



*Wearing strength & collaboration*

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Senate Standing Committee on Aboriginal and  
Torres Strait Islander Affairs  
PO Box 6021  
Parliament House  
Canberra ACT 2600

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By email:

BY: ATSLA

Dear Sir/Madam

### **INQUIRY INTO DEVELOPING INDIGENOUS ENTERPRISES**

Thank you for providing Koorie Women Mean Business Incorporated (KWMB), with the opportunity to make a submission on the Inquiry Into Developing Indigenous Enterprises.

KWMB is a proactive organisation with a strong membership of Aboriginal women living in regional, rural and metropolitan Victoria. We provide support to women and girls in their 'business' at the community level.

We have particular expertise in developing partnership projects, identifying business opportunities and offering professional development services. We continue to be guided by our membership in undertaking projects, which focus on issues that sustain women, and their business through a variety of formats women's camps, luncheons, seminars, training and development.

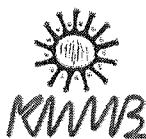
We have chosen to comment on the Terms of Reference drawing on our work with women who have experienced business development as they seek to further their business concepts; access pre-business assistance loans; conduct business planning; and gain business mentoring from a Victorian perspective.

#### **Victorian Context**

The 2006 Census reported that in 2006:

The Victorian Indigenous population is 6% of the proportion of the total Australian Indigenous population.

- The Victorian Indigenous population is 0.6% of the Victorian population.
- Indigenous women comprise 51% of the Victorian Indigenous population.
- 15,396 women identify as Indigenous of which 45% are aged 25-65+, and
- Indigenous women comprise 0.5% of the Victorian population of women.



## Life Expectancy, Age and Family Structure

A Victorian Indigenous women's life expectancy is approximately 17 years less than other Victorian women. There is also a significant difference in age structure between Victoria's broader population and the Indigenous population in Victoria. This reflects a number of factors, including a lower life expectancy and higher fertility rates.

Over half of the Indigenous population are under 25 years of age and over a third is under 15 years. By comparison 32% of the non Indigenous population are under 25 and 20% are less than 15 years of age.

	Indigenous Female	Non Indigenous Female
0-4 years	6.0%	3.0%
5-9 years	6.4%	3.2%
10-14 years	6.0%	3.2%
15-19 years	5.3%	3.3%
20-24 years	4.0%	3.3%
25-29 years	3.4%	3.2%
30-34 years	3.5%	3.6%
35-39 years	3.5%	3.9%
40-44 years	3.0%	3.8%
45-49 years	2.5%	3.6%
50-54 years	2.0%	3.3%

(ABS Census of Population and Housing Victoria 2006. Cat no.4705.0).

### Table 1: Indigenous/Non Indigenous female population by age

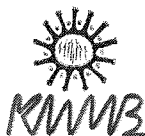
Source: Cat. No. 2068.0 - 2006 Census Tables, 2006 Census of Population and Housing, Age by Indigenous status

There are also significant differences in family structure between the two populations.

38% of Indigenous families are sole parent families, compared to 15% of non Indigenous families. (ABS Census of Population and Housing Victoria 2006).

## Income and Employment

- Around 60% of Indigenous households are on low incomes, falling within the lowest and second lowest percentile. (Australian Bureau of Statistics National Aboriginal and Torres Strait Islander Health Survey 2004-05, Cat. no. 4715.0.55.005(unpublished); ABS National Health Survey 2004-5; Summary of Results, Cat. no. 4362.0 (unpublished) reported in the *Overcoming Indigenous Disadvantage Report 2007*).



- The rate of unemployment for Indigenous Victorians is well over twice as high as the overall rate for Victorians. (ABS National Aboriginal and Torres Strait Islander Health Survey 2004-05, Cat. no. 4715.0.55.005 (unpublished); ABS National Health Survey 2004-05, Cat. no. 4362.0 (unpublished) reported in the *Overcoming Indigenous Disadvantage Report 2007*.)

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## Terms of reference

### **1. Whether the current government, industry and community programs offering specific enterprises support programs and services of Indigenous enterprises are effective, particularly in building sustainable relationships with the broader sector;**

Koorie Women Mean Business Incorporated (KWMB) evolved through a group of individuals who saw the need/opportunity to empower Indigenous women to develop sustainable livelihoods and well being. As part of the groundwork to discussing business it is important to acknowledge the historical Indigenous socio-economic status.

We welcome the recent introduction of the *Overcoming Indigenous Disadvantage Reports* which assists in monitoring and measuring key indicators in Indigenous social and economic well-being from a whole-of-government perspective.

As it relates to business companies and ventures their concern is around the lack of available desegregated data as it relates to the participation of Aboriginal women and girls within current government, industry and community programs. Our experience in interpreting data as it relates to Indigenous peoples is in itself hindered in some cases due to the identification of an individual's ethnicity.

In our experience we have a number of operational concerns that hinder the development of Indigenous enterprises, or that require expansion to support growth in this area including:

- Access to assistance regarding the developmental stages/business concept development, including in relation to the entity and legal structure for potential businesses.
- Insufficient education and training - the development of culturally sensitive / relevant **small business courses** through registered training providers i.e. no courses through registered providers can be found in Victoria specifically for Aboriginal people looking to start up business.
- Low levels of financial literacy and lack of corresponding tailored courses to increase financial literacy - including access for young Aboriginal women.
- Lack of an appropriate Resource Kit/Tool to assist businesses through the stages of development, and that lists all business assistance available at a local, state, and national level.



- Insufficient training /assistance to 'grow' business products into a 'product ready market' *prior* to becoming eligible for any small business government assistance grant or program.
- Support for Indigenous business development needs and supports to be targeted and accessible in regional and rural centres.
- Need for mentors for small business – access to mentors for specific areas of the business planning
- Accessible child care and tax deductible childcare for rural businesses
- Affordable low interest business loans for Aboriginal and Torres Strait Islander women (that are not income tested) need to be developed.
- Less 'red tape' - in the Indigenous Business Australia (IBA) application – a shorter timeframe on the application process.
- The government needs also to streamline employment paperwork to reduce the impact on small and micro business and consistency and accuracy of information supplied by providers.

Very little in the way of marketing specifically to Indigenous people is carried out on how to start up small business or write tenders. Small business training that includes, market research, identifies the gap fillers pre-product development. Experienced Aboriginal and Torres Strait Islander people to deliver and design small business training programs.

At the 2007 Ministerial Conference on the Status of Women (MINCO) the theme was Women and Economic Status. Parallel to this a National Aboriginal and Torres Strait Islander Women's gathering was held whereby a delegation presents a number of recommendations to the Ministers. (See attachment 1)

## **2. Identifying areas of Indigenous commercial advantage and strength;**

KWMB are aware of an enormous amount of work undertaken by the former advisory body Aboriginal and Torres Strait Islander Commission (ATSIC), in the development of Industry strategies in Arts, Cultural, Tourism and Cattle. As well as Economic Development plans for each regional council. There was strong presence and identification by community in the process. There were also research projects undertaken within the strategies for example tourism Joint Ventures guidelines.

*What has become of these plans in the demise of the former body and who has carriage way of the plans?*

We acknowledge that the Australian Government is focused on supporting the achievement of Indigenous economic independence through increasing employment, self employment, and asset and wealth management. Yet at conceptual stages potential small / micro business operators are unclear of what is available and what they are able to access.



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In the Victorian context, a recent report of the *Victorian Auditor General (June 2008), Coordinating Services and Initiatives for Aboriginal People*, in discussing the Victorian Government's joined up approach - widely known as the Victorian Indigenous Affairs Framework (VIAF) - amongst its concerns noted in its Executive Summary that:

“Funding needs to match the scale and longevity of Indigenous needs, taking into account the Department of Treasury and Finances analysis, which shows Indigenous funding is expected to decline across the longer term (2009-2010 onwards).” (p.3)

*We believe that this raises questions about all forms of government funding commitments, aligned with bridging the gap in areas outside of Indigenous health.*

### **3. The feasibility of adapting the US Minority Business Development Council model to the Australian context;**

Any proposed adaptation of the US minority Business Development Council (MBDC) model must be embracing of United Nations instruments - Indigenous, Women, Disabled and Human Rights.

Firstly, KWMB believes there is a need to coordinate efforts for Indigenous businesses at various stages of business development. We believe that some research needs to be undertaken around the number of peak Indigenous bodies that have been unsuccessful in sustaining their positions within their sectors. How will this differ from the existing members of the Corporate Leaders for Indigenous Employment Project?

While Australia has a history of large corporate companies undertaking triple bottom line approaches with local communities, there has been very little evaluation and monitoring undertaken on the benefits to all parties.

Any MBDC framework should embrace Indigenous cultural protocols, ethics, and knowledge systems and be specific about the processes involved.

The Indigenous experiences of 'integrated approaches' have not been positive. Partnership approaches to Indigenous issues, such as Indigenous violence, has been widely advocated by governments as the 'gold standard'. However, the practice of implementing, progressing and sustaining partnerships, particularly at the level of whole of government-whole of community, has proven to be a difficult task.

In the Victorian context a recent report by Victorian Auditor General 2008 (VAG) cited above proposed a - 'joined up approach, specifically:

“The lack of coordinated program design is a key area for attention. Also the associated governance arrangements are not robust, rather,

- They are complex
- Timeframes are uncertain
- Respective roles and responsibilities of the agencies involved are unclear and inadequately documented
- Deliberate effort to identify joined up risks, and strategies to mitigate them, is not evident.’ (p3)



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Secondly, our concerns fall within the context of formulation of a MBDC and the requirement to work within some of the existing sector's, specific industry bodies.

There is a critical need to examine the practical implications of a 'partnership' approach and how communities can be better supported in this process to have their voices heard, and to have their needs addressed according to their priorities and processes.

Governance - needs to ensure more than two Indigenous women are part of the structure.

For example recent experiences of government appointed boards: National Indigenous Health Equity Council – two Indigenous women were appointed out of seven appointments.

This is a sector that employs over 60% Indigenous females in their workforce.

Membership – we see issues with some of the discussions on criteria for membership:

Commonwealth definition of Indigenous, in particular the three broad criteria's Indigenous ownership of 51 % (refer to the former ATSIC Joint Ventures Guidelines research)

Administration – there needs to be clear administrative arrangements regarding stakeholder responsibilities.

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

KWMB members have always shared a view that during government contracting or tendering processes, contractual arrangements should be inclusive of an Indigenous business within their provision of services. In some instances successful tenders need to be encouraged to align themselves with an Indigenous business. In this way a larger business can support the development of a smaller Indigenous enterprise.

Such a case has merit particularly if a company is delivering services to a higher ratio of Indigenous clients, or a proportion of service delivery is with an Indigenous organisation or enterprise. In an operational context how would this differ from the corporate leaders for Indigenous employment project?

At the Indigenous community levels, what incentives need to be in place to encourage Indigenous people to develop their own enterprises? What incentives and safeguards can be put in place to make sure mentorship from larger, successful enterprises can happen in a fair, effective and equitable manner.



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We recommend an increase in the number of appropriately experienced and qualified small business Field Officers to rural areas – these should be reflective of the constituents. Their role should be to assist the development of micro and small businesses; the management of statutory and legal requirements; and the development of training and mentorship arrangements.

It is our experience that unless the human resource is made available to broker and provide direct practical support, including for the preparation of tenders and business information, that many Indigenous enterprises fail to 'lift-off', or end-up being absorbed or lost to larger and more adequately resourced companies. This is particularly evident in the arts/tourism industries where larger privately owned companies have seen the monetary value of an Indigenous-based enterprise and have profited from investment in those areas. In many cases, it is questionable as to the benefits from those arrangements to individuals and communities, and there is an immediate need to foster Indigenous based enterprises, particularly in an environment where the health and socio-economic outcomes are so poor.

There is opportunity for additional provisions of support and empowerment of Indigenous businesses to enter into commercial phases of their operations. The government needs also to streamline employment paperwork to reduce the impact on small and micro business and consistency and accuracy of information supplied by providers

There is a critical need to examine the practical implications of a 'partnership' approach and how communities can be better supported in this process to have their voices heard, and to have their needs addressed according to their priorities and processes.

If you would like to discuss any of the issues raised in our submission in more detail please contact or me on 03 9670 3460 or [leanne.miller@kwmb.org.au](mailto:leanne.miller@kwmb.org.au) KWMB looks forward to being involved in further consultations.

Regards,

Leanne Miller  
Executive Director