—I am just trying to get a sense of the connection between the two. I have a question about those people who successfully use the business establishment grants to establish a business and manage to sustain their business over a reasonable period. Is there a connection with those people who have accessed that capacity building money? Does doing the groundwork and having support at that pre-business stage provide a measurable advantage for those people who then move on to establish a business and attempt to sustain that business? Is there a connection there and can you measure the benefits of people going through both programs?

Ms McLean—To date the capacity building support has not, in general, been provided to individual businesses, so it has not been married up with the business establishment grants and that is what we are looking at doing more of in the future. The capacity building grants have also been used through the business hubs.

Ms Parker—It is a sort of business development advice and support delivered through the hubs. That is where the focus has been for the capacity building. It is less about working directly with an individual business and more about providing some dollars that can be used to have a hub to provide that advice and support.

Dr STONE—That is more about funding the hubs?

Ms Parker—Yes. That is historically how that has worked.

Ms McLean—That is evolving, and that is why we are looking at changing that for the future. At the moment, for example, we have arts development capacity building projects. We are looking at creating an arts hub in a region. We are looking at bringing people together and creating a capacity to commercialise the work of artists and to facilitate marrying up artists with galleries and possibly branding of a particular area. We are working with other agencies to build up Indigenous art capacity in Queensland because it is not as progressive in that area as it is in some other states.

Dr STONE—Where are you looking to establish that hub and do the Indigenous artists come to you and say, ‘We want to develop this’, or is it coming from the top down? What has been the response and where are you up to with this arts development?

Ms McLean—We are partnering with other state government agencies and we are really at the early stages at the moment in the Cairns and Cape York area.

Dr STONE—The Indigenous people have not brought it to you? You are bringing it in?

Ms McLean—We are responding to inquiries through our Indigenous enterprise development officers.

Ms Parker—It is a local on-the-ground intelligence about what people are asking for, and so it has been driven by interest from those communities. But it is now in the very early stages of trying to map what it is that we can usefully do in that space and what kind of support can be provided.

Ms McLean—We are also looking at a similar project in Toowoomba in southwest Queensland.

Ms Parker—One of the issues there, for example, would be to try to get a sense of what artists are in that area at the moment, is there an opportunity to network among those artists, what are they looking for in terms of the nature of that support and what would they be asking of us. It is at the scoping stage.

Dr STONE—Finally, what is your view about the CDEP? As you are aware, it is under review. Given your experience working with Indigenous communities, where do you think it should sit ideally in the future?

Ms McLean—I am aware that it is being reviewed at the moment, but there is no indication what it will look like in the future. Already we have some good learnings for having worked with CDEP, and they need to be taken into account by all stakeholders. Our intention to marry up capacity building with business establishments is important here, because you have to manage the period of CDEP employment in a business to ensure that you can transition out of that so that you are left with a sustainable business, and that has not always happened. That needs ongoing management.

CHAIR—Typically how long does it take to turn around an application for a grant until they actually get the money?

Ms McLean—It varies. Because we have a preapplication stage it is very much backwards and forwards. It comes in as a preapplication and, if the concept is good, we will be able to give feedback in detail about what we will require at the application stage. Sometimes we get a significant amount. We might get a business plan with a preapplication stage, so we are able to do a fuller assessment. We are quite a flexible program in that regard and it varies, and any time delays can be on both sides. We do not have rounds and, as soon as we know an application is coming in, we will set up a grant review committee meeting. We are able to do that. We might do that for only one or two grants. At the moment we have one that is going to look at two grants in a couple of days time. We call it as required so that we can save time and so that, if somebody misses out on a round, they do not have to wait three months for another one. It could be anything from several months, but it depends where you count it from. Once you have all the information to hand it could be less than one month, but it is getting to that point of course, and there is a lot of work that has to take place.

Ms Parker—One of our learnings is that the preapplication stage and doing some good background work is really important. We need to get that right before a formal application comes forward. You can sort out a lot of the issues. Sometimes people might self-select out at that stage if they have thought through all of the issues that are involved with the application.

CHAIR—What is the largest grant that you have given?

Ms McLean—Five hundred thousand dollars. While we are on this topic, I would like to say that, in terms of how long it takes, when you are leveraging funding from other organisations there can be delays, and probably one of the worst cases is where we had a two-year delay where a project had to be revisited and there were three funding partners. It is very frustrating for everyone involved and it highlights the need for agencies across all levels to work smarter together. Also, engaging at different times can create unrealistic expectations. One thing that we are looking at doing is trying to put a more structured collaborative process in place so that the process can be better managed for all concerned. A lot of programs change and it sometimes takes a while before you become aware of some of those changes. What we would like to see is collaboration being more structured and more regular so that there is time to catch up on changes. There is an awful lot happening right now, as you are aware.

CHAIR—How do you keep the recipient accountable for the money? Do they have to provide a report periodically?

Ms McLean—Yes, they do. We develop milestones. It will vary. Because it is a fairly flexible grant scheme—and that is the way we think it works best—it depends on what sorts of milestones we establish. We will go out and do a site inspection. We will require reports. We will require quotes. Then we will require a financial acquittal to be signed off. There is some flexibility there, too. It depends on whether there is a financial controller, if it is a corporation or an Indigenous council. If it is a project that goes for more than a year, we will get audited reports. It is very much on a case-by-case basis. We get a completion report and we will touch base one year later to do an annual review to see how things are going.

CHAIR—When do you expect to have your review completed?

Ms McLean—I would say in three to six months.

CHAIR—Thank you very much for giving us your time today. It is appreciated.

[11.06 am]

WILLMETT, Mr Neil Michael, Managing Director, Willmett Consultants

CHAIR—The next witness is Mr Neil Willmett. We have your submission. We have resolved to accept the submission from Mr Neil Willmett as evidence to the inquiry and have authorised it for publication. Although the committee does not require you to speak under oath, you should understand that these hearings are formal proceedings of the Commonwealth parliament and that the giving of false or misleading evidence is a serious matter and may be regarded as a contempt of the parliament. Would you like to make an opening statement? Then we will ask you some questions.

Mr Willmett—Firstly, good morning. I would like to acknowledge the Aboriginal traditional owners of the land upon which we meet, which is common practice for us as Aboriginal people. Today I am an established Aboriginal business owner and I am also a small business author and a business advisor. The evidence that I will provide today is based on my experience in the business sector. It is also from research for my book, *How to Start a Successful Aboriginal Business in Australia*, and from working with government agencies over time. Today I would like to discuss a number of strategies that I have outlined in my submission that will directly and indirectly increase the development of Aboriginal and Torres Strait Islander businesses in Australia, as well as answering questions about the inquiry and its terms of reference. We have tabled my submission, but I would also like to table a copy of my book.

Dr STONE—I will have to get you to sign it.

CHAIR—Yes.

Mr Willmett—I know time is pressing, but I will start with a quick overview about where I fit into the picture. I am a business owner based in Brisbane. I own three individual businesses. The first one is a consultancy agency that does business advice and project management for government agencies, the second one is a recruitment agency and the third one is a media company. I mention this because a lot of the evidence about how they all came together will support some of the things that I am saying today.

My experience as a business owner has been over the last 12 years. There have been a lot of good and bad things, but one thing I can say is that at no stage have I received government funding for any of my businesses. I will touch on that shortly through some of the strategies that we talk about in business.

I have mentioned my book. Another book is coming out shortly, *An Employee's Guide to Aboriginal Employment in Australia*, and hopefully next year there will be a magazine, which I have been working on, a national business magazine called *ABM, Aboriginal Business Monthly*, which will be the first Aboriginal business magazine in the country.

There are a number of things that I want to talk about today. There are a couple of strategies that have come out from work that I have done over time. On page 4 there is a summary of the

strategies that I will talk loosely about. I am not going to go through word for word what is in there. In summary, there are nine things that I think are really important. Anyone in this country involved in developing a business needs firm baseline data. One of the big hurdles that I found when I was researching my book is that we have hardly any reliable statistical information on businesses. One of the big things that I see as really important is that, before we invest money in anything to do with Aboriginal business, is having an idea what the business sector looks like. I will be talking about that.

Secondly, the information that we collect is really poor on Aboriginal business, and that is for a number of reasons. One is that it is an emerging sector that started to grow in the last 20 years. Predominantly in the last 10 years we have seen a big increase in businesses. But we need to look at some sort of survey where we can measure it. We heard earlier from some ladies from a government agency. I strongly believe that there needs to be better coordination of government across local, state and federal government, so they know what they are doing and what they are funding, because there is a double-up and duplication in many instances.

Moving on to the establishment of Indigenous chambers of commerce, non-Indigenous chambers of commerce have been around for a long time, with 350,000 members across the country. Very few of them have anything to do with Indigenous business or promoting Indigenous business. There is a growth in the number of chambers.

Addressing one of the terms of reference questions about the minority supply council, a model from the US—this is a great model that should be funded. Next I will talk about the need for the Commonwealth government to look at procurement services and a procurement strategy. If we are serious about getting businesses and the focus of the inquiry is around developing businesses, we need a vehicle that purchases the service off businesses. There could be a state government procurement strategy or a Commonwealth government procurement strategy that earmarks a certain number of contracts for Indigenous businesses, and I can go into that in a bit more detail. A further term of reference is tax reforms. We have an inquiry at a national level on tax at the moment. The last one is around mandatory mentoring of people who receive government funding.

I have touched quickly on the national review of business. In this country we know very little about the size, type of business or structures, whether they are sole traders, proprietary limited, et cetera, the industry, where these businesses are located within Australia, and that means it is hard for us to have targeted programs around developing businesses. Why do I say we need to do a national review? Back in 1985 we did a review into Aboriginal education and training in this country. The person who chaired that report was my uncle, a man by the name of Mick Miller. I am not just saying that because it became known as the Miller report into Aboriginal education and training; the reason I am saying that is that what came out of that inquiry was the establishment of a national Indigenous education policy. Those sorts of things are really important. That has influenced a number of things around kids going to school, staying at school and what happens after school.

In terms of business, we seem to be funding a lot of start-up businesses but we do not know where they are at. One state might be doing something particularly well, but they do not know what Victoria is doing, and so on. We need a review of Indigenous business in this country so

that we can get some firm baseline data to measure any of our results, and that has not happened yet.

We have approximately 3,000 businesses, but when we try to break that down and ask, 'Where are they?' we cannot find them or it is not reliable data and we do not know what they are. If they are sole traders, why are they sole traders and not proprietary limited companies and so forth? We need to nut that out so we can have targeted policy for it. It frustrates me that I deal with government agencies talking about establishing arts and craft centres. Times have moved on from arts and crafts. That is one solution and that is one area of business. The areas that we should be developing in business are all these sunset areas looking at things such as carbon trading and a whole lot of new economies that people have not explored before and where Indigenous people are well positioned.

On page 6, 4.2 relates to the implementation of a national business survey. The reason I strongly believe that we need a national survey on Aboriginal business is that we have no national survey or collection. In other countries, such as Canada and the US, it was annually, and it is now quarterly, but they collect it. The bonus of collecting it is that they can actually measure if there is shrinkage or growth in the sector. We talk in Australia about a number of businesses. We might have had 10,000 but now it might be down to 3,000, but we do not know any of that. It is really important to measure it. The benefits are certainly around policy capacity, where we have a bit of a gap; policy tends to be reactive as opposed to being planned out and really well thought out.

On page 7 I talk about better coordination of funding. One of the big things that we do have in this country is people who are willing to put up money for Aboriginal businesses starting. I am not saying we should get rid of that, just that we need better coordination. We have a state government agency that will also fund exactly the same as a Commonwealth government agency will fund. There needs to be better coordination and communication between both state and Commonwealth governments about what they are funding so that no-one is double-dipping. I have seen one application form that does not even ask whether you are getting a second source of funding. There is the potential that they could be getting two sources of funding to do a similar project. That is around better use and coordination of the government resources.

On page 8 I talk about the annual report. On the first day of parliament every year the Prime Minister will report on the progress government has made in closing the gap, and I think that is fantastic. We are talking about life expectancy, infant mortality, literacy and numeracy, health and education. One of the cornerstones of a healthy society is around money and wealth. We have a lot of evidence that people who earn decent money are in a good position health-wise and their wellbeing is looked after. One of the things that we do not address is whether there is a gap between Indigenous business and non-Indigenous business, and there is. The number of small businesses we have in this country is enormous. When we break it down to a percentage basis, Aboriginal businesses do not even register. That is how small it is.

If we are trying to get an effective playing field and we are trying to use our funding sources that are coming in to government really well, should that not be contributing some part to closing the gap? That is one of the reasons why we should look at having that as an annual statement: 'This is where we were.' The other thing is that if it is coming from the Prime Minister—and it does not matter if it is a Labor, Liberal government or whatever—we are

talking about the focuses on Aboriginal business. At the moment we are talking about employment and we have people such as Andrew Forrest and others talking about creating jobs, which is exciting, but where are our Aboriginal business advocates who are out there saying, 'Yes, talk about this'? We need to get the Prime Minister to start saying, 'Aboriginal business is important to us and this is what we should be looking at', but we have not seen that.

On page 9, 4.5 talks about the chambers of commerce. In Australia we have a number of Indigenous chambers of commerce. Cairns was one of the first ones set up, although it is not working the way it was, and I am not even sure it is still going. The Hunter Valley set up an Indigenous chamber of commerce. In Brisbane in December 2006 we set up the South East Queensland Indigenous Chamber of Commerce. We have 60 members in that chamber. That is really exciting, because what we are doing is promoting and talking about the development of business. The problem with it is that what we have across this country is 350,000 people on chambers of commerce paying a membership fee for their particular chamber, which is fine, but for Indigenous businesses we have only a small number. We have 60 businesses, with a membership ranging from \$100 for an individual to \$200 for a corporate. That is absolutely no money. A lot of us, including me as treasurer, all give our own time because we believe in growing business. But if we are serious about developing businesses, chambers of commerce can work effectively as business hubs providing education around business.

I used to call it business alliances. Chambers of commerce used to get a bad name. They used to be seen as head kickers of the government. They would come in and tell you that you were doing a bad job. Indigenous chambers of commerce work a little differently. We are about developing our membership and developing our businesses. We are not there to kick governments in the head or tell them they are not doing a good job. We need to work in collaborative partnerships with you so that we can get the best thing for our members. Other chambers of commerce do not rely on government funding or any other funding. They are independent and they are in a position to do that. But that is not our big picture. Our big picture is to get more Aboriginal people into business. Chambers of commerce are something that I cannot advocate for strongly enough. I am not saying that we should establish them for the sake of establishing them. They should be established where there is a market. In the southeast corner we have businesses and so there is a market there. Cairns has Indigenous businesses, and so there is a market there. Townsville has Indigenous businesses and so there is a market there. But the consideration should go to a small amount of funding.

We have gained sponsorship to put on a secretariat, which is a wage of about \$30,000 a year. He runs a lot of our events and so on. We recently lost him because we cannot top up his pay. There are other people who can offer him \$45,000, and we wish him all the best. If we were to get a small amount from government and then that was to be topped up by our sponsorship, we could run a really effective service, and on top of that we could run all the business education and development stuff.

On page 10, 4.6 talks about the minority supply council model. A lot of people are not familiar with this model and the reason they are not familiar with it is that it is a US, Canadian and UK model. I tell people that it is really simple. There are three stakeholders. You have Indigenous businesses that supply services. In the middle you have the minority business council that sets criteria, and they work. Then, on the other side, you have corporate members. What the council does is facilitate movement from these corporate members to purchase services off Aboriginal

businesses. This is totally removed from government. Some people have never seen this model, but it is an effective model that works in the US. Harriet Michel, who heads this, is coming out in a couple of weeks and I understand that we are meeting with a delegation in Canberra next week. It is an exciting time, because the council is actually seeing some amazing things happen in the US. As to minority businesses in the US, 115,000 created somewhere in excess of \$260 billion worth of business. The council plays an important role. In Australia we have already got some keen members signed up, including Pepsi, Coca-Cola and Cisco—multinationals that want to be part of this and want to help Indigenous businesses get their foot in the door.

This is why it is really important that when we are talking about funding Aboriginal businesses we are really careful about what we fund. We are not funding businesses for the sake of it. We are funding businesses that are viable and someone is going to buy the product at the end. I get really frustrated when somebody says, 'I've got this art thing', and you say, 'Well, have you seen the art? Is the art for a gallery or can people buy it?' Then they have a look at it and say, 'This is a really poor example of Aboriginal art.' We have to develop things that are viable.

I work with a lot of businesspeople now, both Indigenous and non-Indigenous people, and we always talk about who is the market for your product. If you are going to develop or provide a service, who is going to purchase it? This is where everything fits in together. We can talk about procurement strategies and so forth. They come in really well. If I have a service that people want to buy, corporates are either going to buy it or government is going to buy it. If I have a service that is just a little boutique thing that is going to suit family, friends and other people, the chances are that it is not going to be profitable, it will not survive and then we cannot work on developing it. Where the opposite happens, if we have a product that we can sell to both government as well as corporates, if I can grow this business then the chances are there might be other businesses that spin off it, and that is what has happened with my business. My consultancy business is my core business. I used generated income from my business to set up my other businesses. People have to think about a viable model before they go into business, and that does not happen enough.

On page 12, 4.7 talks about procurement strategies. The state government in Queensland does not have a procurement strategy and we are trying really hard to work with the Premier to get one. It is the same with other states and territories. I think there is only one exception. I used to sit on a procurement council for one of the state government departments. We have government spending millions of dollars purchasing end services. It surprises me when I read the Labor Party national platform document from November of last year that one of the recommendations was around establishing a procurement strategy if government got in, and I have not heard anything of it. The reason a procurement strategy is really important is that there are a lot of people who are not interested in welfare. There are a lot of blackfellas who actually want to get out there and work and have a successful business. What we need to do is we need to make sure that people will be able to purchase off that.

People say that it is discriminatory setting up a policy for Aboriginal people. It does not work that way. It is discriminatory not to do it. The reason I say that is that what we need to do is have a level playing field. We do not have that at the moment. We have a small number of businesses. It is the same with employment. If I wrote an Indigenous employment strategy to employ people, it is not discriminatory; I am writing it so that I can get the same number of people into the

workforce as non-Indigenous people, yet we do not actually see that. The development of procurement strategies is really important. We can do it and lead by example at the Commonwealth level and hopefully states and territories will follow, or the other way is that we can continue to lobby to get procurement strategies up. People are fearful because they do not understand it, that is, people who have never been involved with purchasing. It is easy to talk to people about what a procurement strategy can look like, and I have listed a couple of examples. The first example is that government could set aside contracts for Indigenous businesses that work with predominantly Indigenous populations. For all these works that we have at state level where people or contractors travel into Indigenous communities, could we procure those services for Indigenous businesses to go in to build their houses, and so on? People have never thought about that. The second example I use is that there is an opportunity around joint venturing when we talk about procuring services. If I have a business that I want to go into I could buddy up with a non-Indigenous business or another Indigenous business and put in a joint tender under a procurement strategy. These are the sorts of things that we are looking at—subcontracting. The last thing that is important around a procurement strategy is that it will educate two groups of people. One is that it will educate Indigenous people about what a procurement strategy is and how it works. Secondly, it will educate policymakers and policy who sit in government that there are Indigenous businesses out there in a wide variety of areas. That is where a lot of people are surprised. When I tell them I am an Aboriginal business owner they ask, ‘Are there many of those around?’ People do not see it. It is not in their face. It is about educating people and changing their perceptions that there are a number of successful Aboriginal businesspeople out there but they may just not be in your face.

On page 14, 4.8 talks about tax reforms. I am a businessman. I pay company tax at 30 per cent. I have no problems with that, but the difference for me is that I am an established business owner and I know, right from the start, that this is where I have to pay my tax and tax is normal for me. Legally I look at minimising my tax, and every businessperson does that—any way that we can minimise our tax. The reason I put in tax reforms is that at the moment we have the *Australian Future Tax System Discussion Paper* that was put out recently. There are a number of things that we can look at in terms of reforms for taxes. At the moment there are about 105 company taxes. What I am suggesting is that for an Indigenous owned and operated business we can reform the taxation system such that those businesses when they start off, in their growth period, which is one to three years or one to five years, they get a lower marginal tax rate and I am proposing that rate be at 10 per cent. The problem is that we cannot say that of those 3,000 businesses that we know in Australia how many of those are companies. How many are new start-up businesses? These are all the steps that we have to put in place before we can propose those sorts of things, and there will be people who knock it. But my argument, once again, is that we have not got a level playing field at the moment. We have not got people in business. We are talking about developing businesses. My business, I would say, is a developed business. There are a lot of people coming through behind me that I mentor. For them a little bit of assistance would help. That would vary. If we lowered that tax rate from 30 per cent to 10 per cent that might work out nationally to hundreds of thousands of dollars, as opposed to millions of dollars, because we have only a small number of businesses at the moment. But what it might do is give the stimulus that we are starting to see an increase in the number of businesses in the sector and then there could be a sunset clause: ‘This is for three years and we are going to trial this for a five-year period to see how it works.’

The last one that I wanted to talk about is mandatory mentoring. This is what bugs me. Government agencies give out a lot of money for businesses. It is probably not enough in some cases. I was appalled to hear that for some businesses, from when they put their application in, it could take several months to reach a decision. I have found that with my clients. They have been business ready and have had a business plan for a viable business, and we have not been able to wait for government; we have had to go to alternative funding sources. People who do put up their hand for government money should have mandatory mentoring, but that does not happen. We have a Commonwealth program under DEEWR, through the Indigenous Small Business Fund, that will allocate a certain amount of money for a project or a new business idea, but not one part of that is around supplying, funding or providing off a list a mentor to support that business. There are different interpretations of mentoring. Sometimes it is a structured program. Sometimes it is an informal arrangement. But mentoring is a really important part of business. For Indigenous businesses we do not have enough of them. The last thing we want is a business to be funded and fall over. We want it to be supported. One of the support mechanisms is mentoring, and I believe it should be mandatory or conditional to funding. If you put up your hand for government funding, this is what we have.

Ms CAMPBELL—Congratulations.

Mr Willmet—It has my contact details in the back.

Ms CAMPBELL—I have a couple of questions. You are clearly successful, and thank you for this. I know I would like mine signed as well. In relation to the Indigenous chambers, on page 9, I am particularly interested your comment that you have 60 members in Hunter Valley, Cairns and Brisbane and you can see them being established in Townsville. How are you funded at the moment? How does that work now?

Mr Willmet—Initially when we launched we received some dollars off the Commonwealth for a 12-month period. That was seed funding to help us with our secretariat. We have found that we do a lot of fundraising and trying to get sponsorship, and that has worked to a point. It has not worked particularly well. Justin, our secretariat who recently left us, did a lot of work. It is difficult for some of us. Some of us are members of other chambers of commerce. We can turn up and be sitting with a whole lot of real estate agents and other people, and those activities are different. I have been to different ones such as the southeast Brisbane chamber, and we have had the Premier as the guest speaker. It is very hard for us as a small Indigenous chamber of commerce to recruit those sorts of people to come and give their time. We have been fortunate in some instances that they have come to luncheons. We run events, which generate a profit. We had Indigenous guys from AFL recently, and that drew in a lot of people who wanted to talk to them about some of their successes and how they would convert that into business and so forth. We are trying to be really proactive.

A lot of us donate prizes in an effort to get people more involved in coming to that, but it is really hard. We do not want to rely on government money; we want to be self-sufficient. One of the ways that we looked at doing that is through building a business arm that provides business advice and a whole lot of other things for clients, and then that could be fee-for-service. That is one of the things that we are exploring now. Mr Jia's submission may have actually spoken to that, and he will be here this afternoon. We are looking at alternative avenues. But what I would say is that in the initial development of any chambers of commerce we need to have a look at

some sort of seed funding, just to support them initially. The thing is that any funding should be conditional, anyway, to arrangements. One of the things I would say is, 'We could fund you \$30,000 for three years, but how are you going to be viable after that?' People might say, 'We are going to have all these activities this year and what we are going to do is any money that we raise we are going to put aside and that is going to be income for a number of years afterwards.' So, there are different ways. But sometimes it is about leveraging off that money that we already have.

I understand the frustration of the speaker before me that some projects when there is joint funding have taken two years. I know that particular client and I have seen what has happened, and people have not given money until someone else gives money. This goes on all the time. From the Indigenous space it can get extremely frustrating. That is a reason that for a lot of our clients, if they have a viable business, we actually take them outside of government for funding. There are a lot of people who are not after handouts. There are people who just need to get the funding. They are right to go on to a repayment plan. That is why I get really frustrated sometimes. I think, 'Is this business really viable? Why are you giving money to this business?', when in actual fact there are a million in the marketplace, it is really competitive, they have to get a foothold in the market and get established and it may not work.

Dr STONE—I want to congratulate you, too. You have obviously spent a lot of time thinking about Indigenous business, and I am keen to read your book. Clearly, because you have called your book *How to Start a Successful Aboriginal Business in Australia*, you think there is something distinctive about establishing and surviving as an Aboriginal business compared with a non-Indigenous person, and we have evidence later today from a woman from the academic perspective who is saying that the big problem is the lack of capital for Indigenous business to get started. I assumed she meant financial capital. But she goes beyond that and she says that it is the human capital, and then she makes a very interesting suggestion. She states that for Indigenous people to actually succeed in business is often to occupy them in terms of time each day away from what gives them meaning in life, for example, working within their relationships systems, their kin systems, doing their art and craft and so on. That intrigued me somewhat, because if you are a non-Indigenous person you actually build your social networks in your business as well; it is not a loss leader gain. I wondered a bit about that. Can you comment on that from your perspective? If an Indigenous person goes into business, do they have to forsake their normal social interactions, networks, family and kin responsibilities or what exactly is different about Indigenous business establishment compared with non-Indigenous if the socioeconomic status is similar?

Mr Willmet—I will bring you to the contents page of the book. Chapter 2 talks about getting started. To answer your question, there are a number of negative aspects of business and I talk about these in section 2 on page 11 and page 14. One of the things I always say to businesses is, 'You have to ask yourself: are you right? Do you know what you are getting yourself in for?' Sometimes for people who are involved with their community and a whole lot of Indigenous related things it is hard for people, because it is a juggling act. That is where you have to make the distinction: 'Can I handle both of these at the same time?'

Dr STONE—For example, not spending many months on sorry business if I am running a business compared with what I could do when I was living on CDEP or welfare?

Mr Willmetts—That is right. That is one example. Certainly I have come across a number of men who are involved in initiations and actually running initiation ceremonies, so they take people away for periods of time or they themselves are away for a period of time. One of those guys actually works for me. You have to weigh those sorts of things up and people have got to know what they are getting into. In some businesses you can do that, though, and it depends on what your business is. I know successful Aboriginal business owners who choose to work six months of the year so they can do that stuff for the other six months of the year. It is about finding that space. For some people the cultural stuff makes people really strong, and I believe in that. It is about finding that balance. I think people who are going into business make those decisions or they should be informed from the start: ‘Do you know what you are getting yourself in for? Are you aware that there are long business hours? Are you aware that there are times when you are going to be away from your family for periods of time?’ That is just around education in the first instance. ‘Don’t even worry about talking about a business plan. Let’s get to that later, but let’s go through the steps: are you are right for business.’ There are ways that we can have both of those and there are a number that successfully manage both of those, but it is about how it fits in. Some people might look at some of those cultural activities and they might be done at night and might not be done during the day, or the periods where they go away they do not go away.

Dr STONE—What are the major differences between Indigenous and non-Indigenous business establishment if both parties are coming from very low income or no access to financial resources?

Mr Willmetts—There are probably a couple of differences. A non-Indigenous person from a low background who will go in might find it a lot easier to find resources or support to help them. Without a lie, I see a number of Aboriginal people who as soon as they appear, because they are darker than me or whatever, ‘There is prejudice in this country’, and Australia is still a very racist country. I will give you an example. I know a business owner who won a small business award in New South Wales. As soon as it was publicised that he was Aboriginal and he won the small business award the paint supply company—he had a painting and decorating company—stopped his contracts from being 30-day accounts to being paid on delivery. There are a whole lot of things about how people perceive a black person in business, and it is about those things changing.

I use an example of a young guy that I work with who is a high school dropout and lives down at Logan. His mum and dad were divorced. He did an apprenticeship. He now has about 60 plumbers working for him and he is a millionaire. He has done very well for himself—non-Indigenous. But the thing is that he found it really easy for people to help him because he was interested. No-one judged him by the colour of his skin. Yet in this country, if I had an Indigenous plumber, I would be really scared that he might be judged by his skin colour, and that is just reality. They say you have to walk in someone’s shoes to see what it is like, and it is true. It is not only that. I do a lot of work with people with disabilities. I have capable and competent people with disabilities who I have had work for me in the past and I know that they have skills, but people will look at their disability straight up before they even give them an opportunity to go for a job.

At my recruitment agency I have people who come to me and have a clear set idea of what they want in a person on the other side of the table, and generally it is a clone of them—pale

blue shirt, grey business suit and maybe a navy tie. That is the sort of person they want going to them. If I sent them different people, Asian people or whatever, they do not want them. They just want the person who is Caucasian and who looks like them. Similarly, I have sent an African person, who is black, an Aboriginal person and a white person. This is without a lie. The Aboriginal person was highly qualified and in actual fact had a masters qualification over the other two, who had undergraduate degrees. I knew the three of them very well from interviews and preinterviews. It was clear that the Aboriginal guy was hands above everyone else. He did not get a call back, but the non-Indigenous person got the call back and it was the non-Indigenous person who got the job, with lower qualifications and poor ability from his assessments. It is those sorts of things where you would have to say, 'Hang on. We've got something going on in this country.'

We have to break down those barriers. It is about getting more Aboriginal people to stand up and say, 'I am having a go at this and this is what I'm thinking.' Often the people who we have standing up and talking and the people that a lot of governments like to listen to are people who feather their own nest. I have no doubt, and I am not ashamed to say this, that I see Aboriginal people who are corrupt and I see non-Indigenous people who are corrupt—people who will stand up and push a particular opinion or something because they are getting kickbacks from mining companies or whoever it might be. I am not saying all mining companies are corrupt, but there are a lot of people who are getting these backhand payments. All of a sudden, because they have got a voice, they have got space and they are in the media, government like to listen to them: 'They must have something to say. They are a leader. They are seen as an Aboriginal leader.'

I know a couple of people who are perceived in this country as Aboriginal leaders who talk on economic development in business who neither have had any experience in employment services or employment practices, nor have they ever owned a business. Yet why have we got governments that continually go to these people and listen to them for advice? It does not work. We have to change that perception. We have to go to people who are employment specialists who can talk to you about a particular employment issue. We have to go to people who are established or successful business owners who can talk about business. For a long time it does not happen.

I am only one example of that. I can rattle off a number of Aboriginal business owners who are very successful and who have done the hard yards to get their business established, but very rarely has anyone ever said, 'Can you help us? We are talking about this and getting these guys into business.' It just does not happen. We turn to academics, and this is no disrespect to academics. Academics can support the development of Indigenous business. John Altman at ANU does some phenomenal work around economic development. His work has been published over a period of time—30 years of work. I know he was involved back in the 1985 Miller review. And that is just John. I know Marcia Langton and a whole lot of other people who have done some fine work around that. But that only should support or complement the people who either run businesses or are involved in employment services.

CHAIR—We are going to have to call it a day, but we really appreciate the evidence that you have given us here today. Thank you for the book. We will make the book an exhibit for the inquiry. Thank you very much for your time.

Proceedings suspended from 11.46 am to 12.01 am

STANLEY, Dr Jane, Private capacity

CHAIR—Although the committee does not require you to speak under oath, you should understand that these hearings are formal proceedings of the Commonwealth parliament and that the giving of false or misleading evidence is a serious matter and may be regarded as a contempt of parliament. Would you like to make an opening statement and we will then ask you some questions?

Dr Stanley—Yes. I have asked to address the committee in my capacity as a consultant. I have worked with Indigenous businesses and state and Commonwealth government over the last 15 years. I have also worked internationally, particularly in Africa and the Asia Pacific, with small businesses for AusAID and the World Bank; the UK government has funded some of our work there. I want to draw the committee's attention to some of the past evidence collection in terms of what has and has not worked in Indigenous business because I believe that a lot of evidence is there. It is not necessarily easy to find, but there is some past experience that can inform your deliberations.

Back in 1990, when the Royal Commission into Aboriginal Deaths in Custody research was being done, there emerged the idea that there were three areas of competitive strength for Indigenous people in business development. They were the tourism industry, cultural industries and rural industries. On the basis of that, my company was asked to do an evaluation of businesses in those sectors to find out what was working and what was not. We tracked 30 Indigenous businesses over an 18 month period and, on that basis, the three industry strategies were drafted. There was also an implementation plan that went with those strategies that looked at how state and territory as well as Commonwealth government departments could adopt a whole-of-government approach to progress the industry strategies. That never happened. The private sector actually picked up the industry strategies and they have been used as reference documents, particularly in the tourism industry. They have also been picked up as best practice documents overseas and have been used there. They are reference documents that would then trickle down to state and territory level and they are now incorporated in some of those policies. A lot of work has been done in the tourism industry in progressing that. I think probably the work most relevant to your deliberations at the moment is that being done by the Southern Cross University, which is evaluating the experience of the tourism monitors that the Commonwealth government is funding. I do not know how that has come together, but I know that they were collecting that experience and it should be quite interesting.

With cultural industries, John Altman, has done substantial work since we did our work, and I believe that is really sound. John Armstrong has also been heavily involved in cultural Industries. I want to comment on rural industry. The rural industry strategy found that Aboriginal people wanting to mobilise their land resources for economic development were doing it not necessarily along a mainstream model but using a rather different model. The rural industry strategy has been progressed at the Commonwealth level by looking at individual sectors. There has been an aquaculture strategy and an attempt to involve the forestry industry strategy, but that actually runs counter to what we have found that Aboriginal people want to do. I have not brought multiple copies, because I have flown down from Mackay and did not want to be loaded up, but RIRDC has recently published this document which looks at some of the new models for

mobilising land resources that are emerging which turn conventional models on their head. Rather than looking at high-capital low-labour export-oriented rural industries, Aboriginal people are much more interested in multi-faceted labour-intensive low-capital domestic-market oriented enterprises. This means that some of the support agencies for rural industries are finding it pretty hard to cope with the demands of Indigenous land owners. That is fairly new knowledge that is available in terms of looking at evidence.

In 2001, we carried out a national impact assessment of business development program funding and that looked at other grant programs as well. We had 100 case studies all over Australia of Indigenous businesses. We did not just look at people who had borrowed or been granted money by government; we also looked at people who had not. We tried to see what the critical success factors were. So there is that impact assessment which has some interesting evidence within it. As an aside, one of the surprising things we found was that training was counterproductive to business success.

CHAIR—Did you say ‘training’?

Dr Stanley—Yes. We think that is a comment on the quality of training that was available at that time. I know that Mr Willmett has made a plea to do an assessment of businesses to get good information. I think a review of training is also well and truly called for. We did find that prior experience in the particular industry sector where somebody was setting up a business was definitely a critical success factor; having some work experience with the same industry sector definitely helps. We have also reviewed some of the business hubs in Cape York that state government representatives were making reference to. In addition, we have done a lot of work with CDEP organisations.

I want to make a general observation about the ways in which Indigenous business are nurtured and grow. There has been a surprising blowing-in-the-wind approach to business incubators. They currently seem to be out of favour at both Commonwealth and state level. Two years ago they would have been in favour with the Commonwealth and out of favour with state government. Overseas, the experience of business incubators is largely very, very good. They are found to increase very well the prospects of success of small business. In Australia, in Tennant Creek, there was a very innovative approach to developing a business Incubator Without Walls. We have been looking at potential business incubator models for the construction industry. Some CDEP organisations were morphing from being a work experience and support provider to becoming business incubators in their own right. One of the tragedies, in terms of what has happened to CDEP, is that some very successful CDEP incubator models have been lost. That has meant that small businesses that had spent two or three years in the growth phase have been lost because of changes in guidelines for CDEP which have removed the potential for them to be funded or, in some cases, the organisations have been wiped out completely.

In looking at that, I guess my plea goes to government policy. If changes are going to be made to the framework for small business, a similar approach needs to be taken with the legislation. You need to look at having an impact assessment before rather than after the changes are made. After the change in the CDEP guidelines in 2006, I received some phone calls. We had been working with all the CDEP organisations in Queensland to assess what the impact was on all of the CDEP businesses and we found that about half of them had been closed down. It would have been good for that assessment to have been made before rather than after that change had been

made. That is just by way of comment. But, being constructive about it, I think business incubators are a very good model to look at.

I want to make some comment on the mining industry. I am not sure whether you will have other speakers who have looked at this. I have recently been involved in working with a couple of communities and one traditional owner group, as there is enormous potential opportunity from mining on traditional country. Mining potentially can provide a stream of money which can assist in setting up some very significant businesses. I have noted that there is a lot of suggestion from the Commonwealth government that this is seen as a significant area of opportunity. I would caution that a lot of this opportunity is at risk.

I have been absolutely amazed to see what is happening in that sector. Mining agreements are generally being drafted by solicitors who do not have any training or experience in what potential outcomes can come from business development. In the main, solicitors are receiving money from mining companies for negotiating on behalf of traditional owners, which creates enormous conflict of interest. The outcomes suggest that the traditional owners' interests are not being well served. In some cases, the traditional owner groups are not even able to get copies of the mining agreements that they have signed up to. There are income streams that will only come on if they invoice for the payments, but they do not even have the agreements that let them know when they can invoice for the payments. One particular group that I have been working with is a signatory to 80 different mining agreements, and there are more approaches each week to sign up to things. But they have no administrative capacity to keep pace with the demands that those agreements are placing on them, which include invoicing for money. It could be about \$2 million a year, but nobody has the agreements in the administrative framework to send out the invoices. There are a whole lot of obstacles in the way.

There are some very, very significant opportunities for most traditional owners in the mining sector. One of them is in land rehabilitation. I am not sure how it works outside of Queensland, but in Queensland any mining lease involves bonding money for mining rehabilitation, with the state government. That money can be released progressively and there are incentives for mining companies to take advantage of that. Most mining companies are not particularly interested in that, because they want to get on with the main game of getting the stuff out of the ground. Traditional owners, because they come from a position of caring for country, would be very interested in taking up the opportunities for land rehabilitation; that involves setting up nurseries and then mobilising labour to do the work.

The other main area of common opportunity across the mining sector is setting up labour hire businesses. Most mining companies seem to be finding it extraordinarily difficult to recruit Aboriginal and Torres Strait Islander people into mining. It is happening, but it is certainly not taking advantage of the full potential for that labour force to be mobilised and for Aboriginal people to run their own labour hire where they can provide the work support and then launch people into businesses. Labour hire businesses are currently the main entry point into mining, and I think it would prove to be very effective. That is my opening statement and I am happy to answer questions.

CHAIR—You mentioned that in rural industries Indigenous enterprises had a different model and I think you said that they favoured low-capital high-labour-intensive projects. Can you give us an example of one of these?

Dr Stanley—Yes. The one that I have been working with for the longest is actually a CDEP organisation and that is Scrub Hill farm in Hervey Bay. I do not know whether you are familiar with that model. It is actually a 23 hectare ex-quarry, so it has hardly any soil on it. It was given to the Aboriginal organisation because there were a few houses on it that were lived in by Aboriginal people. The organisation, which was then Korrawinga Aboriginal Corporation, got funding from ATSIC to do what was initially a permaculture design but has since evolved very differently. They were going to set it up as a revolving loan fund model for families to take on many enterprises that would fit together into a whole. However, the government persuaded them to take on CDEP instead. There was some reluctance to do that, but they did it. The farm has been supporting 77 CDEP workers who are involved in market gardening, bush-tucker growing, some tourism and a nursery. There is art and craft activity as well. There are probably about seven different activity streams which generate money. Obviously, you cannot have a 23 hectare property supporting 77 people, so it relies on government funding. But it seems to have turned into a training area; people come and work on the farm for periods of time and then go back and use that knowledge in working on their own land or in moving into other rural industries. That is set up as a bit of a regional training model. In our work for RIRDC, we have suggested that it is worth looking at other organisations that offer that service so that you can build capacity in rural industries through these regional nodes that provide that hands-on experience.

There are a number of other Aboriginal farms around the place. There are some in South Australia and the Northern Territory where it is clear that what is wanted is a whole lot of production of different things that give synergy and which serve the local market rather than being specialised enterprises. There is Minjelha Dhagun in Queensland. There is one in Kalgoorlie. There is one just near Ceduna. There is one at Katherine. They are sort of expanded market gardening that then look into what sorts of bush tucker can be grown commercially. It is just not following the conventional model at all. Water management is a key factor in terms of building the capacity of those farms.

Dr STONE—You have probably looked at Indigenous protected areas, which often include newly acquired Indigenous land, and seen that they are a vehicle through which there could be funding for people to do things like weed and feral animal eradication plus bush-tucker development and so on.

Dr Stanley—Yes.

Dr STONE—In the environmental services sector, if you know what I mean by that—

Dr Stanley—Yes.

Dr STONE—the Environmental Stewardship Program has just been re-funded by this government. I do not know what you think about that program, but it seems to me that it could be a replacement for CDEP welfare paid to workers where it identifies a task for sustaining some biodiversity, such as protecting the water catchment or whatever. It could be funded directly for that work according to a set of criteria and standards and so on. I would be interested in whether you have observed any of that work. The other area I am surprised that no-one seems to be talking about as a business opportunity is where a lot of Indigenous people, by default, end up as carers for other people's children, not only within the family network but also for elderly community members. In the non-Indigenous community, one of the fastest growing and biggest

sectors is human services: child care, aged care—the whole caring sector. It seems to me that we are not putting the same effort into identifying training and employment opportunities and business development in providing what I will call ‘caring services’, for want of a better term, within the Indigenous community where people want to have their own Indigenous employment and employees.

I have an example in my own electorate. We have an aged care facility being built for elderly, frail-aged Kooris. It will be a 60-bed facility and there will be 200 jobs associated with it. We want all those jobs to be filled by local, Indigenous people, yet we are having great difficulty in engaging the local Koori community to step forward and be willing to be trained in anything from nursing through to administrative work—the whole box and dice—that go with a facility like that. Are you looking at these caring services? Indigenous people through CDEP, I think, have often been exploited as teachers’ aides for years in the Northern Territory and other places. Why is it not in most people’s thinking, when they present to us, that we start to look at child care, aged care or disability care as contracted-out business for Indigenous people to run, manage and staff?

Dr Stanley—I will answer the first point first. I do very much support the idea of environmental stewardship and have read some of John Altman’s work in that area. I have been working recently with Old Mapoon, which has one of the greatest areas of biodiversity on Cape York, and looking at how that economy can be structured around environmental management, with eco-tourism as an adjunct. I believe that has a very sustainable future for that community. I think for some communities that is definitely a possible future if the government is prepared to look at the structures to support them. I think that is a very exciting opportunity. If you look at the mix with carbon credits and also post-mining rehabilitation, you can start to see a whole lot of opportunities coming together.

In terms of human resources, one of my clients is Winnam Aboriginal and Torres Strait Islander Corporation. They are an aged care provider. They were asked by the Commonwealth to take on a hostel-cum-nursing home about 11 years ago. It is in a heritage building at Morningside. They had the promise from the Commonwealth that they would have a replacement facility or funding to upgrade the present building within a short period of time. It is 11 years later and we have a very embarrassing situation.

I do not know whether I should even put on the record what the embarrassment is for the Commonwealth. We have found a solution and, given the past promises, we are not receiving the support that should be forthcoming. This is a very good organisation. It has received all sorts of praise for what it has done. It has turned around a teetering facility into a very good performing facility. It has Blue Care wanting to partner it in terms of training for aged care. Its premises are being used as a base for training aged care providers for the mainstream as well as for the Indigenous sector. But it is not receiving the support that it should be receiving and the promises are not being met. It would be very helpful if you could look at this. It is a very good model for setting up a business-based aged care provider that has an incredibly good track record.

Ms REA—We are definitely working on that.

Dr Stanley—That is good. I am glad.

Ms REA—I was reminding the minister of that only last week. I am interested in knowing about the success of business incubators, which you have mentioned several times. What is it about the model that you have seen that is successful? Why do you think that has been successful as opposed to other schemes that are operating at the moment? Also, in that vein, you have raised a concern about the inequity of some mining arrangements where Indigenous organisations and corporations might be subject to potential exploitation because of the size of some of those large mining companies. Going back to the terms of reference, do you see a role for something like a minority business council that may be one step removed but able to negotiate or facilitate a more equitable arrangement in that case; are there models that might improve that situation as well?

Dr Stanley—In response to your comments about business incubators, I would like to touch on something that I did not mention before. As I put in my submission, I have been funded by Commonwealth and state government to write a book on building Indigenous economies. Part of the impetus for that is work I have done overseas with microfinance. Incredibly, when the World Bank have funded me to look at microfinance, they have only been interested in looking at what the impacts are on borrowers. However, I have insisted on looking at the impacts on nonborrowers because, if you lend to some people, they actually put other people out of business. With microfinance overseas, I have found that people who get loans have no idea at all about what business they want to set up, so they set up something that they are familiar with. Basically, everybody in the Philippines sets up a sari sari store in competition with all the other sari sari stores—and that is a general goods store that stocks exactly the same very limited range of goods. There is no expansion of services and no building of the economy, because people do not know how to do that. If you start to look at value chains, the multiplier effect in local economies and what the gaps are, you can actually see some very effective business opportunities.

I think that business incubators could assist in identifying opportunities, not just in helping to grow businesses where people have already chosen what to do but also in developing peer support between small businesses and looking at risk management. The overwhelming evidence is that business incubators remove a lot of risk by providing a prop-up support through peers and through people who have a bit of nous. They also are able to pool resources in meeting regulatory compliance requirements. In addition, if you have a business incubation environment, the failure rate is a lot lower. With mainstream business incubators, you generally look at a two-year period and then try to move the businesses onto an industrial estate or to where they are self-supporting. There were CDEP organisations that were acting as business incubators. Heartland CDEP in Central Queensland is one that I was working with. We would have been working on a five-year horizon because you are working with people who have very limited experience and you have to build capacity from quite a low base within CDEP organisations. They are just some comments on how I think business incubation needs to operate. I do think that the business Incubator Without Walls idea is a good one, but then the business hubs have not proved to be so successful. So you need to learn from both of those experiences and maybe develop a bit of a different model.

In terms of the mining sector, I am not sure about how the model would work. I see a more urgent need for a bit more transparency with what is going on. Most mining agreements can be viewed only by the solicitors who have developed them for the mining company or the traditional owner organisation. State government or Commonwealth government cannot see

them. Advisers, like me, to the traditional owners are not supposed to see them. If there were more transparency, at least it would be a bit more accountable. One of my clients recently had a waiver notice put in front of them by the solicitor which waived the requirements of the mining agreement. They could not understand and I could not understand what it meant. There was a financial inducement for it to be signed and it was signed. But there is no potential to ask for other people to advise in that process, because nobody else is allowed to see the documentation. I think that needs to be propped up.

There are various people who could help in enforcement of mining agreements. Recently we found a major breach in a mining agreement of which we had a copy and there was discussion about taking action, under the terms of the mining agreement, about this. We were told in no uncertain terms that that was hopeless because, if it were legally challenged by the mining company, they would throw millions of dollars at it; we would not be able to withstand that, so we would just have to say yes. So there is no level playing field in making sure that agreements are enforced.

The other part of it is the actual agreements themselves. There is a lot of best practice around. We have reviewed the Century Zinc mining agreement and the Western Cape agreements, as examples. We have had a look at some overseas mining agreements because we have produced a manual on regional agreements. But none of that best practice seems to be taken into account in the negotiation of individual agreements, so the opportunities are not being taken up. Maybe we need some capacity building of the solicitors so that they are aware of what they could be negotiating in terms of business opportunities. At the moment it is negotiation of dollars, and the dollars are not coming because nobody enforces the agreements.

CHAIR—We are going to have to wind it up because we are running behind time. But we might follow-up on some of the issues with you through the secretariat. Thank you very much for your time this afternoon.

Dr Stanley—Thank you very much for the hearing.

[12.30 pm]

HARRIS, Mr Leigh Ronald, Managing Director, Indigenous Tenders

CHAIR—Welcome. Although the committee does not require you to speak under oath, you should understand that these proceedings are formal proceedings of the Commonwealth parliament and that the giving of false or misleading evidence is a serious matter and may be regarded as a contempt of the parliament. Perhaps you might make a brief opening statement and then we will ask you some questions.

Mr Harris—Okay. I am the owner of Indigenous Tenders, Ingeous Studios and Blackvine Media. I am appearing as an Indigenous business owner based in Cairns. Basically, I have come here to explain to you not only what I do and what Indigenous Tenders is but also the development of my businesses. I am an ex-employee of the Cape York Land Council. I worked for the Cape York Land Council and Balkanu and Cape York Health Council for about 14 years. I got out of doing the native title stuff and started my own business. I saw the need to move on from there, basically, but also there was the need to create an Indigenous media service in Cairns to service Cape York, the Gulf and the Torres Strait. I started out with Ingeous Studios, a multi-media company.

I do websites, videos and a lot of things. I have also developed Blackvine Media, a media company that has brought in people like Wik Media enterprises based in Aurukun, and Black Opal Print, which I think is based on the Sunshine Coast. Basically, I match these services up. If I need something printed, I come down to the Sunshine Coast to get it done. Basically, all the products for the materials I provide to services such as native title rep bodies, health councils, Queensland Health or whoever are uniquely 100 per cent Indigenous.

In 2005, I was involved with Donny Debusch in setting up Advanced Indigenous Business in Cairns. That was the first Indigenous Chamber of Commerce in Australia. In that 2005 process, Donny and I discovered and noted the minority business stuff as well as the Canadian model. We felt a certain amount of frustration with people not realising that, with so much money coming out from the federal government, a lot of Indigenous people do not see any of it going into business opportunities; it is taken away. So I set up a site called Indigenous Tenders. Basically, that provides an online or e-port service. The website is not finished yet and is still in development, but it means that organisations such as Wuchopperen Health Service or a community council in Cape York can drop a tender on it. It is only for businesses that are 51-or-more per cent Indigenous owned. Obviously, there are paradigms around what Indigenous business would be classified as to get onto that tender site, and they would be the only people tendering for those things. It is online because, with the new economy, people have access to websites. People can jump on there and get Indigenous tenders. I have put an email out about the development of the website and I have received 1,200 registrations from across Australia. I have also been asked to take it somewhere else, but the capital to build it to where it is finished is not there at the moment. I am progressing with it and, hopefully, it will be finished soon.

As Mr Willmet mentioned before, I see a lot of opportunities out there. The main problem is the minority diversity model which has been talked about. I think the first step before doing that

sort of thing is to set up a procurement strategy through the federal government. Whether it is funding going to Indigenous organisations, like Wuchopperen Health Service in Cairns or whoever, or services for printing, hire of vehicles, building or whatever going to Indigenous communities, they have to go through an Indigenous business to create that wealth and opportunities for people. At the moment, I am challenged myself. I provide a lot of services, many of which I provide pro bono to Indigenous businesses that are being established. I am in business not only to make a bit of money but also to give back to my community.

I provide services to a lot of people, but some government agencies—I will not mention which ones they are—give out contracts to non-Indigenous companies, when I have the capacity to provide those services. I work seven days a week, 24 hours a day, as I am self-employed. But the reality for me is that, if I were to get large contracts, like the non-Indigenous media companies in Cairns, I could employ more staff and develop the business further. These opportunities are being taken away from me. There are a lot of paradigms to my business and what I want to do, but the tendering and procurement stuff is essential not only to me but to everybody getting opportunities to grow and even to think about going into business.

With the diversity models, it is important to get big contracts from the hotels or whoever it might be. But the reality is that the government must support it in principle by having some sort of legislation that includes a procurement strategy like the one that was set up with the Minority Business Council in America. Richard Nixon set that up in America in 1969 and it has been running since then. The federal government needs to implement something like that so that the strategies of growing Indigenous businesses will steamroll. Indigenous businesses, when they have developed their capacity and have grown individually, can start to provide services to corporates. For me to try to provide a service to a large corporate would be ludicrous because I would not be able to; it would be too big for me. But, if I had the opportunity to tender for some small things and to grow and develop my business, through a procurement strategy with either a state or federal government, it would be possible for me to go out there and do the corporate stuff. I am not sure whether I am making this really clear.

CHAIR—You are doing a good job.

Mr Harris—I do not do this very often. I think that tendering process has to be set up. If people do not have the opportunities to grow their businesses, there is no use in their going out there and starting to challenge big companies. There is a lot of talk about business incubators. I get a lot of assistance from other people, such as my missus; she helps me to do the bookkeeping and stuff like that. Many years ago I went to a South Pacific Indigenous business youth forum that brought together in Darwin 25 people from the South Pacific region, including Australia, to develop ideas of what they want for Indigenous business. That was only a week-long program. I think the Body Shop and some other people put it all together. But that gave me the opportunity to do the business plan. Basically, I did everything there and went on from there. I did not need a business incubator, a business hub or anything like that. I think the challenge is there. Murries have to go out there and seek those opportunities themselves. I think the welfare state, which Mr Willmetts and others talk about, is not just getting the dole and getting CDEP. The welfare state is being given federal government and state government funding. I have had no funding at all. I started off with a small camera and I now own about \$110,000 worth of equipment, and that is in six years.

CHAIR—We might ask some questions.

Dr STONE—I sense your frustration and I understand it very well. You see jobs out there and you wish you could be given equal access to those tenders, but you suspect that will not be the case. You seem to be asking that a proportion of government procurement business, both state and federal, be mandated; is that what you are asking for?

Mr Harris—If you look at the website of the US Minority Business Council, there is a Constitutional Executive Order. That means that the US government has a mandate to give jobs, and not just the opportunity to tender for them, to minority businesses. Obviously, that includes Hispanics, Korean-Americans or whatever nationality. That has to be done here. Without that being done, the opportunity is going to be lost.

For example, I went to Lockhart River five times before Christmas. On every one of those occasions, there happened to be builders there. I asked them, ‘Do you stay here every day?’ They said, ‘No, we fly out from Cairns.’ They had two aeroplanes sitting at the airport and they service every remote community. I will not mention who they are. I know about 10 people in Lockhart River who are qualified builders, plumbers and electricians who are not getting that opportunity, yet the builders who are being subcontracted to come into the community own two aeroplanes. I do not know how much an aeroplane costs, but I presume that two of them would cost a fair bit of money. Things like that mean that opportunities are being taken away from people in that sense. There is Qbuild. I was at Kowanyama last week; there are no opportunities there, because everybody is coming in and doing the contracting. People in communities have skills and have the ideas to develop business, but they are not being given the opportunity. Sometimes it is about not having a skill base, but that can be developed along with some sort of procurement strategy.

CHAIR—Thank you very much. That really has been very helpful and we appreciate the time you have given us. We are sorry that we are running a bit short of time. Again, we might follow-up with you on some of those issues through the secretariat. But thank you for your time today.

[12.44 pm]

ARMSTRONG, Mr JM John, Private capacity

CHAIR—Welcome. Although the committee does not require you to speak under oath, you should understand that these hearings are formal proceedings of the Commonwealth parliament and that the giving of false or misleading evidence is a serious matter and may be regarded as a contempt of parliament. Perhaps you would like to make a brief opening statement and then we will ask you some questions.

Mr Armstrong—Thank you for allowing me this opportunity to follow up on the submission that I have lodged. Up until August, I was manager of Blak Business Smart Business here in South East Queensland. I am now running my own small consultancy business, doing similar work. But I am also working across cultural and urban space areas of concern, which business is called Harbinger Consulting. I am also the Secretary of the South East Queensland Indigenous Chamber of Commerce.

By way of a reminder of the background to Blak Business Smart Business, it was the result of a couple of years of consultations that were undertaken by a number of people within Brisbane City Council with the Indigenous communities of Brisbane and surrounding areas. Basically, it was a way for the Brisbane City Council to find out how they should respond to the demands, desires, wishes and aspirations of Indigenous citizens.

One of the things that kept coming up was that a lot of people in these consultations were saying, ‘We know there’s heaps of support out there and lots of programs, but we really do need some assistance to cut through the red tape. We need some entity to act as a guide so that we can stay on track and actually establish businesses.’ There was a great desire to take such a road. In August 2005, Blak Business Smart Business started off with funding from the three levels of government. The main operational funding came from the old Queensland Department of State Development, which is now the Queensland Department of Tourism, Regional Development and Industry. It was a project of the Brisbane City Council. Towards the end of 2005, we also secured some federal funds to engage another business readiness officer; that was from DEWR, which is now DEEWR. In September 2005, we kicked off. In the submission, I have given some details about the achievements and successes that we clocked up over that period. That was, I think, up until the end of last year. I will just give you a couple of extra bits which carry over the three years. From September 2005 to June 2008, there were over 600 inquiries, 157 of which translated into active clients—and, of those, eight were Indigenous community organisations, which mostly were not-for-profit organisations. As a result of that, 48 new businesses were operating over that three-year period. When we finished in August this year, 29 new businesses were in pre-start-up phase. Out of that lot, 171 jobs were generated over the three years, which I think is pretty remarkable. There is a whole lot of other data as well, but most of it is captured within the submission that I have put in.

Over that period of time, with a staff of five—me as manager and four others—we developed a mentoring process and a case management process, which were based on a continuum. People came in and, if they needed 18 months of attention to get going, they got it; if they needed three

months, they got three months. The whole ethos behind it was based on working with the clients rather than for the clients or to the clients. It was a matter of developing individual case management plans with the clients and then guiding them through them. Also, important parts of our activities were brokering partnerships and organising clusters. Four or five people working in hospitality would obviously benefit from being linked up in a very loose sort of arrangement. Also, the amount of work that one business could pass on to another business was pretty surprising.

In the submission, as I have said, I have given you an outline of our five-step process and our structure. I think Mr Willmetts has spoken about the South East Queensland Indigenous Chamber of Commerce. The main thrust of what I would like to put forward now is that, to me, it seems very sensible that the chamber of commerce be funded to provide a Blak Business Smart Business-type service—not necessarily the same thing, because something lodged in a local government entity obviously has a certain shape. Something that goes into something that is more culturally responsive, I suppose, such as the Indigenous Chamber of Commerce, would have a different shape. But I think our base processes and systems would be able to be adapted. It also would remove the vagaries of government funding and government programs and priorities, which is one of the reasons for our not existing any more. It also would allow the chamber of commerce to be able to spawn other chambers in regions and then also have the associated business development activity there.

Dr STONE—Obviously, BBSB is no more. I have looked for clues as to why it is no longer funded, but you seemed to have succeeded with over 170 positions. In a nutshell, can you tell us why it is no more and what you think was best practice that achieved the outcomes that you did? Was it the mentoring? Was it its location? What was it that made you, in your words, succeed?

Mr Armstrong—I think, quite simply, the reason that it is no more is that state development changed their approach to the funding of Indigenous business hubs. They were looking at putting in place Indigenous enterprise offices and state development or TRDI employees or staff taking up that role. It was quite simply a shift in their priorities. It is not just us; it is Cairns, Bundaberg and Thursday Island who will slowly have their operational funding cut.

I think the most important thing is the best practice that we developed, as outlined in that five-step document. It actually looks at the individual's strengths and working with those. It is very much an appreciative inquiry approach. It is also very much a culturally appropriate yarning. It is lots and lots of talking, lots of clarification and lots of discussions. It is not just with the aspiring entrepreneur; it is with their family and the community they are situated in. It looks at each of the people as individuals. Even though we have that basic five-step process, everyone had a different case management outline. Everyone regarded themselves as being the most important client of the hub—and they were. In some cases, it would require three of our staff to work with them; in other cases it was one. As I said before, in some cases it would take a couple of weeks to get them up to what they required; in other cases it would take two years. It was looking at being very, very individually responsive and working with the client. That is not really possible within some of the government programs, because there are time lines, budgets and all that sort of stuff.

CHAIR—Where does one go now to get the service that was being provided by Blak Business Smart Business?

Mr Armstrong—There is not anything in South East Queensland.

CHAIR—It might have been a question for our first witness, I guess, but you said that, in a sense, the service is now meant to be replaced by the regional offices of—

Mr Armstrong—Yes.

CHAIR—I suppose the question should be: do you think it is being replaced?

Mr Armstrong—That was the idea: to replace it like that. There are all sorts of public servants and there are some fantastic Indigenous enterprise development officers that are operating, particularly the one that is operating in Toowoomba. I know for a fact that she has exhausted herself because she works a 16- or 17-hour day seven days a week and is on call for her clients. So she exceeds the public service brief, if you like, and she gets the results. It is also the perception of the client dealing with government; that is a very strong thing. We found that you can get a much quicker set of appropriate responses in a more relaxed, more grass roots, I suppose, atmosphere. For four months, we were situated in the main Brisbane City Council building and, during that time, we had about five clients. Then we moved to a place in Southbank that had a veranda; you could sit outside and have cups of tea and the kids could play there. We were inundated. It was not just a matter of people coming along for themselves. Each successful client seemed to generate about another five clients. There were uncles, aunts and grannies; everyone was turning up. It is not ownership by the community; it is approachability by the community. It is also the good news aspect. People go away and they say, 'Those fellas are okay; they gave me some good info. You should go.' It was that sort of stuff.

Ms REA—Could you explain a little about how the clusters work—those almost informal arrangements—and about their success? You have made the point that officers currently working in the department are spread all over the state. I imagine there was an added benefit for the staff themselves in that they were working together and, in some cases, having three of them work with one client. I know it is hard to put everybody in one geographical location, but there might have been a benefit around that. Would you like to expand on that as well?

Mr Armstrong—I will touch on that first. The Murri network is extensive, as everyone knows. I am not an Indigenous person, but the four staff that I had were Indigenous. Those four people seemed to have family connections to just about everyone in Australia and that was a fantastic way of getting access to the background to someone. You knew that someone had an uncle who was the first person to make boomerangs in Charleville. Those little bits of info were invaluable. Also, there was the ability to, I suppose, value-add. I might be working with one client but then talking with the staff, which would allow them to value-add. The networks that we all had before starting there as well as those we developed while there were extensive.

With the clusters, I will give you an example with fashion. I think that four clients worked in fabric design—accessories, handbags, jewellery, clothing construction and so on. We brokered or organised for them to get together and have a bit of a yarn and a cup of tea. Suddenly, it became apparent that each one had outlets that the others did not know about—they were not in competition. That enhanced all their businesses. In the same way that it helped with the staff and working with the clients, it also helped getting access to the trained personnel that they needed, such as a good machinist, someone who could sew leather at home and that sort of stuff. It

helped also with marketing. Being able to market an Indigenous fashion cluster really cuts out a lot of cost, so that was important.

CHAIR—Thank you for your time. I make the same apology to you as we made to the others. I am sorry that we are short on time and may follow-up some other questions with you through the secretariat. But we really appreciate your giving your time to us this afternoon.

Proceedings suspended from 1.00 pm to 1.26 pm

BROWN, Professor Kerry Ann, School of Management, Queensland University of Technology

FURNEAUX, Mr Craig Walter, PhD Student, School of Management, Queensland University of Technology

CHAIR—Welcome. Although the committee does not require you to speak under oath today, you should understand that these hearings are formal proceedings of the Commonwealth parliament and that the giving of false and misleading evidence is a serious matter and may be regarded as a contempt of the parliament. Perhaps you both would like to give us a brief opening statement and then we will ask you questions.

Prof. Brown—The interest that we have had in this area has been from a research point of view in looking at firstly Meeting Challenges, Making Choices, and Cape York partnerships looking at understanding how to progress an Indigenous agenda. We have been looking at understanding Indigenous activity, capital, entrepreneurship and also access to governance arrangements that will also look at wellbeing and access to the rights of society. There are a number of projects that we have undertaken from that looking at what is economic development, what is good governance and what are the areas of entrepreneurship and economic activity that will assist or work towards that goal.

Mr Furneaux—We have put in a submission and a paper that we have put together. By way of background, the call for papers said, ‘We note that certain races are better at small business than others.’ We felt that this was a really bad argument; that when you look at certain nationalities and different island nations some of them seem better than others. We thought that this was a bad argument, because the way you frame a problem can influence the way that you try to address that problem. We address the notion of capital in its various forms; the idea that people can be entrepreneurial if they are just given access to skills, money, markets and opportunities, and that people will behave in an entrepreneurial manner and set up businesses. That is the background to our paper; that this is a better way of looking at how to engage Indigenous people in small businesses and to try to promote access to capital in its various forms.

CHAIR—What your paper is saying is that one of the impediments to Indigenous business development is access to capital. Before you arrived a question was asked that portrayed the same sense that I had of that, which was that there is not the same access to money. But you are talking about a much broader concept than just money. Can you explain that in some detail?

Mr Furneaux—A guy called Baudier proposed the idea that, yes, finance is a type of capital, but there are other types of capital, including human capital in terms of skills. Anyone in small business has to develop their ability to run a small business. They might have expertise in a particular area, but the skills to run a business are a different skill set. That has been shown to be one of the key reasons why any small business fails in Australia; people lack the ability to run a small business. Human capital is the idea of the skill sets, knowledge, understanding and procedural knowledge of how to run a small business. Then there is organisational, physical and technological capital, such as access to networks of relationships and access to technology. Some

of the remote communities are a long way away from any form of market. And then there is social capital, which is a special case.

Prof. Brown—Our research is showing that those kinds of capital brought together can make a difference in terms of the business and social environment in which people operate. The issue of social capital has been given wide dissemination and we are extending that notion of social capital to include the broader reciprocity and mutuality that allows you to start to collaborate, so that it becomes a resource rather than a way of just networking. It actually becomes a capital resource where people can interact with each other and create a set of capital that they can draw on.

The other aspect of economic capital that we are interested in thinking about in a broader sense is not just about the loans and the way in which people are able to access capital in a Western frame. It is that there is group capital and that the highly individualistic model of capital and capital raising and financing does not fit here and it cannot fit. So, there needs to be an idea that there is a collective approach to entrepreneurship, which is sort of an extension of something like a small business or a family business. It is no longer about entrepreneurship and the highly individualised approach that you would have. There is a range of interventions that you could put into the finance area that would assist that has a collective approach.

CHAIR—Can you give us an example of an intervention?

Mr Furneaux—Much of the entrepreneurship literature talks about individuals who are entrepreneurs. An example would be Balkanu and the Cape York partnership, where rather than an individual owning the farm the tribe owns and manages the farm. If one person had to go away for family business or was absent for a period it did not matter because the whole tribe took ownership and responsibility for that particular asset and the running of that asset. It was more of a collective ownership of the business rather than an individualistic approach to running small businesses.

Dr STONE—I understand from reading your articles and some of the references that you are also including as an impediment potentially to entrepreneurial development almost a cultural context that had people, we call it, sometimes humbugging—using an Indigenous term—where people who have a few savings or perhaps have a grant or whatever may feel so obligated and obliged to sharing that new resource with the community rather than putting it aside and appearing to be putting it to their own family's use and not the whole community's use. Certainly Argyle Diamond Mines is very concerned about this. It sees their individual employees do well until they go back to their community, where it is so difficult for them with their salary and savings that it is easier for them to give up the work than to withstand the pressures of disbursing their new car or whatever else it is that they have earned through their work. You have not referred to that in your introductory remarks. I am not saying it is just an Indigenous cultural context in Australia, but to what extent do you see that as a problem for developing entrepreneurship, particularly in areas where there are still traditional kinship systems at work? If you do see it as a problem, how do you deal with that in a way that the individual or family striving to succeed is not under such pressure that they literally have to move out of the community to succeed or stay there and not succeed?

Mr Furneaux—In Pacific Island nations it is called the trader's dilemma, but it is the same idea that if I have a need and you have resources I can ask you to give, and to say no is more than just saying no to the gift, you are saying no to the relationship. There is this reciprocity and mutual gift giving.

Dr STONE—An obligation?

Mr Furneaux—There is an obligation. This is an area where we need to do a lot more research and I think it is an under-acknowledged area in public policy. Part of the difficulty here is trying to develop a response for the entire Indigenous population, and I am not sure we can do that. Some people leave and some people find ways around that in their own communities. There has been work done in Papua New Guinea where a similar system operates. They build into the business a boundary around what is given and what is not given in terms of governance arrangements.

Prof. Brown—Some of the enablers as well are not specifically addressing that issue but allowing people to have things such as business coaches and volunteers who come to work with the entrepreneurial group and assist. It is trying to develop a range of mechanisms that allow an entrepreneurial culture to develop, and it is the enterprise partnerships, the business volunteers or the business coaches who help to instil a way forward for that enterprise. It is also putting in place those frameworks and mechanisms to make a successful entrepreneurial culture. It is a problem. We acknowledge it in our paper and it is one of those issues around entrenched cultural problems.

Mr Furneaux—One of the strengths in Indigenous communities is this notion of reciprocity; that they do support each other and that they do encourage each other. Some of the research done at the Australian National University says that it makes a lot of sense that, if you do not quite know who is going to get the kill the next day, if I get the kill and I share then the next day you get the kill and you share. It makes sense. But there is a lot of work that needs to be done about who has been able to succeed, under what circumstances and how can this be done. We do not know the answers to that yet. I wish I did. It would be a great paper. I am not sure how we can respond to it effectively off the cuff.

Ms REA—Bearing in mind that obviously we need some more information around that, your paper does say that there is definitely a lower participation rate in Australia than there is in other countries, particularly the USA and Canada. Have you had a chance to analyse that or perhaps come up with some ideas or thoughts as to what the difference is?

Mr Furneaux—Cross-comparative analysis between the USA and Australia has not been done. I think one issue is that there are cultural differences. When we talk about, say, Maori culture compared with Indigenous Australian culture there is perhaps one language and there is perhaps at least a notional king or queen in Maori culture. When you come to Australia there are hundreds of languages and there are hundreds of different tribal groups from distinct areas of Australia and they are quite different from each other. In some regional areas there is a very strong governance structure. We met in the Northern Territory a gentleman who was the local elder. He was also a policeman and was able as one person to hold both government authority and traditional tribal authority, and his community was quite well ordered with a lot of structure. But you go to other communities where there are perhaps three tribes being forced together and

there is no eldership and no functional governance. There are some challenges in terms of working with these local groups. They are quite different from each other when you go from area to area. What they have done in America, though, is they have tried to work with local governance structures and tried to work with local communities about what will work in their local area. Noel Pearson has some great things working in the Cape York, but whether they are transferable to other areas remains to be seen.

CHAIR—There is one issue in the argument that is being made that I am struggling with as to why necessarily it is such an impediment, and perhaps you can enlighten me. It seems to me that you are describing a more collective approach to life and business, but at the end of the day the fundamental model that we have for engaging in business in Western economies, being a company, is a collective model. It is a group of people engaging in a joint enterprise. I am not sure why, in a sense, a company with shareholders, which might be equal shares, is not precisely the legal mechanism to enable collectivism?

Prof. Brown—Our research has shown that collaboration is very much on the horizontal and the company structures that you talk about, even though there can be joint ventures or organisational arrangements that are structured along those lines, cooperative, they are actually on the vertical, where they have certain sets of responsibilities and certain arrangements that are authoritarian, authorial and work to a certain hierarchy. Whereas what we are talking about is very much on the horizontal. They are collaborative. They work in joint endeavour at the same level. Everybody who comes to the table has an input to that and that is a harder thing to do because you make up the rules as you go, and that does not fit the normal company structure. In making up the rules as you go it is a governance arrangement of organising according to those joint collaborative arrangements, and so it is quite different.

CHAIR—I do not mean a corporate structure where you have a CEO, departments and hierarchies. I mean the legal structure, which is a company, which has a certain number of members who can have equal shareholdings or non-equal shareholdings. A family business typically will be exactly equal, where each of the family will hold a share. Are we trying to get too complicated? It seems to me that our basic mechanism for engaging in the economy is either to do so as an individual or to do so as a group of people incorporated in a company. The law absolutely allows for equality within that flat structure that you have just described, if that is what they choose. Why can't that work?

Prof. Brown—I think it can work to a certain degree. It is not as successful because some of those other elements that we pointed to about financing expect a certain vertical level of integration. They expect a certain structure, which is not present. The work that we have been doing on networks and collaboration shows that when interrelationships and inter-organisational arrangements are brought together and asked to provide outcomes they cannot offer traditional outcomes. So, an input and output analysis or a normal balance sheet or a normal kind of account does not work. We know already that structures that are based around collaboration and common goals already defy normal sorts of evaluation and conventional approaches to think through what are the outcomes. The models that we have looked at for Indigenous communities fit much more with this collaboration model, and that takes them away and starts to defy the normal accountability, the normal audit, the normal financing, and the conventional types of arrangements that you would put in place and expect to see. That is why we are saying extended family business structures may be closest to it, but it is still in that collaboration/collaborative

governance mode that is unusual for a business community and unusual for the sorts of organisation and structures that you would see in small business. So, yes, it is like that, but the next step for us, we think, is that this collaborative model that we have looked at still defies that conventional small business arena, and that is why it is just that next step away. It is close but not quite.

CHAIR—This is a really interesting area, because as a theme it has come up. I think one of the reasons why we are asking you these questions is because it seems to me that your paper gets to these issues probably closer than any of the other stuff that we have read. Forgive me that I am interrogating. I do not mean to do that. Take it as a compliment. In saying what you have just said is it that you are describing a lack of business literacy, which might be associated with a range of non-Indigenous people who find themselves in circumstances where they are not business literate or they have not had exposure to business, or are you describing something particular about Aboriginality or Torres-Strait-Island-ality that provides a cultural barrier to engaging in business?

Prof. Brown—There are a couple of aspects in that. One is that we think there is a new model and we are trying to start to describe that. We also think that, yes, financial literacy is important and there is not enough of it. I do research into superannuation and retirement incomes, and we know that there is not enough financial literacy out in the community more generally. So, yes, I take that point that financial literacy is missing, but it is more that these new models require different ways of thinking and different models of support, and that is what we are trying to get at. We are only just seeing the tip of that in terms of the possibilities.

CHAIR—Collaboration and common goals were the reasons why companies were established in English law. That is exactly their point, collaboration and common goals. What is different about it?

Prof. Brown—We have a fairly specific issue around collaboration. What we are seeing in business is something more like what we are calling ‘coopetition’; that people will gather together for certain things in an instrumental way to be able to achieve their own goals. Collaboration at the far end is a highly integrated entity that allows people to come together for common goals that are big goals, and so when you join together in those collaborations you are actually giving up your own individual goals for a greater collective goal. That to me is the big difference in what we call a true collaboration. Often people who are competitive will join together as far as it helps them advance their own agenda and together they can advance their own agenda, but this is a different entity that we have researched.

Dr STONE—We have just lost John, who used to be on the Blak Smart Business Network, but we have two other Indigenous entrepreneurs who gave evidence this morning. What proportion of successful Indigenous businesspeople have done it so-called alone more or less, meaning without a cooperative, collegiate, communal group going with them and being part of their business development, versus communal? Has anyone done that analysis? In the case of John’s group, 117 entrepreneurs emerged. How many of those did it by, as I said before, going it alone, having a vision, pursuing it with the support of others, versus the Maningrida model, if you like, where it is a group that CDEP supported and they are 20 people or clans leaders? Is it harder to harder to succeed and is it less likely to succeed when you go into a traditional community and expect a group together to develop a fishing enterprise versus one champion of

that committee saying, 'Right. I'm sick of this. I'm going to develop a fishing industry and when I get there I'm going to employ all my cousins, but I will take the risk. I will do it alone because that is way I want to do it'? Do you see what I am saying?

Prof. Brown—Yes.

Dr STONE—There are two versions. I would be interested in knowing what sort of data we have on that.

Ms REA—We can answer that in the roundtable.

Dr STONE—We can ask that question in the roundtable, if it holds for that. I think there are two different separate models. One is the more traditional non-Indigenous model. Are we are inflicting upon Indigenous communities an expectation of their adopting a communal-type model because they are Indigenous, which in fact makes it so much harder for them to succeed?

Mr Furneaux—Dr Foley has done most of the work in this area. I am not aware of any comprehensive study of every single Indigenous businessperson that would give us the answer that we would all love to know. I think it is a key question. What I have been trying to say is that I do not think there is an answer for every Indigenous person and perhaps we need to look at under what circumstances these work better. I know in talking to Dr Foley that in his research he found that both work. Sometimes in some Indigenous communities it worked, but other people had to leave. Perhaps there are other issues that came into it that we cannot generalise to whole populations of people. With this notion of collaboration, I noticed that the Prime Minister is talking about employing Indigenous people on procurement projects; that this is a great opportunity. When we were in Western Australia, though, we found that even though they had company structures it did not necessarily result in Indigenous businesses. What they found they had to do in Western Australia was stagger the delivery of their projects. They had to create company structures, but then collaborate through government and have a whole-of-government approach where they staggered delivery of projects over a four-, five- or six-year process, and they ended up with a series of people who were trained in entrepreneurship. So, it was not just about having the company. That does not solve the problem. It is about this long-term collaborative approach to negotiations. A company structure is just a legal structure. It is what you do under that structure that makes a difference.

Professor Brown has been talking about different types of collaboration. Even with Western democracies that you have looked at, there are different forms of collaboration and different extents of collaboration that are possible. For some wicked problems in government the answer does not reside in a hierarchy, it resides in a network of relationships and through negotiation, outcomes, collaboration and discussion. The answer is not a foregone conclusion.

Prof. Brown—Also, our research in that area also requires government to work together in a collaborative way so that the turf and the silos in expectations about programs and expectations about delivery and service delivery have to be quite different as well. As Mr Furneaux said, we looked at the embedding of social outcomes in contracts and we looked at a range of issues around that. What happened was that, while the policy had some good policy intent around employment of Indigenous people in local economies, the downside of it was that in developing each of the projects there was an enormous strain on communities. When there were three

building projects happening in one region all at once there was a requirement to employ Indigenous people and they were grabbing people from everywhere and then that project would finish. It was only when government worked together with the Housing Department, the Public Works Department and the Education Department that they could have a sensible of schedule of building programs that allowed longer term employment and that policy then started to work. We are talking not just about Indigenous groups themselves being a part of this collaboration but about government policy as well starting to line up around collaboration, around shared outcomes and around ensuring that good programs do not have dysfunctional effects when they come out and are implemented.

CHAIR—I would love to keep going but time is beating us. To that end, we might get the secretariat to follow up with you particularly question 3. Thank you very much for giving us your time, and I am sorry we do not have more time.

[1.56 pm]

MEMMOTT, Professor Paul Christopher, Director, Centre for Social Responsibility in Mining, University of Queensland

CHAIR—The final person we will call before the round table is Professor Paul Memmott. For the record, please state your full name and the capacity in which you appear before the committee today.

Prof. Memmott—My full name is Paul Christopher Memmott. I am not sure exactly why I have been asked here, but I am a Professor at the University of Queensland. I am the Director of the Aboriginal Environments Research Centre. I have been a consultant in Aboriginal projects for 30 years. I am an anthropologist and an architect and I am an expert witness in the courts. I do not purport to be an expert on Indigenous economy, though.

CHAIR—The committee does not require you to speak under oath, but you should understand that these hearings are formal proceedings of the Commonwealth parliament and that the giving of false or misleading evidence is a serious matter and may be regarded as contempt of the parliament. Would you like to make an opening statement and then we might ask you questions.

Prof. Memmott—I am also mindful that I was co-invited with Professor David Brereton, and he sends his apologies. I think he is overseas. He is the Director of the Centre for Social Responsibility in Mining at the University of Queensland, and he is actively involved in the relationship between mining and Indigenous economy and Indigenous training for employment. I have items to leave with you. I do not know whether you want me to bring these items over now. I have a pamphlet from my centre, my card, and brochure from Professor Brereton's centre. He has also sent along this booklet that has been produced through his centre, which is called *Indigenous Employment*. I think the reason we were invited together is that we had co-authored with some other colleagues a research study called *Mining and Indigenous Tourism in Northern Australia*. That was done through the Sustainable Tourism Cooperative Research Centre. I can table those. That is quite a lengthy document of about 100 pages long. I have brought along to leave with you a smaller set of papers. One is the front cover of that, which has the website address on it. Another one is a one-page summary from the Sustainable Tourism Cooperative Research Centre. There is about a five-page summary from Professor Brereton's website. I would like briefly to talk to that study. In addition to that I have brought along what I consider to be material on a best practice group in Indigenous employment and training, which is the Myuma Group at Camooweal. I am leaving a couple of copies of this profile that was done of their group about 18 months ago, which is a bit out of date because they are moving so fast, and also I have a more recent PowerPoint set of imagines, which was a presentation I gave to the Queensland government recently updating that study and explaining what I found out about them in terms of why they are such good practice, *Critical Components of the Myuma Success Story*. That group has just received \$3.3 million of Commonwealth funding for training infrastructure establishment.

CHAIR—Perhaps if you talk to the report.

Prof. Memmott—I will start with the mining report.

CHAIR—Yes.

Prof. Memmott—Just briefly, the study, as I said, was funded by the CRC for Sustainable Tourism but also by Rio Tinto. The broad aim was to investigate the opportunities for mining operations to support the development of Indigenous tourism ventures in remote and regional Australia. It was a type of feasibility study, and the first of its kind in Australia. There were quite a few researchers involved with this. There is a chapter on Indigenous tourism in Australia. There is an overview of that. In fact, I was just reading to myself a paragraph about why a number of Indigenous tourism ventures fail; that it is because of cultural factors, which I think was at the crux of the question you were asking an earlier witness. I can come back to that particular paragraph. There is a chapter on the mining industry in northern Australia. There is a chapter on proximal national parks and/or world heritage areas. One of the other dimensions of this study was to see how national parks put in proximity to mining and Indigenous communities could work in partnerships to develop enterprises. Then there were three case studies. One was with Comalco, the Weipa case study. The second was the Century Mine case study, now called Zinifex. The third one is the Argyle Diamond Mine case study. They are presented in the form of SWOT-type analysis, where the strengths and potential for tourism are set out, and the constraints and the opportunities are investigated.

We addressed a range of research questions and a broad set of objectives. The key findings were fairly obvious. There was quite a lot of work to confirm them objectively. Firstly, that numerous mining operations in northern Australia are located in or near areas that have substantial tourism potential, which we objectively measured in these particular case studies. Primary attractions of the natural environment, cultural heritage sites and landscapes and the mines themselves. Some of the mines actually had tours. There is currently only very limited Indigenous involvement in tourism ventures across northern Australia. Nevertheless, the report identifies a range of benefits of increasing Indigenous participation in the tourism sector.

It is very clear that leading mining companies have public commitments to contribute to sustainable development of the communities and regions in which they operate. Greater Indigenous involvement in tourism is one way. Mining operations can give practical effect to this commitment. Surveys of tourists indicate many international visitors to northern Australia would like to experience greater exposure to Indigenous cultures and peoples. The attractions situated in the three regions that we studied could be readily marketed to both international and domestic tourists.

Actions that mining operations might take to facilitate greater Indigenous involvement in tourism including providing Aboriginal groups with the rights to run mine tours and/or requiring other tour operators to employ Aboriginal people, and ensuring traditional owner perspectives are presented in any mine tours conducted. They are very briefly the findings. There is obviously a lot of detail in here about the many issues involved.

CHAIR—When we are talking about the connection between mining and tourism, it is not just tourism at the mine but it is presumably tourism of the surrounding areas in which the mine is located?

Prof. Memmott—Yes. There is a range of potentials. It could be the tourism of the mine and including Aboriginal personnel in those tours to talk about local Aboriginal culture and history and the cultural heritage and the environment of the mine. Equally, it is to do with what we call soft infrastructure, building local capacity in the community in human resources, which you have all been talking about, leadership, social capacity and business entrepreneurship through a range of other enterprises as well as tourism in mining ventures.

It is also about hard resources infrastructure. The availability of the infrastructure during the life of the mine as well as after the life of the mine, and what happens when the mine closes. One of the points that Professor Brereton might have made if he was here is that, although a lot of mining companies are fostering enterprises throughout Australia, there is negligible track record yet of a mine closing and seeing those enterprise groups operating independently of the support that the mine is giving. There is still an open question about creating economic sustainability for small Aboriginal local groups who are spinning off mining projects.

CHAIR—The point about tourism is that it is an activity that can exist after the mine has closed?

Prof. Memmott—During and after.

CHAIR—In terms of sustainability, when the mine leaves there is still something there for people to do. Is that one of the points?

Prof. Memmott—There could be infrastructure, too. There are buildings, roads, airstrips and equipment.

CHAIR—The idea is that the infrastructure that exists around a mine lends itself to undertaking tourism in the surrounding areas?

Prof. Memmott—Yes, that is correct. During the life of the mine there are other things. There are fly-in, fly-out mines that have empty seats in their planes when they are going backwards and forwards, which could be accommodating groups of tourists coming in. There are ways of mines giving business support to local Indigenous entrepreneurs. There are leases. Often the big mines have extensive leases over surrounding areas, which they could be licensing tourist entrepreneurs to use. In some cases they are but they are often non-Aboriginal people. There could be more encouragement of mining companies to encourage any independent non-Aboriginal operators to include Aboriginal employment, training and career paths in their projects as well. A whole range of things could be done, and that could also be in terms of references for social impact assessments that governments are calling on for large projects, such as the CHALCO mine, which is opening up at the moment in North Queensland.

CHAIR—Are we talking about a mine engaging in this activity as a form of philanthropy or is it a commercial venture for the mine as well in terms of engaging the tourism?

Prof. Memmott—You would have to ask particular mining companies that question, but obviously larger mining companies are putting a lot of resources into community development. You could see it as philanthropy, but they might see community relations as a positive in their economic viability as well.

Dr STONE—To what extent are Indigenous people themselves saying, ‘Yes, we do want to engage in tourism associated with these mines’, and so to what extent were they driving your research or driving the mines’ response to more tourism opportunities being created through their mine? To what extent were you always or sometimes associating art/craft sales? Tourists typically want product, as you know; they want to take away something—a painting, a didgeridoo, a piece of basket or whatever—as a memory of their trip. Argyle has Warnegus up the road and so on, and of course you have the fabulous work up near the bauxite mines in Cape York, and the Yirrkala community has that amazing art/craft sales point. We have talked a lot about the opportunity potentially, but where do Indigenous people sit in this? Instead of talking to tourists, would some of them prefer to drive a pack-hauler or a Euclid for \$110,000 a year with no strings attached?

Prof. Memmott—Those are good questions. To get to the middle question first, we did not really focus in any detail on the arts industry. Going back to the first question, there was not a great deal of strong motivation encountered on any of these sites, although we did interview all local Indigenous groups in the areas.

Dr STONE—Are you saying they were not terribly keen about it?

Prof. Memmott—In most cases they were not. There were some exceptions. I take that as a general set of factors, which include a lack of experience and a range of concerns, ideological and cultural, about engaging in businesses of this sort. Probably it is a situation where there is potential, but there is a need for a strategy to help people get engaged or to initially set out the possibilities of getting engaged. This is why the Myuma Group probably has a better approach to things in that they are starting, in many cases, with life skills, assertiveness and positive identity in their approach to training, which gives people a certain amount of pride and confidence in their own culture and where they are coming from and how they can project that into industry.

Dr STONE—Is this the case study you referred to?

Prof. Memmott—Yes, Myuma.

Dr STONE—Is that one of the case studies that you have presented us with?

Prof. Memmott—This is another case study I am putting on the table as cutting edge, best practice in Australia. They have enterprises, training and cultural heritage in their portfolio. They have a camp outside Camooweal, which is like a prefabricated mining camp. They have leveraged up off native title with their own resources and money. They have had a number of \$5 million contracts and they are now taking intakes of 30 prevocational trainees. I was up there last week. Their trainees are from Aurukun, Mossman, Palm Island, Yarrabah, Mount Isa and Lake Nash. There is an intake of 30 trainees at the moment. This is the second intake this year. They have a goal to train 90 trainees a year.

Dr STONE—What are they being trained in?

Prof. Memmott—Prevocational training, before employment.

Dr STONE—For a range of possible jobs?

Prof. Memmott—Mainly in the civil and construction industries. They are also arranging contracts with employers for their trainees when they finish their training, so they are going straight into a job. Also, they are using some of those trainees in their own contracts in their own enterprises, which at the moment cover road maintenance/road construction, housing and cultural heritage management.

Dr STONE—Are they all men? Are there no women?

Prof. Memmott—Half men and half women.

Dr STONE—That is excellent.

Prof. Memmott—I could talk more about the way they have got things structured if you want me to.

CHAIR—In terms of gender equality?

Prof. Memmott—In terms of the complex relationship between a culturally appropriate way to carry out enterprises and to engage younger adults into those enterprises, which is not going to intimidate them or cause them to raise questions about motivation, which was the case in the bland study of mining involving researchers just walking into communities and saying, ‘Do you want to engage in tourism?’ There are many personal reasons that people may be reluctant, frightened, intimidated and ashamed to walk into industry and say, ‘I am here. I am a very self-confident. Employ me.’ This particular approach that they are taking is starting people on Aboriginal terms in their training and moving them through a process of bringing them up to speed with engaging in industry, but in an Aboriginal camp that is done in an Aboriginal way, so it is a more culturally appropriate way of doing it.

CHAIR—Can you explain that?

Ms REA—And how long does that take?

Prof. Memmott—The course at the moment is only 13 weeks, but some of the typical things are that people are addicted to alcohol and drugs. They might have venereal diseases. They might have police records. They might have outstanding fines that prevent them getting licences. They might not know how to do banking. They might have a range of health problems and they are not sure whether they would make them eligible or ineligible for employment. All of those factors have to be worked through in an environment which people find comfortable, culturally relevant and reassuring so that they can get to a point where they will put their hands up and say, ‘I want to do this training.’

CHAIR—It is the culturally relevant bit that we are interested in. How is that done?

Prof. Memmott—It is done through the camps being run predominantly by Aboriginal people. They have a range of ways of dealing and communicating with people and raising the relevant issues. I cannot really go into all the details, but you cannot simply get people out of Aurukun, put them in an office in Cairns and say to them, ‘Fill out this form and answer all these

questions’—the ones I have just raised—‘about your personal details,’ which details could affect their employment prospects.

Ms REA—How do people get there? Are they chosen? Is it an application process?

Prof. Memmott—It is done through a combination of interactions between leaders in the Aboriginal group and leaders in the community. At the moment, word of mouth is causing leaders in different communities to ask this group to take people from their community. That then results in the leader of the group, whose name is Colin Saltmere, flying to the community, meeting with families, sitting down in kitchens, talking through what happens and explaining in a hard way what the rules are. It is not meant to be an easy or a soft sort of way of getting into employment. He does it in a very clear and plain way while, at the same time, he gives people confidence that it is being done in an Aboriginal way.

Ms REA—Is there an age limit, is it across the board or is it particularly focused on—

Prof. Memmott—I think it is focused on young adults, mainly those who are in their late teens or 20s. There might be a few in their early 30s. There is material there and you could contact them, if you wanted to. I will leave that with you too.

Ms REA—Thank you.

Prof. Memmott—Somebody from Santos came into my office yesterday and left the Oil and Gas Employment Project community feedback sheet and many of those problems are listed in it: perceived reasons preventing Aboriginal people from working in the oil and gas industry. ‘Perceived reasons’ include lack of basic work readiness skills, lack of knowledge about the industry, substance abuse, past criminal convictions, negative past experiences, lack of family support and lack of community support. That comes back to Professor Brown referring previously to tall poppies getting cut down and jealousies. There is a whole range of issues there. This person was in my office because Santos wants to clone the Myuma project and have it on Curtis Island; they want it there when they construct their new gas pipeline to take gas to Asia. At the moment, there are probably at least four groups around Australia that want to clone the Myuma project and the state government is looking at it closely. It has a very strong leader and one of the key questions is: is it too dependent on having a very strong leader and can it be done without having one? That is a critical question. Leadership is a very big issue in setting up these enterprises.

Dr STONE—Have you heard of what was called Whyalla 100? It is now Whyalla 200. It was lead very much by OneSteel’s HR manager in Whyalla, Alan Tidswell, and was supported by state and federal government. It took Indigenous and non-Indigenous long-term unemployed people on a 20-week program, which sounds very much like this. The big deal was that, if you got through the 20 weeks—which included maintaining an alcohol-free and drug-free status and so on, which was checked regularly—you actually had a job. You were taken into OneSteel BHP Billiton and so on; it was ‘the deal’. That seemed to be what made all the difference in that particular program. In the program that you have just been talking about, are there employers, such as OneSteel, waiting to take the graduates, if you like, of the course and say, ‘Right, you have passed, you are drug and alcohol free, you have met all the criteria that the course required and there is a job for you’?

Prof. Memmott—Yes, that is correct.

Dr STONE—So the employers are there hand in glove with this program?

Prof. Memmott—Yes, Rio Tinto and Xstrata in Mount Isa. Other mining companies up in Mount Isa are also signing up now. A lot of it is based on Myuma's networking with the mining industry in North West Queensland but also with local councils and reaching into the Northern Territory with a whole range of quasi-government structures there as well. There is a section in there. I go through and list a number of the reasons for success or what the success factors are. It is hard to say that any one of them is more important than another. One factor is the strong lobbying process amongst the employer sector, but another is the respect of the employer sector for having made a success in business enterprises. I start this by talking about an enterprise inserting itself into the market. To get that networking happening, you need respect in the business market, and not in the government market or the Aboriginal market but in the industry sector. This group have earned their respect by delivering, through alliance contracting, large-scale \$20 million and \$30 million projects. Getting that respect and business partners—their latest business partner is Joseph Gutnick from Melbourne; you might have heard of him—amounts to being part of the market and able to secure culturally-modified demand service needs from the government and business sector. Then they can get service providers out to their camp to give a talk on what a bank account is, what investment is, what you do with your money once you have saved it, what home ownership is and those sorts of things. In the Aboriginal environment, other factors are: engagement with trusted outsiders so that there is a range of trusted non-Aboriginal outsiders involved, which is quite critical to success; and, as I have mentioned, establishing linkages for trainees between pre-vocational training and employment outcomes. But the other thing about it is that the guy who is in charge of running it, Colin Saltmere, was brought up as a ringer; he never went to high school or anything like that. So it does not necessarily take a formal education, but it takes a strong leader. They are just a few of the factors that we have mentioned there.

CHAIR—Time has beaten us again, but we really appreciate the time that you have given us. Again, we may follow-up some questions with you through the secretariat. In addition, we will grab that material that you have come along with.

Prof. Memmott—David Brereton has also invited you to follow up with him any questions you may have. He is very active in the mining industry across Australia. He will be tracking the Myuma people longitudinally, not just through their immediate employment after their training but perhaps for the next 10 years, to try to establish what impact this particular type of training course will have.

CHAIR—Thank you.

Proceedings suspended from 2.26 pm to 2.37 pm

ANDERSON, Ms Majella, Principal Consultant, Black Business Consultancy

ARMSTRONG, Mr JM John, Private capacity

BAMAGA, Ms Nancy, Member, Nguin Warrup (Black Drum)

DENNING, Mr Wayne, Managing Director, Carbon

GEORGE, Ms Helene, Director, Creative Economy

HARRIS, Mr Leigh Ronald, Managing Director, Indigenous Tenders

JIA, Mr Charles Thomas, President, South East Queensland Indigenous Chamber of Commerce

NIDDRIE, Mr Noel Thomas, Director, Winangali Pty Ltd

ROSE, Ms Allinta Mai-Leh, Managing Director, Deadly Life and Business

WILLMETT, Mr Neil Michael, Private capacity

ACTING CHAIR (Ms Rea)—This is a roundtable, as it says on the agenda, and we really want to make it a roundtable. We have been conducting these inquiries now across the country. We have met in virtually all the major capital cities and the Northern Territory, and people have been giving us some really interesting ideas and different comments. I have found that with the roundtable sessions, because many of the people involved have been part of the hearings also, there is a tendency for them to continue in a question-and-answer format, from us to you. Let us not do that. I will be a chair literally, and perhaps it would be good to have a more free-flowing discussion. Do not feel that you have to wait for one of us to ask a question. If you want to question others or make comment on what other people have to say, please do, as that is the purpose of this afternoon's roundtable. I suppose we should also bear in mind that some people have been here for most of the day, so they have been privy to previous presentations at today's hearing while others have not. Nobody should feel inhibited by the fact that they have not been around all day. Please just contribute, because this afternoon's process is quite separate from this morning's process. In that vein we will get underway.

I now have to do the official bit. Those of you who have been here this morning will not be intimidated by these words, but I ask those of you who have not been present this morning not to feel that way. Although the committee does not require you to give evidence under oath, I should advise you that the hearings are legal proceedings of the parliament and warrant the same respect as proceedings of the house itself. The giving of false or misleading evidence is a serious matter and may be regarded as a contempt of parliament. As a roundtable, the proceedings are intended to be less formal than a public hearing, but I ask you all to bear in mind that these proceedings are being recorded by Hansard; therefore, I ask that mobile phones be switched to silent.

Now that you have been completely intimidated by that statement we will start the open discussion. I will start by asking people whether they want to comment on one of the issues that has emerged today; that is the issue of cultural differences, in particular the culture of Indigenous people across the country, prohibiting or being a reason for people not being entrepreneurial. That has come up a couple of times today and I think it is an interesting comment. I would be very interested to hear from you, given that we have some very successful Indigenous people in the room here. We also have people who have come from different perspectives in terms of mentoring and working with people who are both successful and those who have also probably failed in trying to start a business. What do you think about that comment? Is there any validity in it? Is there some way in which we can address that issue or at least address the perception that that is a barrier, if you do not think it actually exists.

Mr Niddrie—I do not think of the Indigenous culture as being a barrier. In certain areas, I am sure it is the truth, but I can only speak from my perspective. From my perspective, I think it is actually the other way around. I think the commercial environment is incredibly intimidating. I run a company and work with a lot of organisations such as larger advertising agencies and larger research companies. Most of my work comes out of Canberra and Sydney through federal and state government tenders, but I am competing against these more commercially-savvy, if you like, organisations. These people have a better lobbying capacity and better access perhaps to departments that issue the tenders and requests for the work. From my perspective, I have found myself in an environment where I have a commercial edge, but I am prohibited from expressing that commercial edge successfully, because there are people who are commercially better, for want of a better term, if that makes any sense.

ACTING CHAIR—You are saying that you feel you might have a better product, in a sense, but there are people in the environment in which you are competing who, because of their knowledge, their circumstances or their networks, have more of an edge even though they may not be as good as you are at delivering whatever it is. Is that the point that you are making?

Mr Niddrie—Yes, that is right. I facilitate communications from government to Indigenous communities. I conduct communications campaigns, advertising and public relations as well as, around the other way, doing research for communication campaigns. I know that these organisations cannot do what I do; however, they have a brand that it is pretty hard to compete with. It is pretty hard not to go with Neilson and to go with me because Neilson are so big and their research credentials are so impressive, yet I have been in business for only eight years and I do Indigenous research only. But, if it is Indigenous research that you want, you should not go with Neilson—but people do.

ACTING CHAIR—Does anybody want to expand or comment on what Mr Niddrie has said? Do you agree or disagree with him?

Ms George—We do work around Australia, mentoring Indigenous businesses and Indigenous people—all types of organisations, individuals and families. By way of observation, where culture is strong and where there is a desire to be an enterprise, it is an advantage to be strong culturally. Many business opportunities that are presented are based on a strong culture. Whether it is Indigenous or non-Indigenous, being in a business or in an enterprise is hard work. I think the cultural aspect of it offers Indigenous people an advantage. It should be an advantage for a business such as the one we have just heard about. I think a lot of it rests with the partners on the

other side, such as government, recognising there is that advantage in a cultural business. Surely, in passing on that research and knowledge, there is more value in a cultural business that is indigenous than in a non-Indigenous business. Part of it is with the education. So I think culture is a point of strength and opportunity for businesses, and it should be seen as a point of strength and not as a constraint.

I was not here earlier, but one of the questions in your terms of reference relates to the US model. I think government could really lead the way in terms of purchasing Indigenous businesses. It is true that a lot of them are small; they have been in existence for a shorter amount of time and many of them are family businesses that grow. I think there is an opportunity for government to really lead the way in doing that instead of spending administrative money preaching to other sectors of the community to do that, because some businesses do that. I think government has an opportunity to lead the way. Also, there are the relationships that government has with communities—and I am thinking particularly of remote communities—where the government often sees communities as their clients. I am thinking about areas of community service. Governments see remote communities as their clients and wonder what they need to do to service them. It is really the local people in those communities who know what their needs are. Instead of government services going in and having Indigenous people as their client and having difficulty with getting personnel to go in and sustain local communities, local communities could be set up and supported in an enterprise way and be the service provider back to government; the local community could be supported in enterprise to provide community services to its own community and government could be viewed as the client. I think the government could play a leadership role in two ways. One is in purchasing and the other is in viewing Indigenous communities not as the client but the other way around.

ACTING CHAIR—That is a really good point. The issue of procurement came up earlier today and I think all members of the committee picked up on it as an interesting idea that we can take further in terms of recommendations coming out of the inquiry. When Mr Niddrie was speaking, I was thinking that the whole issue of having policies around government procurement could probably address the very issue that you raised as a difficulty for yourself. I would be interested to explore that a bit more as a policy. With the concept of the Minority Business Council, as I understand it exists overseas, and looking at a similar model here, really we are simply talking about a procurement strategy for the corporate sector as well as looking at it separately, as has been raised, as a procurement strategy for the government sector. Perhaps it would be worthwhile talking about that also in terms of people's views on how it would work, bearing in mind that sort of idea around the cultural issues as well.

Mr Harris—That is a key thing—and, for me, this environment is a bit friendlier than this morning's. As Mr Niddrie was saying, it is one thing to go and provide service to large corporates, but there is an essential need that small and growing indigenous businesses need the help of government through a procurement strategy to grow and provide those services. As Ms George was saying, opportunities exist in communities, particularly in Cape York and the Torres Strait, in relation to child safety, for instance, They do not have a successful track record in remote communities, because it is rarely Indigenous people who go in to take the children away or to provide those services. But a newly established corporation in Cairns is based on fee for service. It is called Coolup Youth Services. I suppose that provides the barrier for child safety—for these guys to be contracted to go into the community to bring the youth out. The youth gets trained. You spoke this morning about aged care services; they are going in to providing those

sorts of services. It is because they are a uniquely Indigenous company that is economically viable; it is sound. For me, No. 1 is a procurement strategy.

Ms Rose—I agree with that whole procurement strategy model. From my work in being part of the Indigenous Chamber of Commerce of South East Queensland, the Indigenous Chamber of Commerce and having provided services to Indigenous Business Australia through my business, I see a huge focus on start-up Indigenous businesses and I do not see the same level of support for existing businesses. Once they are established, it is as though there is a huge void. When I started my business, I received no government funding or grants whatsoever. So there is a huge void. When a business is established, there is just nothing there for them to actually keep going. There are no incentives, subsidies or whatever it might be to keep that business momentum going. I am really concerned about that.

It is brilliant to see more Indigenous businesses start up, but it is like a pyramid. It is as though you are building a pyramid. Existing businesses are going up the pyramid as you are building it, but it is collapsing from the top and falling down. It does not matter about the foundation and the start-up businesses that are coming through, if existing businesses are not supported adequately. I am really concerned about that.

Mr Niddrie—I could not agree with that more. I am at a phase where I have employed my wife half-time in my business, so I have 1.5 people in the business. But I also have a network of people who are engaged on a project basis. They are in Dubbo, Mount Isa, Brisbane, Townsville and Broome. They are all over the country, but I cannot employ them for more than two or three days at a time, because I do not know when my next job is coming in. That is the exact issue that I am concerned about in my daily business at the moment: how do I get to the next step with confidence that the future will work? That question underlies every business operation but, to a certain degree, I think it is a little more tenuous for people such as us.

Mr Harris—I think it also goes to the point that I mentioned before. I do 14-hour days seven days a week because, as Mr Niddrie says, I do not know that a contract is going to come in next week. I would like to employ a lot of people, but I do not want to employ Murries and have them not having a job in a month's time.

The other thing about the tendering process or the procurement strategy that might be in place—and they do this in the US—is that I have never seen reported in the annual reports of government agencies or organisations that get money to give to Indigenous businesses or whatever, like the IBA, how much money they have or have not spent with Indigenous business. They really have to be transparent. I would love to see something in the annual reports of all government agencies that says, 'Okay, we spent this much with Indigenous businesses this year.' That would give everybody a bit of a playing field where they could look at stuff. They do it in the US and it should be implemented here.

Mr Denning—My main approach with the contracting systems is that we use it as a means to an end. It is not our core bread and butter. We operate in the creative industry sector. We look at government mainly because programs that have failed are obviously there. We have received no grants or any of those sorts of things. We find ourselves between the cracks in the system, and having to link with appropriate programs has just not been a viable option for us. What I find myself doing particularly is lobbying agencies, both state and federal, for opportunities to

engage in a contracting system just for cash flow purposes. The creative sector that we are in does not really represent the creative elements that we want to do. We do not really want to do government work, but we find that we have to do that simply to meet the bread-and-butter client and the cash flow situation.

On the earlier point about stepping stones between start-up phases and entering into next phases of business growth, as a business we operate within a creative enterprise centre. We do that not as a purely Indigenous business but as one with other non-Indigenous businesses et cetera. We entered an accelerated centre with QUT, the creative enterprise precinct over at Kelvin Grove here in Brisbane, a year ago. We are about to transcend into an accelerated program in the next phase because, within that year, we as a business have outgrown the types of frameworks and supports that are there. They have had to create a new program for us to meet our growth as a business.

We operate in a knowledge economy and the digital economy, so things can happen very quickly. Government programs simply do not keep pace with the type of economic growth that we have experienced and, I dare say, to a lot of 21st century businesses like ours. We operate in that sort of My Space or You Tube space, and things just do not keep up. That is a problem for us.

ACTING CHAIR—If there were though, as I said before, the concept of the business council—if there were not just a commitment to a procurement strategy from government but also from the corporate sector—how would that fit in with your gaining more clients or more business as a result of it operating private enterprise as well as with government? Would that have an impact?

Mr Denning—For sure. Ultimately, as a philosophy, we are trying to diminish the role of government in our lives. I see that right across the board. To me, our end game is really to challenge. We see being Indigenous as a unique selling point on a global scale, outside of Australian boundaries. Often we are experiencing, just by the by, international interest coming back to Australia. Once it is something of interest on an international scale back here, suddenly someone in Australia is interested in it, if you know what I mean. I think engagement with the private sector in ways of supporting businesses through appropriate phased growth involving both federal and state governments and the private sector within appropriate sort of incubator programs may be of some assistance. Also of assistance then would be real access to resources that can be directly applied to your growth rather than the intense amount of time you have to spend on going down rabbit warrens chasing rabbits for programs that just cannot keep pace. Time is up for those sorts of initiatives. They just do not work in a knowledge economy. They have no place. They are too slow. That is my experience.

Mr Armstrong—I have guessed or figured out that, on average, it takes about eight months for a funding proposal to get processed through the state government here. With the experience that we have with Blak Business, you have about a one in five chance of being successful, and that is not just for businesses like Mr Denning's that require cutting edge stuff now but people that need an answer to getting a ride-on lawn mower because their business is expanding. The time frame is just not responsive.

ACTING CHAIR—I saw a lot of nodding heads.

Ms Anderson—What people are saying here is so true. In terms of cultural differences, it is wonderful that we are here at this table and have been in business for as long as we have been. I have been in business for five years. I started off with a coffee shop, bricks and mortar, and fell into consultancy because it came up as an opportunity. I have run with that for the last four years and have been quite successful with it. As an individual, I have had to invest heavily in my own education. It is also about having the right mindset. Many of the others here would have had to have this mindset too: you have to keep your mind on the dream and on the goal. You can start to lose sight of that, when you do not have those support mechanisms in place.

You get to the point where you are looking at going to the next level and you think, ‘How am I going to do that?’ Do you stay small because that is comfortable? Then what assistance is there to go out and explode that business into a bigger arena? The whole decision of going into business is quite daunting. I have a contract with Indigenous Business Australia to go out and deliver those business workshops. When you stand in front of an audience, you know that maybe one of those people will actually step out and go through the whole process of setting up their business. It is not just where their mindset is; it is also the assistance that is there. Sometimes we wonder whether we are in systems that are still setting people up to fail. As an Aboriginal person, I ask myself, ‘Do I ever want to be in systems again where I help to set other black fellas up to fail?’—because that is not what my business is about. It is quite frustrating because people do have potential. It is the fear factor—‘Who is going to help me?’—as well as a lack of self-belief that can prevent people from acting and causing them to think, ‘It’s never going to happen. I can’t do that. I won’t have the money.’ They just put that dream to rest and go back out and stay on with their job or whatever.

There are lots and lots of things that people need to consider. I think that the biggest thing, if you have the dream, the vision and that whole leadership thing happening in your own life, is getting family on side; that is good. We had to do that heavily—get our family on side to support us. We were the youngest two in a family of 11. While we climbed career ladders and that sort of thing, we stepped out into business. We have had nephews, nieces, brothers and sisters sit in our workshops, so we are breaking cycles there as well.

There is the whole thing about sustaining business as well. The Indigenous Business Network and the Indigenous Chamber of Commerce are great, and we operated for a long time without them. But it is really good having those support mechanisms in place, just to know that you can succeed. There is a whole thing about failure in it as well. You learn there is no failure; it is only mistakes. But I know that a lot of people that I speak to and talk with are so afraid of failure, and that prevents them from going out and stepping past that.

A lot of the work I do now is around leadership, coaching and mentoring people and that sort of thing. It is about providing information. The stuff that I learn I take and share. Then the lights start to go on in people’s heads. It really is about their own personal self-discovery—who they are as people and what they are capable of achieving and doing, and having the confidence, the self-esteem and just that self-belief to step into their own potential, in the face of the tall poppy syndrome and the jealousy that happens in communities and families, and to just keep going forward. Some people may be afraid to actually stand up and be successful because they will be hammered back down again. Lots and lots of things sustain you staying in a business day in and day out.

ACTING CHAIR—That is a really interesting point. I would like to explore it a bit further and see whether other people have comments. You used what I suspect was a rhetorical question, which was whether you set yourself up to fail, when you were at the point of considering whether to expand your business. It connects with what Ms Rose was saying about keeping business sustainable and having support for those businesses that exist but are probably ready to move on to another stage. Even asking yourself that question is interesting. What was it that made you take that next step anyway? What is it that you think other people actually need, given that there is that sort of instinctive thing to say, ‘Well, do I set myself up to fail?’ The question is really, ‘Do I take the risk?’

Ms Anderson—Yes. In looking at the expansion that we wanted to do, I had worked a lot with Aboriginal and Torres Strait Islander people. I work mainly with women and I am really at the point where I do not want to work only with Aboriginal and Torres Strait women. I want to work also with non-Indigenous women and women from other cultures. The thing there is like, ‘Oh, my goodness; I’ve got to go and break out into this whole other arena, when I am so well known already where I am.’ When you are in business, you set up relationships with people in government and community, so you are quite known in that. Then, all of a sudden, you have to step out into this whole other world. There is marketing and stuff like that. We are talking about the internet and understanding where that is going. I have invested in my internet education as well to be able to think, ‘If I want to do this, how do I market this?’ So there are those factors. I get very afraid and, when I do, I ask myself two questions. I say to myself, ‘Well, you can stay here and keep playing small, or you can step out and just do it.’ It is pretty scary.

ACTING CHAIR—Does anybody else want to comment on taking that next step?

Ms George—I think as well as having the motivation, as your business grows you need another level of business knowledge. As Ms Rose said, a lot of the programs are information based programs that are for start-ups or they are motivational. There is not that business know-how. It is more than: what do I need to know? What is the checklist? What is the template? It is: how do you do that? It is about the exchange in knowledge, the knowledge sharing, and the active learning of how to move to that next level of business. It is specific to every single business situation and every different type of business. But it is that sharing of know-how that people really need. We have worked with hundreds of businesses and it is very rarely that a business is asking for money at that stage. What they are really asking for is know-how and support for their specific situation. I think there is a gap there. I do not know how other people feel about that.

Mr Niddrie—My strategy early was to partner with successful commercial organisations in my area. I might go to a leading PR company or advertising company and subcontract to them or work as part of their team or just consult with them to allow them to successfully do the job. In return, the proposition was that I would get an insight into a commercial world that I otherwise would not. The outcome of that was that these organisations developed a reputation for successfully doing what I do, and I did not get any insight or any commercial advantage out of the relationship, and off they went. When we parted company and we competed with one another similar jobs were on each other’s CV, so to speak. You mentioned whether government or should industry be involved in—

ACTING CHAIR—Are you familiar with the idea of the minority business council model?

Mr Niddrie—I am. The dilemma is that as a market we are not big enough. I can only speak for myself, but essentially my business is to allow you to communicate more effectively so that we as a community receive the message appropriately. There is nobody else other than the other pharmaceutical company and now BP with their fuel, so to speak, and there are very few other commercial opportunities available for someone such as myself, because as a market we are not big enough to influence bottom lines for large organisations. We really are focusing on the government and, for me, not as a handout but as an industry group, if that is possible to say.

ACTING CHAIR—That is an interesting point. Do other people want to comment on that? Perhaps it would be interesting to hear what other people in different businesses think about that idea. It has been discussed in other hearings that one way of achieving a percentage base or a quota, if you like, around a procurement strategy is for small Indigenous businesses to partner or effectively subcontract a larger organisation. The point you make about that your particular unique part of that being subsumed by the larger organisation to their benefit but not necessarily yours is a very interesting one. Would other people like to comment on what they think about that idea?

Mr Willmet—Procurement is an interesting area. I have worked in it for a while. The issues that we have with procurement are that there are a number of ways that we can overcome those sorts of barriers, and that is around the criteria for people. So, JVs or joint ventures, and Indigenous businesses can do those with non-Indigenous businesses, but it is about who is the driver in that relationship. This is the thing that needs to be controlled through any procurement strategy. When we talk about procurement, we could talk about joint ventures, Indigenous businesses going in; the mechanism that should be there in the first place should be that the government actually supports it in policy and that there is a procurement strategy in place. Then it is up to the individuals. There should be options about how they provide or be the person who is engaged. We spoke about this earlier. There are viable businesses that have the capacity to actually deliver some government contracts already. The ones that do not should be encouraged to either joint venture or go into partnerships. I can see where Mr Niddrie was coming from about sometimes other people taking the credit or the kudos for the work, but that can be controlled really easily with the way that any procurement strategy is written.

Ms Anderson—I think there is also, too, the expertise in writing a tender and answering all of that as well. If people in communities do not know how to do that and they do not have that pool of expertise in their community, opportunities will continue to be missed. The other thing I wanted to say is that, while there are people like ourselves in this room and we keep bringing other people through with us just by being role models and sharing what we do, we are at a level but it is also about going to the next level. Part of that also is, yes, I do not always want to have government contracts. I do not always want that. I would like to have other contracts within the corporate sector, and how do I go about doing that? It is all of those things. It is about finding out that information as well. People may not have that expertise or the skills to tap into to secure those contracts. Just hearing the words ‘joint venture’ for some people is like: how do we do this? How do we go through so that this ends up being successful or works out?

Mr Harris—With regard to the tendering process and joint ventures with bigger companies to help you out or make you grow, I presume that you would have exit clauses in anything you set up so that the exit clause facilitates it such that, after two years, the company builds you up and then walks away with their bit of money. There is a lot of stuff being done up in Aurukun with

CHALCO, the Chinese mining company, that is basically set up like that. Wik Media Enterprises, based in Aurukun, is doing a lot of stuff up there with CHALCO. They are partnering with a large Chinese media firm. There are successful things happening out there, but it is obviously clearing it out and saying, 'You have got to exit at some stage.'

ACTING CHAIR—I think it would be interesting to expand on a couple of those examples, particularly what is happening with Wik Media at Aurukun. When you were talking I was thinking about two things. One was about the issue of people having the capacity and the knowledge to fill out tenders, and the other is around that issue of not always wanting to be reliant upon government contracts but to move into the private sector. On both of those cases do you think that, if there was some sort of policy or strategy around government procurement and also some sort of a model around the minority business council, out of that would organically grow some of those things and you would then get people who would be involved in assisting others to do tenders, because there would be a real chance that that tender could be won and so the effort would then go into making sure that the tender was done? With the private sector, if you, for example, were confident of having a certain number of government contracts, you could actually take the risk of looking at the private sector, because you would not be completely jeopardising your whole business; you would have something to fall back on. What do people think about the idea of there being some sort of basis that then enables you to be more risk takers than perhaps you are at the moment because your percentage of the market is so small or it is a bit nerve-racking to try to move out of that?

Ms Anderson—I did not know how to write a tender. The first tender that I wrote I got a contract. Every tender I have written since then I have got a contract, but that is because I have been educated and I know how to write and I love to write. These are with government agencies heavily involved in Indigenous affairs. The scenario that you just spoke about is exactly the point that I am at. I have to make sure that I have got contracts behind me to be ready to step out into that next arena. That is where I am at the moment. I did not have anyone to go to to learn that. People come to me and say, 'Majella, how do I write a tender?' Then, of course, I am teaching others how to do that. We are always doing that teaching in a non-formal way. But it is knowing how to do that and, yes, having that safety net and that platform to then be able to take the risk to start dipping your toes in the water and trying that on for size.

Mr Armstrong—A good and well functioning Indigenous chamber of commerce would be able to provide that sort of service as well as a whole bunch of other services. We have to be realistic in considering Indigenous entrepreneurs the same as any other entrepreneurs. They are in business and they are in competition with each other, but having something like the Indigenous chamber of commerce brings together in a non-governmental way something that is actually perceived by all the members to be beneficial. There is more likelihood that people are going to collaborate and cluster and cooperate under that sort of framework, as has been shown with other multicultural chambers of commerce, and so on.

Mr Denning—One of the issues I have identified is that we are in the marketplace often against Indigenous community organisations that have set up enterprise support arms and are looked at more favourably for government tenders. They do not have to worry about salaries because they get recurrent grant funds, and have time to probably be more strategic than worry about day-to-day salaries and these types of initiatives. Particularly in the training environment—for those of you who are involved in that—that becomes quite a difficult arena.

They also fill a void for government agencies and private business that like the ease of doing business with Indigenous groups, particularly in the mining sector and others. They just want to tick a box. They have engaged with a particular group. They have done it through a lead agent organisation and it ticks a box. I question whether that really falls into the place of individual capitalism, individual enterprise development and the entrepreneurial attributes that pretty much come back to a very individualistic starting point, if we are to look at capitalism in its true sense, and build in that way in terms of economic growth. It is hard as an individual private business competing for tenders, rightly or wrongly. I do not dismiss the opportunities for Indigenous community organisations to be a part of that sector and bid for that. But it makes it very difficult because more often than not they have the infrastructure and recurrent funding through their grant to operate in a more strategic fashion that leaves us quite vulnerable as individual entrepreneurs to the day-to-day grind of running life really.

ACTING CHAIR—I can see a lot of nodding heads. I think we should go to that point.

Mr Willmet—I want to return to the point on the minority supplier council. We were talking about procurement strategies. One was the government having a procurement strategy to purchase services. For people who may not be familiar with it, the minority supplier council is a model that has been very successful in the US, Canada and also recently in the UK. It is a model where on the left-hand column we have a list of Indigenous businesses. In the middle we have a supplier council that sets criteria. On the right-hand side we have a list of corporate memberships, or big companies. The supplier council facilitates corporate players buying services off Indigenous businesses. I want to touch on this because it is important.

We know that there is business available in the government sector. For a number of us who are consultants we tend to make a pretty good living out of government contracts. But the corporate sector is so much bigger than government. People do not realise this. It is a missed opportunity for a lot of Indigenous business because they do not want to step into that. Where everything comes together is if we can set up this minority supplier council and it is effective and it brings over corporate players who want to purchase services off Indigenous business, which is the other stuff that we spoke about this morning, Indigenous chambers of commerce, touching on the earlier point. This is where they come in and are really important. Not only are they a collegiate support of people coming together with the same sort of thinking; one of the issues that I brought up this morning was the issue of funding for chambers of commerce. This is difficult. Chambers of commerce can be the vehicles that do all the education. For example, if Ms Anderson wanted to do work with corporate Australia, she goes to the supplier council and says, ‘I want to be on your list.’ And all these corporates say, ‘Okay. One of the things, though, Ms Anderson, is that you don’t have the capacity at the moment. What you need to do is get skills.’ That skill development would come from the Indigenous chamber of commerce. I am not talking about a little amount but, say, they were funded a decent amount by government, perhaps they could provide that service to Ms Anderson and then Ms Anderson’s capacity has been increased and all of a sudden she starts picking up some of these bigger contracts. The benefit to Ms Anderson is that not only will she get more money put in her pocket; we know from other minority businesses around the world is that minority businesses tend to employ minority people. All of a sudden Ms Anderson’s business has grown that much that she puts on five Aboriginal people who might not have got work somewhere else. It is a big cycle. It has a lot of benefits. When we first started talking about minority business, Mr Harris had a conversation, because he followed what was happening in the US. When I started looking at the model I thought, ‘This is fantastic.

I am already part of the chamber of commerce.’ The thing was that this is doing the role that the chamber of commerce should be doing. In actual fact they complement each other really well. When I was in the UK last year I went and had a look at this in action. The supplier council actually say, ‘We run these sessions and it is called Meet the Purchaser, but we don’t run it, we outsource it to a chamber of commerce to run.’ All of a sudden the chambers of commerce are running Meet the Purchasers. They are building relationships with the corporate players as well as building a membership or getting people to know about their organisation. All of a sudden Indigenous businesses know about the chamber of commerce and corporate players know about the chamber of commerce. The goal of the supplier council was to actually get the businesses and the buyers together. It works really nicely. This is what I spoke about earlier, that is, the issue was the funding for it. In the UK initially it required money from the government to get established. But the corporate players that are now on board in the UK—and there are 40 of them—all pay ten thousand pounds per year to be a member. The minority businesses do not pay a cent. That 400,000 pounds is their operational money for three staff to run these activities. It is self-sustaining. It is an exciting model.

I am glad it actually came up. When we are talking about developing businesses we are talking about going to the next level. We are talking about moving from home businesses to offices, to employing several staff where people can look at us and say, ‘Wow! Look at what you guys are doing.’ What is forgotten a lot of the time is that when someone creates wealth in that sense people look at it and they start taking notice. They will go, ‘Wow! This is excellent.’ We are a different generation. A lot of us are not knocking people who earn money. In actual fact, we are pulling people through with us so that they can earn money, too. Our mindset is already different. I take the point that Mr Denning is trying to move away from government. A lot of us are trying to move away from government. Government is important. In fact, I would not want to wipe my hands of government, because sometimes I think government needs good Indigenous advice, which it does not generally get. But there is also this other sleeping giant that has been there, and that is corporate Australia. If we had the vehicle to bring corporate Australia and Indigenous businesses together, which is, I believe, the supplier council, that would be very powerful.

ACTING CHAIR—That is a really good point. People will probably want to pursue that.

Ms CAMPBELL—I would like to pursue that as well. I would like to thank Mr Armstrong and in particular Mr Willmett as well. Mr Willmett spoke at great length this morning in relation to the Indigenous chambers of commerce, which was something that I did not realise existed. I learnt a lot this morning about how valuable they are, and I think we have an exciting opportunity to do something about that. Ms Rose, you were speaking earlier on about your association with the chamber so I would like to hear from more people that are here today.

Mr Willmett—I am the treasurer of the chamber.

Ms CAMPBELL—That is fantastic. I will be able to go straight to you, which will be great, because I do think we have a really good opportunity. There is also something that I would like to ask everyone as a group, because we have observed this over the last seven inquiries. There are many employment and business programs that are out there, and they are focused on building men’s skills, but I am interested to find out what opportunities are out there for women in particular, because it is not something that has come across in some of them. We have heard that

there are a lot of programs out there for our male gender, but I would like to find out what programs there are for women.

Ms Anderson—The program that I am involved in is the Indigenous Women's Leadership Program. It is a national program that is focusing on leadership to economic development. They are putting portions of that in. For myself, I join non-Indigenous mentoring groups and coaching groups, and so once again playing heavily into that education. There is not anything for Indigenous women that I know of.

Ms George—I am not aware that any of the business support services were gender specific.

Mr Willmet—I do not believe there is any set thing for Indigenous men or women. I do not think it is gender specific.

Ms CAMPBELL—I just wanted to know, because I have heard a few things in different areas.

Ms Rose—On that point, what we are observing is that a lot of Indigenous men are going into business and there are fewer women. It may be a demographic thing. We do not know, because we have not researched and we do not have baseline data to look at what is what. How can we say this is how many Indigenous businesses that we have that are males or females or are in an urban or regional context? We have no data on that, and that is exactly what Mr Willmet was speaking about this morning.

ACTING CHAIR—Mr Niddrie has been waiting for a while and a number of people want to have a chat about that. We will go into that discussion, but I know Mr Niddrie has been waiting.

Mr Niddrie—The conversation has moved on a bit since the points I was going to make, so I will be very brief. Mr Denning raised competition with community groups. Earlier you mentioned cultural aspects. We have family and community responsibilities irrespective of how we operate in the community and in a commercial context. We sometimes find it very difficult to compete with community organisations because they are community organisations, but I also find that the situation of our competing is a result of the situation we find ourselves in because of government.

I actually phoned a government contact person for a tender one time and I said: 'This is my situation. I am wondering if I can part-tender.' They said: 'We are going to let the market sort it out. We are giving no assistance whatsoever. We are letting the market sort it out', and of course it was sorted out, and not in the best interests of the target group, I might say.

On Mr Willmet's comment about those five jobs that perhaps Ms Anderson employed, my point would be that Ms Anderson is now working in a different sphere because she has had access and has had that step up from the council and from the chamber of commerce, and those people are not just getting jobs in what would have a small organisation working in a small pond. They are actually getting access into organisations working in a commercial sphere that otherwise they might not have. They have better capacity because of Ms Anderson's growth as well as having a job.

ACTING CHAIR—Mr Jia, you indicated before that you wanted to say something, and I am conscious, as Mr Niddrie said, that the conversation is actually taking quite a few interesting turns. As Ms Campbell commented, there was a fair bit of discussion this morning raised by several speakers on the idea of incubators/hubs, and here in South East Queensland the model of the chamber of commerce is perhaps the sort of organisation that could facilitate that. I would be interested to know what you think about something that both Mr Willmetts and Mr Armstrong have raised. Mr Willmetts is talking about government funding to really get the resources there, which I think is an interesting idea. But Mr Armstrong was also saying that the experience from Smart Business Black Business was that one of the advantages of that organisation was that it was seen as apart from government and not linked to government, and that there was an advantage to it being not seen as a government organisation. Would you like to comment on a couple of those ideas and obviously contribute?

Mr Jia—I honestly think that our client group believe we are not a government organisation. We are certainly a not-for-profit organisation. When we talk about community groups, we are a business community. That is the same with any local chamber; they are a business community, whether you are based in south Brisbane or elsewhere. We are considered the same. I must apologise for being late and not being available earlier, but I am sure my colleagues would have certainly painted a very good picture of what the chamber is all about. It is quite interesting sitting here listening to the discussion. I have my own business, a consultancy business, like everyone else here. When I think about business I think about other businesses that are out there—people driving trucks, doing landscaping or doing a whole range of things that do not necessarily need government funding. Sure, they need some support, but their market is completely different. They are providing services to Australians and not just Indigenous people. That is my hat, I suppose. When I wear a hat outside the chamber, that is what I see and those are the people I have met.

In regard to women in business, we had a women in business night not so long ago, and there was quite a good representation of women there. There were new starters. Someone started up that day and was there promoting what she does. It was quite interesting and quite inspiring. I get inspired every time I meet a new business, so it is not hard to inspire me. But to hear a woman get up and talk for the very first time on her business that she set up that day was really encouraging.

As to your comments made around our chamber, we certainly do look for support. We get that from the corporate sector at the moment. We have about four or five major sponsors who have come on board. I think there are a couple of things. I have written down a few things here. I guess it is about who I am talking to and who our clients are. I just returned from Fiji, where I met with a number of large corporations. I was there to talk about our chamber and to see what sort of support we can get from those guys as well. I constantly do this. They said, ‘Who are you talking to?’ I am talking about small to medium sized enterprises that are either owned and operated or Aboriginal and Torres Strait Islander people, Indigenous people, and also businesses that provide services and goods to Aboriginal and Torres Strait Islander communities. Their problem really is that they need more business advice and support and, of course, a share of the market. I hear the word ‘market’; that we need to get more share of the market. What is the one thing a chamber can offer them to solve that problem? Exposure to services and also new networks, especially our community networks. This is why a lot of those corporates have jumped on board to be involved with our chamber. They want exposure. They want a share of that

market as well. Why should they believe us? We have a very sound membership base now of about 70 Aboriginal and Torres Strait Island businesses, and we have a committee of some very influential business leaders here today. A number of these guys are on our committee, so we have a lot of expertise within the confines of our chamber. In a nutshell, this one bit of paper tells you a bit about what our chamber does. We are certainly well positioned to do a number of things. We have been biting at the bit to be able to get in and really look at helping Aboriginal business grow.

When we set this chamber up and when we got some funding from the Australian government to do this our main focus was not only just to bring those businesses together but also to help them build their capacity so that we can start employing our community, employing more of people, and bringing them along as well with us. That has been quite interesting in terms of some of the things we have done. I know that there are a number of organisations out there that are members of ours that employ a lot of people already and there are a number that are sole traders like ourselves who operate in isolation. We do not have much interaction except at meetings sometimes and coming together at our chamber. Obviously we are there to make a dollar, to earn a living, but in terms of my business and my perception, anyway, my personal view is that I do it because we want to help our community. That is basically it. I deal with a lot of not only Indigenous communities but also non-Indigenous clients. I provide services to those guys as well as some of these guys. I deliver training not only to Aboriginal clients but also non-Indigenous clients. It is quite interesting. I like to believe that we are in business but we just happen to be Aboriginal.

ACTING CHAIR—Thank you for that. Ms George?

Ms George—What people are saying is that it is the access to those mainstream economic opportunities and businesses, and to do that you really need to understand what the needs are of those mainstream businesses, how they purchase and what they are looking for. It is having that understanding and those relationships to be able to do that. I do not think that people are asking for handouts and necessarily kindness or to be looked at in a different way in terms of people buying services and business. They want to do business straight and on an equal footing. What they do not have is an understanding how those large businesses do business, to be able to sell, connect and market in that way. There needs to be support for that know-how in that way to provide those pathways. As has been said here, the reality of community, culture and business is that you bring your family along with you and you employ other people as well, but you need to know how to engage in that mainstream economy. It is not just about the mainstream economy doing it because they have pity or whatever. It is an equal playing field, and the onus is to gain that knowledge and those avenues and pathways to market and understand the market.

ACTING CHAIR—I will come back to you in a minute, Mr Jia. For your information, building on what you said and what Ms George said, I think what she has done is sum this up. A lot of discussion this morning and this afternoon has been about the fact that there seems to be a number of programs, particularly government programs and funding support programs, looking at start-up business, capacity building or getting people to the stage of developing a business, but there is a bit of a vacuum or a gap for those people who are in a business but are ready to take that next step or expand. It is the information, the know-how, how to tap into various markets or what is the sort of support that a small business needs to move from a home based business to employing a couple of people or from a couple of people up to five or six. There has been a

general view that maybe something like the Chamber of Commerce could play a role in assisting existing businesses to step up to that next step. We have talked about that a bit and you may not have been part of all of that conversation, so I wondered if you had an idea about that or thought that that was a valid thing, that we need to look at supporting existing businesses as much as the seed funding for something new?

Mr Jia—That has been a focus. It is about start up. It is about training and employment. What has been left out, of course, is existing business, as you say. There needs to be something done about that. Obviously you mentioned the chamber of commerce. I said earlier that we are well positioned to bring people together and facilitate some of those connections, but it is the other part that Ms George was talking about, that is, having the capacity to be able to then engage with that group, whatever corporation that might be, and then provide or offer those services to be able to capture that market. I do not think there is any secret way of doing this or a great way of doing this. We are in business. We have to compete. We have to get out there and market ourselves. I know a lot of our members do not have the capacity to market themselves. We try to do that for them as a chamber. We try to collate enough information on their profile, get them out to the marketplace, invite them to particular events where we have some of our corporates attending so that they can start to make that connection and find out a little bit more. We also bring people together because a lot of our members have had experience and have got the expertise in that area. It is about how we bring those people who are struggling to take that next step to make that next step.

ACTING CHAIR—Mr Denning?

Mr Denning—One of the things for me is that at some point it has to go beyond networking and those sorts of collaborative approaches, and I agree with and totally support that. I get concerned about the passive nature of a lot of the business incentive programs. I think that is a misnomer, anyway, because the incentive nature is not really there. Government really needs to take a role to make and reward incentives and commercial initiative and efficiencies that people are able to generate in their operating model. As a society we need to appreciate that there has been thousands of years of business done in this country, and the way we think and things interact are not fully appreciated as a cognitive process in terms of commercial businesses. There has been a capitalistic model as much as communistic and social models in place in this country, and that is often lost somewhere in the commercial debate. These types of incentives need to be really proactive. The programs need to be ones that are tied with financial rewards that go beyond that such that these things actually would facilitate economic growth in a more reactive way that will keep pace with true growth of business.

I would think that programs and incentives need to really focus on the five-year timeframe minimum and that people need infrastructure and office space. They need commercial places of business and ways of interacting in an effective way. That is the true stepping stones that I would like to see happening. Whether it is done under the chamber of commerce with some financial clout, with interest-free loans and these types of capabilities, selected through merit, selected through acknowledgement of excellence in achievement—these types of approaches—and really try to set a benchmark for leadership in both Indigenous entrepreneurial nature as well as enterprise development. Breaking the shackles, true incentive programs that are proactive as well as reactive to a point that keep pace with the real nature of business need to be really explored. There is the need for cold, hard cash, and commercial realities need to sit in this as well.

ACTING CHAIR—Ms Anderson?

Ms Anderson—I would like to comment on something that Mr Denning was saying. We did not grow up with those positive financial blueprints. We are thinking about wealth creation and families and communities. We have had to change our own wealth creation and financial blueprint through learning. If we are looking at any sorts of programs having something around wealth creation and how to manage finances and reinforcing that really positive financial blueprint will be a help because people will just continue to fail. We might go from hundreds of dollars to thousands of dollars. It is about being able to handle that and also having the mindset for millions of dollars, because in the corporate world there is the opportunity for millions of dollars in contracts and if you have not got the mindset to fit that, to match it, it will not happen. So, it is about building it up and shaping it up to that.

Ms Rose—I just wanted to share a personal story, just touching on what Mr Willmetts has mentioned and so on, about practical approaches to government engaging Indigenous people in business. I have been in business for about a year and a half now and I am quite young as well, but one thing that really helped me, which was just a fluke, was that I applied online for a business coaching competition. It was a 20-word competition. It was with Peter Switzer of Switzer Business Coaching, who you would probably know from the papers. I won this competition out of thousands of people across Australia. I do not know why, but I got a break, and I got \$7,000 to \$8,000 worth of business coaching services for free. I still work with this lady who is the business coach of Peter Switzer. I worked with her for three months. My monthly business income grew by about 500 per cent per month. In about two months it went from not as much money to 500 per cent more. That was such a practical thing for me. Once I got into that then I was thinking: how can I sustain this? This is going to cost me a fortune. It is a monthly retainer. I could not figure out how to do it and all I knew is that, if I was going to invest in my business, I was going to pay it no matter what. So, that is what I do now; I pay that monthly. That really helps me. My whole mindset, as Ms Anderson has mentioned, has changed because I have invested in my business. I have put myself out there. Most importantly, I am working with a non-Indigenous lady who knows the commercial world and who is very up on commercial realities and plants that seed in my mind as an Aboriginal woman that I can achieve my potential. It is just amazing what she has been able to do with me. I have also got breaks through that. Switzer have put me in their magazine. They are launching a brand-new magazine and I am in the first edition. I have done another interview as well and just started to get out there through putting myself out there and investing in my business. I think that is the key. As Indigenous businesses we need to look outside of what existing models are out there to things like Action Coach and things like Switzer Business Coaching, and developing partnerships like that. I do not see why the chamber of commerce cannot develop a partnership with Action Coach or someone like that to deliver these services and just start to think outside the square and get in contact with commerce and the commercial realities out there.

Ms George—I think that is right. There is a mismatch of organisations and services that are out there under our Indigenous cultural business program, but they do not match up with the government programs that are out there and the frameworks in which the government works as well, which are real barriers. In particular, there are financial barriers. There are a number of agencies that make Indigenous people have a full credit check before they are even able to attend an hour's workshop, which is completely crazy, because no other person would have to go through that level of scrutiny to be able to attend a workshop. In some cases, when we are

working in remote areas where we are working with start-ups there have been cases where, because government programs are only generally 12 months and a maximum, you spend your time getting started with the client, something happens, sorry business comes along, you have a month or so out and you get going back with the business. In that time you have been able to set them up and they have the capacity to run their business, but the 12 months is up, you are gone, they are on their own and they do not know the next step. They have broadband and everything else set up, but they have not got that continuity and support and that matching into the market and the clients to be able to bring in the sales that bring in the money and they get into difficulties with Telstra, and so they get a bad credit check. They are then completely out of the cycle for assistance or support or to even attend an hour's workshop, because when they go back to a government department they do not meet the credit check, which is crazy. It is really frustrating for Indigenous people to have to go through all of that when you could have the scenario as Ms Rose was talking about, with all of those services sitting out there.

ACTING CHAIR—Mr Niddrie was next and we are getting very close to having to wind up. I will ask Mr Niddrie and Ms Anderson to give us a brief last comment and then we might wrap up. I am sorry; Ms Bamaga is waiting, too.

Ms Bamaga—I am from InyafaceBlackArts, and I am also a member of the Indigenous chambers of commerce. I am interested in that procurement strategy and the model that has been proposed. It is really important in terms of that facilitating business between the two worlds. We all have different approaches to business. I come from a community development background, so it is all about capacity building and skills development for our community. It is really important to touch on tendering. We are basically locked out of that, and everyone has issues around that, such as having to go to a conference with a preferred service provider—IBA—just recently and having to walk in there to find only three Indigenous businesses in the office. I found it really frustrating to have to see that. In the Indigenous chambers of commerce there is a whole wealth of Indigenous businesses in that arena. There needs to be some sort of facilitation process for brokering those relationships so that we get our bite or our piece of the apple in building our own black economy. I get totally annoyed that preferences are given to companies that are out there established, instead of looking at individual track records of individuals that have been out there working hard, and we are still sitting here on the backbench. I am just putting that out there. I am very competitive. I just go out and do what I need to do in working and building our own industry, working with young people and doing all the leadership stuff and role modelling and encouraging young people. If we are going to have economic development and have our share of Australia's wealth, we can do it, but there always seem to be barriers there. But I think the barriers can be opened through this facilitation process and model.

ACTING CHAIR—That is certainly the aim, and it would be interesting to explore the models. Mr Niddrie?

Mr Niddrie—I will be brief. That IBA example segues perfectly into what I wanted to say, which is that the way I saw this hearing process was that there was sort of like an either/or sort of thing: 'Let's consider this or let's consider that.' That may not be the case, but that was certainly how I saw it. The central part out of that, following on from the IBA example, is developing a commitment from the government. It is not so much about programs but a commitment to change the framework. You asked how we identify areas of Indigenous commercial advantage and strength. That is the offering in many cases, and things like the

chamber of commerce, the minority business council and the supply model are all great and they should all be explored and funded if they need funding. I personally believe that Indigenous advantage is the key, and that needs to be valued by government. I do not necessarily think there need to be programs per se, but the framework of government agencies and organisations needs to be changed.

ACTING CHAIR—Thank you. Ms Anderson?

Ms Anderson—The final thought that I wanted to say is that you will find in Australia that you will have a group of Aboriginal and Torres Strait Islander people who are at a certain level in their businesses and you will still have people who are coming up and just stepping into the business arena. The thing that I sit back and say is that I do not want to just be coached. I would like to be power coached by someone who can push me through those mental and emotional barriers to get me through on to the other side. The only way we get access to those power coaches is if we pay for it ourselves. The way that IBA is set up, I do not believe I could pick up a coach on a preferred service provider list who would give me what I wanted, because they are not all entrepreneurs. We are looking for the entrepreneurs so that we can then become those entrepreneurs who then are the power coaches and the powerbrokers pushing those other people through.

ACTING CHAIR—Thank you. That is a really good point on which to end. That comment probably summed up a lot of the discussion today. Just to draw it all to a conclusion, firstly, I thank everybody for participating. That was one of the most interesting discussions we have had as a roundtable, and I think we took our discussion to another level ourselves, so we all stepped up a bit in terms of this process. Mr Niddrie, just for your information, it is not an either/or at all. The terms of reference are there because obviously you have to have some key aspects that you are going to look at when you are doing an inquiry, but they are presented in such a way to actually encourage more to be put on the table rather than less. It is by no means an either/or. It is about looking at how we can achieve some of these ideas, whether they are the models we want and whether there are different ways of getting the same outcome. That is definitely just to reassure you. From today it is really important to take away the idea that there does seem to be general support for some sort of minority business council or supply council. There is a lot of need for mentoring. There is a lot of need for support. There is encouragement. But in the end it comes down to looking at ways in which the government and the corporate sector can provide a customer base that gives Indigenous businesses the security and the certainty to be able to build on and expand your businesses because you know you have that level of certainty that does not exist now. This is certainly something that will feed into the inquiry. Also, Ms Bamaga, just for your information, the IBA has come up quite a bit in terms of this inquiry and there has been a whole range of perspectives put about it. But the idea that it could perhaps change its focus a little in terms of the way it does business and supports Indigenous people and particularly people starting up has certainly been raised before, and so it has been noted. I thank everybody once again. That was really useful and we look forward to continuing this discussion and hopefully fairly soon there will be some recommendations coming out that we will be able to present publicly.

Mr Harris—How long will that process take? I have been asked by a lot of people in Cairns and Cape York about what the timeframe will be. Will some sort of process start happening?

ACTING CHAIR—Absolutely. This is the inquiry part and then we move to putting together some recommendations that the committee will discuss, and towards the end of the year a report will be produced with recommendations that will then be passed on to the minister. It is not a process that just disappears into the ether.

Mr Harris—It is not going to be like a two-year process?

ACTING CHAIR—No. By the end of the year there will be something before the minister that you will be able to look at as well. I thank everyone for coming and declare this part of the hearing closed.

Resolved (on motion of **Ms Campbell**):

That the committee authorise the publication of the evidence given before it at the public hearing today, including publication on the parliamentary electronic database of the proof transcript.

Subcommittee adjourned at 4.01 pm