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BY: A.T.S.I.A.

**SUBMISSION
TO
STANDING COMMITTEE ON ABORIGINAL AND TORRES STRAIT
ISLANDER AFFAIRS
Inquiry into developing Indigenous enterprises**

Terms of Reference

The Committee shall 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.

This submission describes the situation that has existed for the Burrthi Aboriginal Corporation in trying to get assistance from government programs over the past 14 months to no avail. This covers the above TOR 1 and 2. A comment will be made on TOR 3 whilst TOR 4 is thought best to leave until the aforementioned are resolved.

Background

Rollo Manning of RWM Consultancy has been involved with the "Aboriginal industry" in the NT for the past 11 years. During that time he has worked for government as a policy officer in health; the Tiwi Health Board as pharmacy consultant and as a freelance consultant in social and economic development.

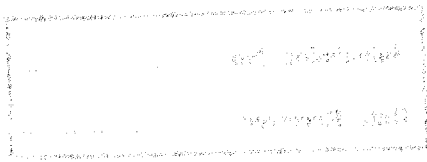
For the past 12 months Mr. Manning has been working closely with the Burrthi Aboriginal Corporation (Burrthi) from Elcho Island which is trying to "get up" a number of projects towards economic and social development for their families. If successful there are individual enterprises that should emerge in sizes ranging from small manufacturing of art and craft through retail shopping ventures to larger scale tourism and transport ventures.

What follows are observations from Rollo Manning throughout his time in the NT and particularly in his role with the Burrthi Aboriginal Corporation and the difficulties of dealing with the Australian Government's Indigenous Employment and Economic Development programs.

Introduction

The central theme of this submission is **JOBS**. The lack of jobs in remote Aboriginal communities is holding back the many other program attempts to alleviate the extreme disadvantage being experienced by the 30,000 people in the Northern Territory that live in the 73 remote communities that are the subject of the Emergency Response introduced by the Howard Liberal Coalition Government in June 2007.

The conditions, lifestyle and future prospects for Aboriginal people living in these communities



is no different to any other group of people in the world who are living in a state of continual under employment.

Education of children is a key factor but unless there can be jobs for them to view there is little incentive to learn. The combination of education and jobs should make a difference towards closing the gap.

The impact the current lack of jobs has on the individuals making up the community can be summarized as follows:

- o Lack of a reason to get up in the morning
- o Lack of motivation to do anything constructive towards the betterment of the community
- o Time on hands to think about relationships between people and become annoyed at interpersonal relationships
- o No reason to improve self and abilities to contribute to their community
- o Failure for children to see any role models in the community that show them a way to the future that needs an education
- o A community of people in a constant state of ill health and young people who do not know what "good health" means.

In order to overcome this situation with effective policy it is extremely important to view the world through the eyes of the people we are trying to help. That is the remote living Aboriginal person who has grown up in a changing world that has undergone a drastic period of change every decade over the past 50 years. Such instability has to be understood and taken into account when formulating policy.

The author is influenced by the work and words of others and in this regard would like to draw the attention of the Committee to the following:

Wesley Aird, member National Indigenous Advisory Council, to the Benelong society Conference, Melbourne, June 2008

The trick is for us to see ourselves as equals and then work out the steps to get there. After all, isn't that how social change starts---just with a handful of people wanting a better life and doing something about it?

What we really need are practical measures that will strengthen our communities and successfully put indigenous Australians into the real economy.

John Stone, former Senator and Secretary of Treasury, *ibid*

"Unless real job opportunities can be created in the remote (and very remote) areas the people in those areas will have to move or be moved out."

"...a clean-out of the Aboriginal bureaucracy is essential. It's increasingly numerous denizens have grown fat through the years. The problem now to be confronted is, in large part, also of these bureaucrats' creation. If the task of remedying it is to be left to them (even under a strong and full-time minister) it will be undertaken half-heartedly at best."

Rev. Steve Etherington PhD, long time resident and pastor at Oenpelli community NT also to Bennelong Society

Coming Ready or Not! : Aborigines are heading for town
"IF YOU READ NO FURTHER THAN THIS..."

It's about jobs: not overcrowding.

It's about jobs; not about culture or ethnicity or missions, or history.

It's about jobs: not about grog and drug abuse.

It's about jobs: it's not even about child abuse.

All these are merely symptoms of long-term unemployment.

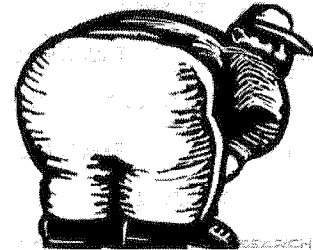
It's about jobs.

Etherington goes on to say:

**"Mark Latham said this in another way: the best social security is a job,
And it could be the cheapest social security for the nation"**

Recommendations

1. Commit to a "bottoms up" approach to reform, change and positive program delivery
2. Governments at three levels need to say what they see their responsibilities as being in assisting to encourage enterprise development for Aboriginal people in remote communities. Present experience shows there is very little assistance available and yet the publicity does not match the performance.
3. Major funding and attention must be given to expanding the knowledge base of community members if they are to participate in enterprise development or helped to understand why this is necessary to overcome welfare dependence.
4. That "Enterprise Facilitators" be placed in larger communities or at a sub-regional level to work with local Aboriginal people who have "dreams" they need help to fulfill.
5. That Councils for Economic and Social Development be established at the local level to feed into a Regional Council for Economic and Social Development charged with establishing priorities of need and distributing "seed" funding to organisations that meet agreed criteria and have emerged from a "bottoms up" approach.
6. That a study be done on the meaning of work to remote living Aboriginal people with a view to introducing a program that will bridge the gap in understanding between their perception and mainstream.
7. That an over-riding sense of urgency be instilled into all public servants working in the Indigenous Employment and Enterprise Development program areas so that delays and bureaucratic red tape are minimized and emerging initiatives given every encouragement to move ahead thoroughly and quickly.
8. That officers employed by Government in administering employment and economic incentive programs be forced to spend time working in a remote community understanding the culture of the people who are the target in government programs.



Situation analysis

a. Economic activity

The degree of economic activity in remote Aboriginal communities is negligible with the main employer being government services, community facilities and service industries. This must be resolved with the local people.

See Recommendation 1.

b. Infrastructure

The infrastructure to support economic activity is negligible with the services such as transport, accommodation, buildings and community facilities being inadequate for the present population let alone any increase that may be necessary in the event of enterprise development. This will require government to commit to a role and take action to put this in place.

See Recommendation 2

c. Skills transfer

The degree of ability of people at an age to enter a workforce is minimal and a considerable amount of attention needs to be given to skills ability if commercial enterprises are to be considered as a way of creating employment opportunities. The development of skills needs to be in line with prospective developments so any learning can be of a practical nature and not a theoretical approach to understanding the meaning of work.

The identification of areas of interest for people in remote communities needs to be established so skills transfer programs can match people's aspiration for their future. To expect a person to be "interested" in a job just because it needs to be done is a flawed expectation. Aboriginal people must be allowed to decide what they want to do. In our world we each decide what we want to do in the way of "work". The Aboriginal people need the same choice to be motivated.

See Recommendation 3

d. Mentoring

There is no opportunity for young people who want to start or pursue a particular commercial interest to have access to any formal mentoring program. This needs to occur and be made known so the same young people can at least have some hope for their future. At present there is none.

e. Community development

There is little evidence of anything being done towards encouraging communities to take charge of their own future. All that is evident is the old and long term frowned upon dominant culture wanting Aboriginal people in their communities to "be like us" – it will never happen. There is a need for programs that are positive, focused on the individual and actionable at community level. It is probably time to go back in history and read the writings of people like A P Elkin in the mid 1930s. It is all there. We need to pay attention to the past to plan a better future and one of the failings of the past 30 years is to ignore what has gone before. It is all there.

We should use the experience of wise people who have been there and done that. The words of John Singleton back in 1979 still apply in 2008 as they did in 1979. He wrote in The Bulletin:

"...every time I look at one of those bearded university-trained southern do-gooders, I wonder if they will ever realise that they can never solve the Aboriginal problem because they are the problem".

There is a need to engage with communities in a deep and meaningful way. Stop "fly in – fly out" visits and genuinely be prepared to live amongst them to understand the way they think.

Facilitators need to be appointed and funded by government to enable the above to happen.

See Recommendation 4.

f. Seed funding

There is a need to make "seed" funding to catalyse establishment of core business functions for emerging enterprises. The early availability of "seed" funding is most necessary to build capacity and so far is sadly lacking in all programs, including the ICAS program which is said to be for "start up" expert advice.

See Recommendation 5.

g. Work and its meaning

There is little understanding of how jobs are viewed by Indigenous people in remote communities and it is paramount to success for this to be addressed. To look at the world through the eyes of the people is essential if useful opportunities are to be made available for those same people to develop their own potential. Young people especially need role models to look up to who work and set an example. Against all indicators this is not happening. By example they must be shown that there can be

businesses in remote communities that will help the hours in a day pass more pleasurably than by doing nothing. This is also the ONLY way to solve the attendance at school problem. Show children why they must go to school. A child cannot be blamed for not seeing a need for school when the adults do nothing all day long. The example is the key.

See Recommendation 6

f. Health and “closing the gap”

A lot of emphasis is being given to “close the gap” in life expectancy between Aboriginal and non-Aboriginal life expectancy. The best way to do this is to provide the infrastructure that will lead to a more healthy way of living in every sense. It does not centre on having bigger and better health clinics or more doctors and nurses. There is a need to promote a thing called Good Health. It is not there now. For every year a girl stays at school her child will live four years longer. Boredom is endemic. This MUST be resolved by community action and economic development.

g. Motivation to learn and work

People must be given the time and opportunity to decide for themselves what they want to do. Burrthi Aboriginal Corporation has aligned its work with the Ernesto Sirolli Institute. The motivation must come from within the person and that is not something that can be done for them. This is a fundamental premise to the change process. It cannot be delivered from above.

h. Community values

There will be a need to change the values and ethics of the community. At present they are not attuned to work, study, effort or motivation. So long as this is happening there can be no shame to anyone who steps forward to be a community “champion”. A part of this process has to be providing an understanding to work, money and the value of time. Money, through welfare dependence, has taken on a completely false meaning and this has to be turned around. The Burrthi experiment will include an analysis of the value of money and time and effort. Money was only ever a bargaining tool for getting something one person wanted from another. Since it came from heaven for doing nothing its meaning has changed. This has to be overcome.

k. Organisation for change

There is a need for government to establish a simple system for service delivery which can also differentiate between needs in different communities?

In the words of the Prime Minister (13th February 2008) – it is not a case of one size fits all. The best way to overcome this is to devolve as much as possible to the local level and build up from that the necessary structures from the bottom up. This is fundamental to a change in behaviour through community development. Have a look at the Australian Assistance Plan of the Whitlam Labour Government of 1972 and the establishment of the Social Welfare Commission. Establish in 2008 an Aboriginal Assistance Plan and work from the ground up then you will be getting somewhere.

The ideal structure for joint planning and coordination is to establish at the local level Councils for Economic and Social Development and have these feeding into a regional level with funds to allocate on the basis of established local community need and proven priority setting against a set of agreed criteria.

l. Principal for change

No organisation should be established without a clear statement of its purpose. Once a mission, vision and objectives are established it will then be possible to describe how its objectives will be achieved.

m. TOR 3 - a US model for business/development council

Until Australia can do the simple things correctly and efficiently it should NOT be concerning itself with more sophisticated systems. While they may have significant long

term benefits it will only confuse and distract from the immediate need which is develop local enterprises. Resources must concentrate on the urgent local need for job creation.

The experience of Burrthi Aboriginal Corporation

The following principles overlay all activity undertaken towards social and economic development of Aboriginal people from remote communities

1. Only put in place systems that can be understood, operated and maintained by local people.
2. Have faith in the fact that there are local people able to be identified and trained to undertake the necessary tasks
3. Give responsibility to local people and trust them to be able to do the job
4. Acknowledge the world view of Aboriginal people and respect the short time that has elapsed from their living a traditional lifestyle and their introduction to the world of commerce.

The current situation is that there is no sense of urgency about the delivery of support programs and as a result the enthusiasm that may have been inherent in the Aboriginal people is deflated by the delays involved.

There is an urgent need to change the mindset of the public servants involved so that they become the true servants to the Aboriginal client. Due to happenings in the past there is a feeling of distrust in the minds of the people being asked to administer government (taxpayers) money. Quotations such as:

"While we do not want to make it more burdensome for businesses, particularly in the critical start up phase, we also must comply with Australian Government practices in approving and spending public money." – email communication from DEEWR officer.

This is accepted BUT there comes a point when the detail demanded **is** onerous and a simple Statutory Declaration should suffice to meet the legal obligation of the Commonwealth officer.
See Recommendation 7

It is possible that public servants never joined in Canberra with the view to improving the lot of Aboriginal people and if like other Australians who have not been exposed to the "problem" would not have any idea of the situation for remote living Aboriginal people. When in a position to address this disadvantage they have no idea of what they are trying to do. It is suggested that the following describes the differences that exists between the communities they are helping and the ones in which they live: Access to counseling services restricted to the health clinic, church or council.

- a. Power supply not continuous and often through power cards
- b. Telephone often restricted to public payphones
- c. Internet capability not developed
- d. Transport access to other places reliant on private cars, boats or chartered aircraft at a high cost thus limiting the opportunity to move on when desire is there.
- e. Standard of housing not the same and often houses are not large enough for the size of family that wants to live together.
- f. Education not always to secondary or university entrance level standard
- g. Recreational/sporting facilities not as good due to lack of "critical mass".
- h. Retail spending not with same opportunity and restricted to daily household needs.
- i. Creative art/music opportunity not the same due to lack of "critical mass".

This description to be taken seriously as the things which are taken for granted in mainstream Australian society are simply not available to remote living Aboriginal people. It is not possible to truly help people without knowledge of how they live.

This must occur IF government is to play a positive role in economic development.

See Recommendation 8.

A solution

A cost benefit analysis will show if the cost of delivering the government programs is way out of step with the financial benefit being distributed.

An alternate approach is to have the money available at a regional level and allow organisations to be able to access "seed" funding to work with a government paid facilitator who will bring the organisation to a point of being able to appoint its own executive and structure. At present the problems lie at the "grass roots" level and the time taken to respond to a need is such that the enthusiasm is lost.

A "regional economic development fund" – administered by a regional level "council for economic development" that has its own set of priorities and works according to the following principles:

- a. Take steps to immediately speed the process of decision making on submissions from Aboriginal enterprises trying to assist the Commonwealth to alleviate Aboriginal disadvantage.
- b. Acknowledge that there are Aboriginal people able to organize into enterprises and develop plans for future benefit of all generations.
- c. Assist Aboriginal enterprises to develop and prepare plans for outcomes that will assist in the development of social capital and economic development in remote communities.
- d. Request Government Business Mangers to place as a priority work proposed by Aboriginal enterprises.
- e. Assist in the development of fundamental training programs that will assist Aboriginal people to move in the Western model of economic and social capital development.

The fact that government has failed in the past to stimulate economic development that leads to social change is enough to say a change is needed in direction.

The Burrthi Aboriginal Corporation made its first submission for Federal Government funding in May 2007 and is still waiting to receive funds from that approach. In the meantime its members, Aboriginal people from North East Arnhem Land, have been supporting the effort from their own meagre financial resources contributing \$50 a fortnight from their already depleted income due to the quarantining of money from Centrelink by the NT Emergency Response.

Is this how the government purports to assist people? It seems to be more an effort to discourage innovation rather than aid it.

The Yolgnu Aboriginal people are hearing on news bulletins daily that funds are available to assist economic development but it seems that is not the case with the example of Burrthi people.

Experience with DEEWR funding programs

The experience of the Burrthi Aboriginal Corporation with the Indigenous business incentives and business development programs

- **Indigenous Small Business Fund** (ISBF) provides funding for the development and expansion of Indigenous businesses and enterprises.

Burrthi first approached IBA in July 2007 for assistance and it took seven months to January 2008 to be told that it was ISBF that it should be dealing with.

An ISBF officer then advised that a turn around time of 4 to 5 weeks could be expected on an application for an amount of \$55,000 or less (inclusive of GST). A submission was made on 17th March and to this date no money has been received. A period of 20 weeks has thus passed with no resolution.

- **Indigenous Capital Assistance Scheme (ICAS)** is intended to stimulate Indigenous business development. The business and financial sector will be encouraged to support Indigenous businesses by providing tailored products and services which will support Indigenous business development.

An application for eligibility was submitted on 15th January 2008 along with an expression of interest in securing a loan of \$50,000 to establish the enterprise in the market place. This was approved for eligibility but not notified to Burrthi until a letter dated 22nd April 2008.

Advice is then that a claim for professional services cannot be made until after the date of being notified of eligibility. This means expenses incurred prior to that date cannot be claimed even though they contributed to the organisation strengthening its capacity to be in a position to apply for a loan. A claim has been paid for \$3,850 representing the amount paid by Burrthi Aboriginal Corporation to RWM Consultancy from 22 April to 16 June. A further claim has been made for \$5,800 paid since the 16 June and this is being processed.

A fairer judgment would be to make claims retrospective to the date the application for eligibility was sent to DEEWR as obviously from this date the enterprise was functional.

- The **Emerging Indigenous Entrepreneurs Initiative (EIEI)** - funding to support the strategies underpinning the Indigenous Economic Development Strategy (IEDS). Funding is available to support initiatives which will improve the economic development, business skills and financial literacy of Aboriginal and Torres Strait Islander people, ultimately leading to enhanced employment and business development opportunities

This program was only brought to the attention of Burrthi 12 months after consultations were commenced with DEEWR. It has been the most accessible and efficient for meeting the needs of the enterprise. Its officers, objectives and actions are to be commended. An amount of \$11,600 was obtained to help conduct a training program that cost \$30,000. The balance of funding came from an overdraft arranged through TIO Bank.

Experience with FHaCSIA funding programs

The website states:

The whole-of-government arrangements are based on:

- coordinated policy development
- efficient, flexible and strategic use of funds across the Australian Government agencies administering both Indigenous-specific and mainstream programs
- active engagement and consultation with Indigenous people
- partnerships with Indigenous people, State and Territory Governments and the private and non-government sectors to produce benefits for Indigenous communities.

The Burrthi experience has not seen any evidence of any of the above dot points having been fulfilled despite considerable contact with various officers over the past 14 months.

Further reading of the FHaCSIA website shows the range of activities the Department is involved with.

It is one thing to boast structures but another to see anything happen on the ground as a result of these structures, agreements et al.

When one reads the website for this Department (FHaCSIA) it gives the impression of a lot happening and to be well organized with the right checks and balances.

The reality of where this leads is simply not there. The results are dismal. It is a list of seemingly endless administrative processes, as follows:

- whole-of-government arrangements
 - network of multi-agency Indigenous Coordination Centres (ICCs)
 - the Northern Territory Emergency Response
 - the National Apology
 - Consultation on a National Indigenous Representative Body.
 - reforms to the Indigenous Employment Program
 - A number of Indigenous-specific programs, particularly in the areas of housing, community development, leadership and land.
 - FaHCSIA's Reconciliation Action Plan 2008-09
 - coordinated policy development
 - efficient, flexible and strategic use of funds across the Australian Government agencies administering both Indigenous-specific and mainstream programs
 - active engagement and consultation with Indigenous people
 - Partnerships with Indigenous people, State and Territory Governments and the private and non-government sectors to produce benefits for Indigenous communities
 - the coordination of programs at the local and regional levels
 - Collaborates with other agencies in developing national Indigenous policy
 - Leads negotiations on bilateral agreements with State and Territory Governments
 - facilitates other intergovernmental processes including through the COAG Working Group on Indigenous Reform and the Ministerial Council on Aboriginal and Torres Strait Islander Affairs
 - Monitors and evaluates outcomes from whole-of-government processes in Indigenous Affairs.
 - managing the processes and systems supporting a cross-agency group of Indigenous programs funded through Indigenous Coordination Centres
 - **working to remove 'red tape' from Indigenous service provision**
 - Managing flexible funding so that more coordinated and strategic support can be given to particular Indigenous localities, developed with and responding to the needs of local people.
- The COAG Working Group on Indigenous Reform brings together the Australian Government and all State and Territory Governments.
- The Working Group's objective is to close the gap on Indigenous disadvantage, focusing in particular on these targets:
 - to close the life expectancy gap within a generation
 - to halve the gap in mortality rates for Indigenous children under five within a decade, and
 - to halve the gap in reading, writing and numeracy achievements within a decade.
 - National Framework of Principles for Government Service Delivery to Indigenous Australians
 - Northern Territory - Overarching Agreement on Indigenous Affairs - PDF [164kb] April 2005.

If success is measured by what has happened the above has failed dismally.

To the Elcho Island Aboriginal who wants to

- Find a better way of educating children
- Live in a house that is not crowded
- Get a job
- Live until 75 years of age
- Be able to travel safely and economically
- Have more shopping choices

None of the above is of any help.

Some degree of reality has to be put into government planning and publicity so expectations are not raised and dashed (again).

The funding programs of FaHCSIA approached have been as follows...

- **IBA Enterprises** works with Indigenous Australians to assist them to succeed in business. IBA Enterprises assists eligible Indigenous Australians to establish, acquire and grow small to medium businesses, through business loans and business support services. The business support services include business planning, business-related skills development and mentoring. The program is geared towards assisting Indigenous Australians to succeed in business and to bridge the gap to private sector funding. It is fundamental to achieving these outcomes that the business proposal demonstrates commercial viability. In addition, IBA Enterprises undertakes selected economic development initiatives, designed to assist Indigenous Australians to build capacity and aspiration for enterprise.

IBA was approached in July 2007 and a proposal submitted showing the range of projects Burrthi wanted to initiate to feasibility and business planning stage. Burrthi was advised to go to ISBF. This happened and ISBF was unable to assist without talking to IBA. It then took until January 2008 for IBA to advise Burrthi that it should be dealing with ISBF. This was then done as described above.

- **Aboriginals Benefit Account (NT only)** The Aboriginals Benefit Account (ABA) is a Special Account (for the purposes of the *Financial Management and Accountability Act 1997*) established for the receipt of statutory royalty equivalent monies generated from mining on Aboriginal land in the Northern Territory (NT), and the distribution of these monies. Under sub-section 64(4) of the ALRA, the Minister for Families, Housing, Community Services and Indigenous Affairs is able to direct that amounts be paid, or applied to or for, the benefit of Aboriginals living in the Northern Territory.

Burrthi made an application on 18th December 2007 for \$95,000 to assist in developing Business plans. A letter from Minister Jenny Macklin stating that this had been approved was received on 20th May 2008. Negotiations are still progressing with the officers who administer the ABA funds as to the nature of a contract before any money will be released. No date can be given for when the funds may be available.

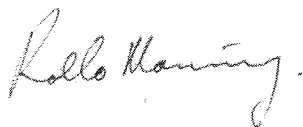
CONCLUSION

Unless involved at the "coalface" no one can have any idea how hard it is to maintain the enthusiasm of Aboriginal people living in a remote community to encourage initiatives that will develop enterprises that can lead to a better life and come off welfare dependence.

The complexity of the processes that form the barriers to moving ahead are enormous and without a person who has had experience in working with government in a lobbying way they would not get anywhere.

It is no wonder that the state of Aboriginal remote communities is in such a disastrous and hopeless state especially for the children growing up.

We must get amongst them and understand their world and what is needed to help those that want to move towards our world.



Rollo Manning
Principal
RWM Consultancy



Keith Djiniyini
Chairman
Burrthi Aboriginal Corporation

29th July 2008