

Corporate incentives to trade and engage with Indigenous businesses

- 4.1 There are already a number of Australian companies and professional firms who are collaborating with Australian Indigenous communities. These include major resource companies who may have well developed and long running programs through to individual companies in retail, construction, finance, rural production, tourism and other parts of the service sector.
- 4.2 Much of this collaboration is based around Indigenous employment which was addressed in the 2007 report by the Standing Committee on Aboriginal and Torres Strait Islander Affairs *Indigenous Australians at Work: Successful initiatives in Indigenous employment*.
- 4.3 This chapter presents the current state of collaboration between Indigenous businesses and corporate organisations in Australia. Suggested incentives are presented as well as some other means for collaboration such as Indigenous Chambers of Commerce.
- 4.4 The mining sector is at the leading edge of corporate collaboration and there is a discussion on how best to grow Indigenous enterprises which are trying to get to the next step.

Current context

- 4.5 The reasons for collaboration with Indigenous businesses and communities are varied, complex and not always fully articulated. They range from principled commitment to social amelioration or national reconciliation, to a pragmatic meeting of demands for access to land or support of local communities.¹
- 4.6 Often the involvement of the corporate sector requires there to be a balance between social capital returns and financial returns.
- 4.7 Mr Bill Moss AM, the founder of Gunya Australia, proposed that there is a range of reasons why the corporate sector has not invested in Indigenous businesses and enterprises. These include a lack of confidence, both real and perceived high risks, low education standards and low skilled work force and no management expertise and limited commercial acumen.²
- 4.8 Additionally, the corporate sector may only wish to be involved with Indigenous businesses that are already successful or are regarded by the corporate sector as being of a reasonable size.
- 4.9 In more remote areas Indigenous communities may have already made a shift in thinking from an economic dependence model to an entrepreneurial model. However, to take the next step they also may need to address the concern over external intervention and move towards an acceptance of the potential positive benefits of collaboration with people external to the Indigenous community with valuable knowledge, expertise and experience.³
- 4.10 The Northern Territory Government described the cultural differences that may arise around the use of conditional promises in collaborations. In many cultures conditional promises are not commonly used and are often seen to be concrete agreements. As a result when activities such as mining exploration do not produce any feasible mining prospects, conditional promises such as financial gain and employment opportunities, cannot be fulfilled. Expectations by

1 Suggett, D, *Indigenous Communities and Australian Business: Facilitating community capacity through business community partnerships*, The Allen Consulting Group, 2003.

2 Presentation by Bill Moss to the 3rd Indigenous Economic Forum, NT, November 2007, www.nt.gov.au/business, accessed 13 October 2008.

3 Queensland Government Forum report, <http://www.globalfoundation.org.au>, accessed 13 October 2008.

local people may continue to be of fulfilment, thus creating an environment of dissatisfaction, disappointment and future suspicion.⁴

- 4.11 Organisations such as Message Stick Group consider that there are significant advantages to Indigenous businesses through the increased collaboration with the corporate and government sector. They contend that Indigenous business people are seeking an opportunity to engage in the wider Australian economy by conducting business with corporate Australia and government procurement agencies.⁵
- 4.12 The Australian Indigenous Chamber of Commerce considers that incentives should be provided to encourage successful businesses to subcontract, do business with or mentor new Indigenous enterprises. They add that these incentives should be promoted by the use of education and advertising campaigns to non Indigenous business.⁶
- 4.13 The Wet Tropics Management Authority cautioned that initiatives developed will need to ensure non Indigenous businesses supporting the Indigenous enterprises are given appropriate support and training. It is necessary to develop the capacity of Indigenous businesses rather than assuming a non Indigenous person with a successful commercial enterprise would have the ability to work and train cross-culturally.⁷

International perspective

- 4.14 Research undertaken at the Saskatchewan Indian Federated College in 1997 showed that a growing number of non Indigenous corporations were adopting business alliances with aboriginal people as a part of their strategy for long term corporate survival. This research proposed that four factors motivated this corporate behaviour:
- society's changing expectations about what constitutes socially responsible corporate behaviour;
 - legal and regulatory requirements and restrictions;

4 K Rea and M Young, *The Collaboration Project: Strategies towards engagement with Desert Aboriginal communities and organisations*, 2006, Desert Knowledge Cooperative Research Centre, Alice Springs, p. 5

5 Message Stick Group, *Submission No. 10*, p. 3.

6 Australian Indigenous Chamber of Commerce, *Submission No. 50*, p. 8

7 Wet Tropics Management Authority, *Submission No. 55*, p. 5

- the growing Indigenous population, and its increasing affluence and level of education; and
- the rapidly growing pool of natural and financial resources under the control of Indigenous people.⁸

- 4.15 The United Nations Commission on the Private Sector and Development released a report in 2004 titled *Unleashing Entrepreneurship: Making Business Work for the Poor* which indicated that multinational companies, in particular, stand to benefit from nurturing and building links with local entrepreneurs and smaller companies.⁹
- 4.16 Countries such as the United States (US), Canada and Germany have policies that provide for tax incentives to encourage business development on Indigenous land and in areas of low socioeconomic status.¹⁰

Box 4.1 Tribal business in the US

The perception of Indian economic prosperity in the US led by casinos and gambling is simplistic. The array of tribal businesses is extraordinary. Indian nations own and operate banks, golf courses, petrol stations, telephone companies, lumber mills, restaurants, radio stations, farms, retail stores, construction companies, hotel chains, and assembly plants.

Their operations include fish and game, forestry, tourism, waste management and environmental remediation, dot com enterprises and development corporations. Tribes manufacture plastics, printing and automotive parts. The Mississippi Choctaw are one of the largest employers in the state, employing thousands of non Indigenous workers.

SOURCE: Jumbunna Indigenous House of Learning Submission no 37, p .6.

- 4.17 The Jumbunna Indigenous House of Learning from the University of Technology in Sydney provided evidence that native Indian tribes have advantages not available to Australian Indigenous communities – for example taxation advantages, a secure land base, ability to exploit resources and a measured separatism. Nonetheless, they

8 Corporate/Indigenous partnerships in economic development: The first nations in Canada Robert B. Anderson World Development Volume 25, Issue 9, September 1997, pp. 1483-1503

9 Unleashing Entrepreneurship: Making Business Work for the Poor United Nations Development Corporation, Commission on the Private Sector and Development press release, 1 March 2004.

10 O Stanley, *The potential use of tax incentives for Indigenous businesses on Indigenous land*, CAEPR Working paper no, 17/2002, p. 1.

contend that not all US native peoples are prospering and in fact many suffer from similar socioeconomic disadvantage found in Australia. They suggest that there must be more to economic success than can be attributed to tax advantages and a land base.¹¹

- 4.18 Although many participants in the inquiry made a case for increased collaboration between corporate partners and Indigenous businesses,¹² this was often qualified or regarded as needing caution, especially from Indigenous groups who have had previous involvement in such collaborations.
- 4.19 The Yorta Yorta Nation Aboriginal Corporation of Victoria consider that incentives need to be in place at the Indigenous community level to encourage successful businesses to engage with Indigenous people. However, they caution that there needs to be a conduit between the businesses and Indigenous enterprises to ensure that these incentives are being met. They consider that including an additional clause in agreements that provides for incentive for engagement and partnership opportunities with Indigenous enterprises is commendable but there should be safeguards.¹³
- 4.20 The New South Wales Government takes a different view. It suggests that incentives are not necessarily required to facilitate interaction, as there are significant advantages to working with Indigenous businesses particularly in areas of Indigenous commercial strength or advantage. The NSW Government state that they do not provide financial incentives to encourage businesses to subcontract to Indigenous businesses, and do not consider this has hindered the willingness of the private sector to provide subcontracting opportunities to Indigenous firms.¹⁴
- 4.21 Mr Donald De Busch informed the Committee of the difficulties for Indigenous enterprises in linking with corporate partners beyond the mining sector. He advised that Indigenous companies like his that operate in the real marketplace find it very difficult to gain employment. He related an example where he considered that his company used during a tendering process only to assist a larger company to get over the line in Defence Force contracts.¹⁵

11 Jumbunna Indigenous House of Learning, *Submission No. 37*, p. 7.

12 ACT Government, *Submission No. 62*, p. 1.

13 Yorta Yorta Nation Aboriginal Corporation, *Submission No. 52*, pp. 4 -5.

14 NSW Government, *Submission No. 49*, p. 9.

15 Mr Donald DeBusch, *Transcript of evidence*, 14 July 2008, p. 6.

- 4.22 Indigenous Business Australia told the Committee about a model they investigated where a construction company would be developed in remote communities to access some of the contracts for repairs and maintenance. IBA considered there was often already a pool of semi skilled or skilled labour but they needed help with their management capacity to access the market.¹⁶ This model could be implemented along lines similar to that of the Outback Stores model.¹⁷
- 4.23 Mr Craig Brown raised the importance of corporate organisations being willing to work in new ways to take account of the different structures that may exist in Indigenous communities. He reported that these structures are collaborative and work in joint endeavours:
- 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.¹⁸
- 4.24 Mr Noel Niddrie spoke of his experience in dealing with the commercial environment. He considered that his Indigenous culture and experience gave him a commercial edge but he was competing against larger, more commercial savvy organisations which, have a brand and due to their knowledge, circumstances or networks, were more likely to be awarded tenders and requests for work.¹⁹
- 4.25 The Commonwealth Scientific and Industrial Research Organisation (CSIRO) made the point that when encouraging business engagement with Indigenous enterprise, it is critical that similar effort is invested in raising the ability and awareness of Indigenous people to be able to protect their intellectual property rights so as to avoid unintended exploitation.²⁰

Corporate social responsibility

- 4.26 The Australian Human Rights Commission states that Corporate Social Responsibility (CSR) is generally understood to mean that corporations have a degree of responsibility not only for the economic

16 Ms Kaely Woods, *Transcript of evidence*, 25 September 2008, p. 12.

17 Mr Kenneth Hunt, *Transcript of evidence*, 6 August 2008, pp. 21-29.

18 Mr Craig Brown, *Transcript of evidence*, 9 September 2008, p. 37.

19 Mr Noel Niddrie, *Transcript of evidence*, 9 September 2008, p. 49.

20 CSIRO, *Submission No. 27*, p. 9.

consequences of their activities, but also for the social and environmental implications. This is sometimes referred to as a 'triple bottom line' approach that considers the economic, social and environmental aspects of corporate activity.²¹ The meaning and value of CSR may differ in various contexts, depending on local factors including culture, environmental conditions, and the legal framework.

- 4.27 In the US and Europe anti discrimination legislation underpins commercial outcomes by giving companies with CSR a competitive edge in the market place.²² The Committee was advised that the commercial advantage attached to CSR for corporate members has been a catalyst to the formation of minority supplier development councils, first in the US, then Canada, then the United Kingdom and now in other nations including Brazil and China.²³ Minority supplier development councils are discussed in more detail in Chapter 5.
- 4.28 According to former Australian Graduate School of Management Dean and Director Rob McLean, the social context of business is playing a far greater role in business than ever before. Locally and internationally it is becoming obvious that such broad and important issues cannot be ignored or given to human resources or corporate affairs departments. The social context of business is now part of what all leaders have to deal with, and what winning is all about.²⁴
- 4.29 Mr Mark Scott from Indigenous Enterprise Partnerships points to the increasing interest in CSR, although it is still not as prevalent as in the UK and the US. He indicated that there is an increase in corporations making a contribution beyond an economic one but cautions that a successful and robust economy is an important factor.²⁵
- 4.30 Corporate partners may get involved with Indigenous enterprises to achieve commercial advantage from being seen to be 'good corporate citizens'. Such initiatives can involve promoting equity policies in the workplace, protecting the environment or funding worthwhile community projects.²⁶

21 Corporate Social Responsibility, http://www.hreoc.gov.au/human_rights accessed 13 October 2008.

22 Mr Mark Scott, *Transcript of evidence*, 25 July 2008, p. 5.

23 Ms Harriet Michel, *Transcript of evidence*, 18 September 2008, p. 11.

24 Australian Graduate School of Management Magazine-Corporate Social Responsibility makes a move, <http://www2.agsm.edu.au>, accessed 13 October 2008

25 Mr Mark Scott, *Transcript of evidence*, 25 July 2008, p. 4.

26 J. Carter, President & Chief Operating Officer Syncrude Canada, *The Business Case for*

- 4.31 Banks such as Westpac, ANZ and the National Australia Bank²⁷ have a program of CSR. Westpac has in place a comprehensive range of major community involvement programs to support and contribute to the development of social capital in the communities in which Westpac operate. As a result, Westpac's Indigenous programs principally revolve around a range of initiatives to address the educational, financial, and employment disadvantage of Indigenous people and to better address their specific banking and financial needs.²⁸
- 4.32 At this point in time, the impact of CSR on corporate activity has been greatest in the mining sector, where the combination of demographics, social and operational imperatives have compelled an enlightened self interest in Indigenous industry development.²⁹
- 4.33 Mr Bruce Harvey, Global Practice Leader Community Relations Rio Tinto, considers that banks may be short sighted in their focus on CSR and they should take advantage of the business opportunities presented by royalties from mining:
- There are now billions of dollars over the next 20 to 30 years flowing into Aboriginal communities in northern Australia through benefits receiving royalty accounts. It is a magnificent business opportunity, and the mainstream banks should treat it in that way, and not relegate it to charitable good intent or corporate social responsibility.³⁰
- 4.34 The Committee also heard that CSR is having a growing impact among larger corporate entities in Australia. Indigenous Enterprise Partnerships facilitates corporate investments and mentorship programs in Cape York. They start with a desire to make a contribution to the community but from that comes the opportunity to build their brand and develop programs that can attract and retain people based on their CSR profile.³¹

Corporate Social Responsibility, The Mining Association of Canada, Toronto, Ontario, 11 March 2003, p. 9.

27 <http://www.nab.com.au>, accessed 13 October 2008

28 <http://www.reconciliation.org.au/downloads/158/westpac.doc>, accessed 13 October 2008

29 Mineral Council of Australia, *Submission No. 54*, p. 5.

30 Mr Bruce Harvey, *Transcript of evidence*, 14 July 2008, p. 19.

31 Mr Mark Scott, *Transcript of evidence*, 25 July 2008, p. 3.

- 4.35 One way of assessing corporate interest more broadly is through Reconciliation Australia's Reconciliation Action Plans (RAPs). These plans provide a template for organisations to engage with and respect Indigenous culture, and to transition in Indigenous employees and services. Ms Barbara Livesey of Reconciliation Australia advised that the organisation cannot keep up with demand for these plans, with 90 organisations signed up and registered, including the Commonwealth Bank, ANZ, Qantas, SBS, Foxtel and BHP Billiton.³² She advised:

I think something like the [minority supplier diversity] council is of potential interest to us because we are finding that Reconciliation Action Plan organisations are saying, 'Where and how do we connect with Indigenous businesses and organisations?' So, if there were a council that we knew we could refer people to, I think there would be a high degree of interest in something like that. We have been following its development and trying to support it in the early stages.³³

The mining sector

- 4.36 Leading companies in the mining industry in Australia have made strong public commitments, beyond that of CSR, to contribute to the sustainable development of the communities and regions in which they operate.
- 4.37 The location of mines means that there is an imperative for the mining sector to develop relationships with remote people, as more than 60 per cent of mineral operations are conducted in close proximity to Indigenous communities.³⁴ Mining offers opportunities to traditional land owners as well as to others who have gathered around mining communities.
- 4.38 The mining sector is experiencing a boom and labour and skill shortages are endemic. Development of Indigenous enterprises makes commercial and social sense, reducing the cost of fly in fly out labour and establishing more stable and better serviced communities contiguous to mining developments.³⁵ Mr Tim O'Neill Argyle's Diamond Mine's Manager, Regional Participation also noted that

32 Ms Barbara Livesey, *Transcript of evidence*, 25 September 2008, p. 17.

33 Ms Barbara Livesey, *Transcript of evidence*, 25 September 2008, p. 20.

34 Minerals Council of Australia, *Submission No. 54*, p. 1.

35 Mr Bruce Harvey, *Transcript of evidence*, 14 July 2008, pp. 15-16.

government are more inclined to favour mining ventures when they include local regional development commitments.³⁶

- 4.39 As discussed in Chapter 2, the formation of ILUAs under the *Native Title Act 1993* provides for communities to negotiate with government or industry for access to land where native title has been recognized or is subject to claim. These agreements allow for Indigenous communities to establish businesses or business partnerships with mining and other industries to secure financial or other benefits for distribution or investment.³⁷
- 4.40 The Minerals Council of Australia advises that Indigenous commercial advantage and strength associated with the mining industry falls within the following categories:
- The supply chain: mining contracting, catering and supply, construction and uniform supplies - for example Ngarda Civil and Hookey Contracting;
 - Environmental management - including: seed collection, rehabilitation, re-vegetation and fire and weed management; and
 - Cultural - as required under State heritage legislation, the identification and preservation of artefacts, provision of anthropological services, can also extend to cultural tourism and interpretation.³⁸
- 4.41 Rio Tinto is an international mining group with one third of its global assets in Australia. It has entered nine major ILUAs with Indigenous communities and 80 exploration agreements. Under these agreements the company has focused on increasing Indigenous direct employment and now has an eight per cent Indigenous workforce up from 0.05 per cent eight years ago.³⁹
- 4.42 Policies at Rio Tinto include taking into account the ownership base of a business, or the capacity for a contractor to employ Indigenous people when awarding contracts. This has driven the development of new capabilities particularly in the mining industry where businesses must demonstrate this capacity in order to successfully win a Rio Tinto contract.

36 Mr Tim O' Neill, *Transcript of evidence*, 7 August 2008, p. 30.

37 AIATSIS, *Submission No. 26*, pp. 1-2.

38 Mineral Council of Australia, *Submission No. 54*, pp. 4-5.

39 Mr Bruce Harvey, *Transcript of evidence*, 14 July 2008, p. 13.

- 4.43 Argyle Diamond Mine, in the East Kimberley region of Western Australia, is often held up as a model agreement for Indigenous participation.⁴⁰ At Kununurra, the Committee spoke with Argyle's Manager Regional Participation, Mr Tim O'Neill, who advised:
- Argyle, through an ILUA with the traditional owners, has an accompanying management plan agreement. That management plan agreement includes an Indigenous business development set of protocols that we operate to, which really is about us trying to encourage the traditional owners to pick up opportunities for developing businesses associated with the mine... the big part of that work through our Indigenous business facilitator is to try to identify opportunities within the mine site where we can match up small businesses with opportunities on our mine.⁴¹
- 4.44 Mr O'Neill advised that nine Indigenous contractors are currently operating at the site, up from one three years ago.⁴²
- 4.45 In addition to subcontracting, mining sector agreements have funded local Indigenous cultural tourism and other business ventures, which are discussed in Chapter 2.
- 4.46 One of the strongest areas for Indigenous business is in mining rejuvenation, which brings together cultural and project management skills. A major success story is Ngarda Civil and Mining Pty Ltd, a joint venture between Leighton Contractors, IBA and the Ngarda Nagarli Yarndu Foundation.
- 4.47 Leighton Contractors was cited in the inquiry as a strong model for Indigenous business development. The company is a leading construction, mining, services and telecommunications group with major developments in the Pilbara. The company has developed a range of programs aimed at growing the skills base of its Indigenous workforce.⁴³

40 Mr Bruce Harvey, *Transcript of evidence*, 14 July 2008, p. 13.

41 Mr Tim O' Neill, *Transcript of evidence*, 7 August 2008, p. 29.

42 Mr Tim O' Neill, *Transcript of evidence*, 7 August 2008, p. 26.

43 Ngarda Civil and Mining Pty Ltd, www.isx.org.au/projects/1149652858_7569.html accessed 13 October 2008.

Box 4.2 Ngarda Civil and Mining Pty Ltd

Ngarda is a contract mining business based in Port Headland in the Pilbara region of Western Australia. Ngarda is owned by Leighton Contractors. IBA and the Ngarda Nagarli Yarndu Foundation each hold a 25 percent share.

In the first nine months of its operations, Ngarda secured approximately \$9.2 million in contracts for work over the next five years. This proved to be a catalyst for growth for the company and since 2005 Ngarda has set up its own supply contracts, finances and payroll systems.

Ngarda continues to be a presence in the Pilbara. Currently, it holds contracts with BHP Billiton and Robe River. These projects alone have resulted in the employment of over 100 local Indigenous people. Ngarda Indigenous employment participation is some of the best in the industry, building the economies of local communities. In 2004 Ngarda won the Prime Minister's Awards for Community Business Partnerships in the large business category.

Ngarda recently won a major contract to manage the BHP Billiton owned Yarria iron mine in the Pilbara. The contract is worth more than \$300 million over five years and, at September 2007, was the largest Indigenous mining contract in Australia. Ngarda has recently expanded into housing construction works subcontracting to Leightons in the Northern Territory.

Source: Professor Jon Altman & Ms Kirrily Jordan, Submission No. 39, p. 4, Rio Tinto, Submission No. 43, p. 18 and Indigenous Business Australia, Submission No 58, attachment B, p. 17

Issues in the mining sector

- 4.48 Mining is seen as an area of particular vocational and commercial advantage for Indigenous Australians. At present however, strengths are in direct employment of Indigenous peoples and not in enterprise development.
- 4.49 A study conducted in June 2007 of Indigenous Employment and Business development in the Queensland Resources sector found that, in most cases, corporate direction for increased subcontracting to Indigenous business is not substantially increasing Indigenous engagement.⁴⁴

44 P. Vidler, *Indigenous Employment and Business Development in the Queensland Resources Sector* (A report to the Queensland Resources Council) June 2007, Centre for Social Responsibility in Mining

- 4.50 Larger companies are trying to address this by employing specific business development people on site. They manage the contracts, assist with occupational health and safety requirements, which can be a significant barrier to contracting to large resource companies, arrange assistance from accountants, and assist with governance aspects.⁴⁵
- 4.51 Mr Bruce Harvey of Rio Tinto advised that adherence to safety and operational guidelines in critical path contracts is essential to the just in time production process. This means that companies will not risk large earth moving contracts, for example, on Indigenous businesses unless they are in joint partnerships with experienced usually non Indigenous operators. Preferential business consideration for Indigenous business therefore falls into non critical, and less lucrative, catering, camp cleaning and more minor earthmoving work.⁴⁶ Rio Tinto spends additional time working with enterprises to assist them to be able to improve their performances.

Types of incentives

Mandated procurement

- 4.52 When considering whether incentives should be provided to encourage successful businesses to work with new Indigenous enterprises, the Committee received a range of evidence around mandated procurement, selective tendering and preferential tendering.
- 4.53 Many inquiry participants consider that there is a role for governments in leading the way to provide more business for new Indigenous enterprises, through a process of mandated procurement, selective tendering or subcontracting.⁴⁷
- 4.54 A significant issue for most government departments who are subject to the *Financial Management and Accountability Act 1997* (FMA Act) is that they are bound to follow the Commonwealth Procurement Guidelines (CPG). Other authorities, such as IBA are subject to the *Commonwealth Authorities and Companies Act 1997* (CAC Act) which only requires them to follow the CPGs in a small number of specific circumstances.

45 Ms Cara Babb, *Transcript of evidence*, 12 September 2008, p. 44.

46 Mr Bruce Harvey, *Transcript of evidence*, 14 July 2008, p. 17.

47 Yunga Mine Services Pty Ltd, *Submission No. 34*, p. 1.

- 4.55 The CPG allow specification of conditions of participation on the following grounds only:

Conditions for participation must be limited to those that will ensure that a potential supplier has the legal, commercial, technical and financial abilities to fulfil the requirements of the procurement.⁴⁸

- 4.56 There are two exemptions in the Free Trade Agreement with the United States which relate to Indigenous business assistance. The first exemption is for mandated procurement which relates to government contracts for the health and welfare of Indigenous people and measures for their economic and social advancement.⁴⁹ The second exemption that allows for:

... the right to adopt or maintain any measure with respect to investment that accords preferences to any Indigenous person or organisation or provides for the favourable treatment of any Indigenous person or organisation.⁵⁰

- 4.57 IBA consider that a voluntary commitment to minimum procurement rates, rather than a legislated approach, is more likely to succeed initially. This is particularly so as the support needed for legislative change would be difficult to secure without strong evidence of the impact and support from business.⁵¹

- 4.58 Koorie Women Mean Business consider that during government contracting or tendering processes, contractual arrangements should be inclusive of an Indigenous business within their provision of services. This could ensure that a larger business, the successful tenderer, 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.⁵²

- 4.59 Mr Neil Willmetts proposed a detailed Indigenous Business Procurement strategy based on the following actions:

48 Commonwealth Procurement Guidelines, Division 2: Mandatory Procurement Procedures, sect. 8.16

49 US FTA, Chap 15, Sect 7 Schedule of Australia

50 US FTA, Annex 4-II(A) Australia's Reservations To Chapter 7 Trade In Services and Chapter 8 Investment.

51 Indigenous Business Australia, *Submission No. 58*, p. 14

52 Koorie Women Mean Business, *Submission No. 41*, p. 6

- setting aside contracts for Indigenous owned businesses such as those which serve a primarily Indigenous population;
- promoting joint ventures between Indigenous businesses and also Indigenous and non Indigenous businesses;
- encouraging successful non Indigenous contractors to subcontract Indigenous labour; and
- educating stakeholders about Indigenous business.⁵³

4.60 The NSW government has the *Aboriginal Participation in Construction Guidelines* which were introduced to expand Indigenous people's access to and participation in NSW government funded construction and related activities. The Guidelines are incorporated in the NSW Government Procurement Policy and apply to all government departments, statutory authorities, trusts and other government entities with the exception of state owned corporations.

4.61 The Guidelines are designed to:

- determine which projects are priorities for Indigenous participation;
- categorise such projects according to the extent to which Indigenous people will benefit from the completed project;
- include in tender documents specifications for both contractors and subcontractors regarding Indigenous participation;
- include Indigenous participation as a criterion for assessing the merit of tender proposals; and
- monitor and collect data on actual participation.

4.62 Some questions were raised about the rigour of the *Aboriginal Participation in Construction Guidelines*. Indigenous owned organisations told the Committee that they felt that their participation in tendering processes with companies was to enable the company to meet the obligation in the Guidelines rather than a genuine commercial opportunity.

There are companies that come and ask us to tender on construction jobs. It could take us up to three or four weeks to do a quote on a job. They just want us because they need to have a black company tender for it. It is not that they actually

53 Mr Neil Willmetts, *Submission No. 64*, p. 12

want us to do it. We are finding that Daryll is almost full time doing tenders and out of that we have got one job.⁵⁴

- 4.63 The issue of tendering for services in Indigenous communities was also raised. The Committee heard about several instances where a 'fly in fly out' crew were brought in from outside to build houses or schools, and local Indigenous people were not given the opportunity.⁵⁵ Tangentyere Council propose that, where governments are subcontracting to provide services to Indigenous people or communities that Indigenous enterprises be given preferential treatment where they are capable of fulfilling the contract.⁵⁶
- 4.64 Mr Ralph Addis, Chief Executive of the Wunan Foundation stated that the construction and maintenance industry is one that historically has very limited employment of local Indigenous people. Wunan has set up a construction and maintenance business where people can get a start and, in time, move off to form their own businesses and work for other contractors. They consider it will act as a stepping stone.⁵⁷
- 4.65 Countering these views, the Larrakia Development Corporation (LDC) does not consider there is a need for preferential procurement. They consider it a false premise which hinders the development of the business and creates animosity within the mainstream.
- Of the tenders that we have applied for, we have lost more than we have won, but the ones we have won we have won on our merit. The results speak for themselves: we are still there.⁵⁸
- 4.66 The Committee sees value in ensuring that Indigenous businesses have greater opportunity to compete for supply contracts to the Australian Government. However, the Committee also recognises that across all Government agencies and authorities, there will be different opportunities to utilise Indigenous businesses depending on an agency's location and their goods and service needs.
- 4.67 Accordingly, the Committee does not support mandating procurement levels at this time. It does support the introduction of a series of specified target levels of Australian Government procurement of goods and services from Indigenous businesses.

54 Ms Jenene Brown, *Transcript of evidence*, 25 July 2008, p. 37.

55 Mr Warren Mundine, *Transcript of evidence*, 25 July 2008, p. 47.

56 Tangentyere Council, *Submission No. 30*, p. 5.

57 Mr Ralph Addis, *Transcript of evidence*, 7 August 2008, p. 8.

58 Mr Greg Constantine, *Transcript of evidence*, 6 August, p. 42.

Agencies and authorities would then be required to nominate the target level of procurement according to their business type and location. This approach would ensure that each agency is individually challenged to maximise its Indigenous business procurement, rather than reducing all agencies to a minimum required level.

- 4.68 The Committee is also of the view that, where the Australian Government is procuring goods or services for Indigenous communities or in surrounding local areas (such as housing or other infrastructure), there is an expectation that every effort is made to maximise opportunities for Indigenous business participation.
- 4.69 The approach of a series of target levels will provide expanded market opportunities to Indigenous businesses. It will also provide greater opportunities for Indigenous businesses to compete for and participate in the supply of goods and services to their own communities. Further discussion of Australian Government procurement as part of an Indigenous Supplier Development Council is in Chapter 5.
- 4.70 In addition, the Committee recommends that Australian Government agencies and authorities report annually on their achievement against nominated target levels of Indigenous business procurement. Reporting this measure will assist in raising corporate confidence in the diversity of Indigenous businesses and their capacity to supply.

Recommendation 9

- 4.71 **The Committee recommends that the Australian Government establish a series of target levels of government procurement from Indigenous businesses, and require all Australian Government agencies and authorities to nominate a target level. The Committee also recommends that all Australian Government agencies and authorities be required to report in their annual report the procurement level from Indigenous businesses. Future consideration should be given to introducing an escalating series of mandated procurement levels over the next decade.**

Larrakia clause

- 4.72 The Committee wanted to highlight a strategy used by the LDC, which is based in Darwin. The LDC have developed a clause, referred to as the 'Larrakia clause', as a means to increase business opportunities and collaborations for Larrakia people.
- 4.73 The LDC approaches companies who are undertaking work in the Darwin area and invites them to include the Larrakia clause in any contracts that the companies let. This clause requires the successful tenderer to contact the LDC to check if any of the Larrakia or their subsidiaries have skills in those particular areas.
- 4.74 This clause does not mean that the LDC is a preferential tenderer but rather acts as a means for the LDC to be informed of possible business opportunities. The LDC or their subsidiary is still required to undergo the standard commercial tender process to compete to provide the goods or service.
- 4.75 The LDC will also contact the original company to provide feedback on whether they have gained any business opportunities as a result of the clause.
- 4.76 Currently the LDC has negotiated the inclusion of the clause in ConocoPhillips contracts as well as other major business partners working on the Darwin waterfront, at the residential community development of Lyons in Darwin and Defence Housing Australia.⁵⁹

Microfinance

- 4.77 The Committee received mixed evidence that microfinance and micro-enterprise development should be a component of any program to develop Indigenous enterprises.
- 4.78 Groups such as Rio Tinto supported the idea that there should be improved access to appropriate finance including microfinance as well as traditional avenues for business loans.⁶⁰
- 4.79 IBA reported that they offered a microfinance type of product for a period of time but found that there was a very high level of non compliance with the terms and conditions, and high non repayment

59 Mr Greg Constantine, *Transcript of evidence*, 6 August 2008, p. 43.

60 Rio Tinto, *Submission No. 43*, p. 6.

rates despite the fact that it should have been an achievable loan to those businesses.⁶¹

4.80 IBA undertook an analysis of micro-enterprise development in 2006 in order to consider how it might support a microfinance program. It found there had been various programs across the years which supported Indigenous micro-enterprises,⁶² and that many of these programs were unsuccessful.⁶³ IBA concluded that the most cost effective solution was for microfinance to be delivered through other microfinance providers.⁶⁴

4.81 Mr Glenn Brennan undertook a Churchill Fellowship in 2008 on the implementation of an Indigenous micro-enterprise development and loans program. His research found that a micro-enterprise development and loans program cannot compete with government grants that do not require repayment,⁶⁵ which was supported by the Darebin Enterprise Centre⁶⁶. He also stated that an Indigenous micro-enterprise development and loans program must:

- use the skills and expertise of community organisations to assist in finding Indigenous entrepreneurs;
- access existing government services to provide business training and ongoing mentor support; and
- engage the finance sector to provide business acumen associated with lending and loan management.⁶⁷

4.82 The Committee heard evidence from the Tjunga Australian Research Council project on a small micro financing arrangement on a low or no interest loan basis, with a longer repayment schedule which enabled the enterprise to be able to meet demand for product and invest in marketing.⁶⁸ Tjunga stated that:

Such arrangements need be considered for all new
Indigenous enterprise and would be, we argue, far more

61 Mr Craig Dalzell, *Transcript of evidence*, 19 June 2008, p. 5.

62 Indigenous Business Australia, *Submission No. 58*, p. 35.

63 Indigenous Business Australia, *Submission No. 58*, p. 36.

64 Indigenous Business Australia, *Submission No. 58*, p. 26.

65 Exhibit No. 12, Mr Glenn Brennan Recyclable Philanthropy and the pursuit of happiness.

66 Mr Bob Waite, *Transcript of evidence*, 14 July 2008, p. 27.

67 Exhibit No. 12, Mr Glenn Brennan Recyclable Philanthropy and the pursuit of happiness.

68 Professor Bobby Banerjee, Deirdre Tedmanson, Alan O'Connor, Dr Murray Muirhead, Christopher Talbot, Peter McDonald, Gary Lewis, Dennis Colson, Roxanne Colson and Bebe Ranzam, *Submission No. 66*, p. 14.

effective on any risk/benefit analysis and a better use of taxpayers dollars than providing little option for Indigenous peoples in remote communities than reliance on residual welfare.⁶⁹

- 4.83 The Committee heard anecdotal evidence about two small enterprises seeking a small amount of funding; a loan for a hairdressing enterprise in a remote community⁷⁰ and a loan for a 'slush puppy' machine on Galiwinku, an island north of Darwin.⁷¹ Both of these enterprises seem to fit into the category of micro funding or micro-enterprises and the Committee was interested to hear that one was able to get funding while the other one was not.
- 4.84 The Committee was told about the NAB \$18 million Micro-enterprise Loans Program. Its features include:
- Loans from \$500 to \$20,000;
 - Interest rate - 9.95% (fixed);
 - No fees;
 - Up to three years repayment period; and
 - 90 day access period is interest free.⁷²
- 4.85 The Committee recognises the gap in start up funding for micro-enterprises. In particular this gap impacts on remote area entrepreneurs and in sectors such as the arts where they have low capital or infrastructure costs, and the smallness of the loan required may exclude enterprises from other program funding.

Recommendation 10

- 4.86 **The Committee recommends that the Australian Government provide a program of funding, including micro-funding, with an emphasis on remote area enterprises, to enable entrepreneurs to establish cooperative enterprises, especially in the arts sector. The Committee recommends that Indigenous Business Australia in association with a corporate partner in the financial sector deliver this program.**

69 Professor Bobby Banerjee, Deirdre Tedmanson, Alan O'Connor, Dr Murray Muirhead, Christopher Talbot, Peter McDonald, Gary Lewis, Dennis Colson, Roxanne Colson and Bebe Ranzam, *Submission No. 66*, p. 14.

70 Mr Bruce Harvey, *Transcript of evidence*, 14 July 2008, p. 19.

71 Mr Craig Dalzell, *Transcript of evidence*, 6 August 2008, p. 33.

72 Exhibit No. 12, Mr Glenn Brennan Recyclable Philanthropy and the pursuit of happiness.

Joint ventures

- 4.87 In many cases business development on Indigenous land is constrained by lack of capital and/or expertise. These problems can sometimes be overcome by forming a joint venture between the Indigenous landowners and other parties that provide the required capital and expertise. A common motive for non-Indigenous involvement is to assist them to access Indigenous land, such as with mining which is discussed in more depth in this chapter.
- 4.88 The Equity and Investments program of Indigenous Business Australia brings Indigenous people and corporate partners together in a sustainable, commercial joint venture that provide for profit distribution, employment opportunities and asset accumulation to build the economic self sufficiency of Indigenous people.⁷³
- 4.89 IBA aims to enter into an investment and divest its interest to an Indigenous partner over time once they have the capacity to manage the investment in its own right. In this regard, having the correct structures in place is critical to the process of capability transfer to ensure IBA achieves this aim.
- 4.90 Joint ventures could provide an opportunity for tax savings. While in many cases the Indigenous shareholding organisation is income tax exempt, the non Indigenous shareholders are generally not. A reduction in income tax for non Indigenous investors and for the joint venture could encourage more development.

Venture capital

- 4.91 The venture capital industry provides risk capital for commercialising research, innovation and new business ideas typically developed by entrepreneurs. Venture capital is now a well proven model around the world and is a critical component of an innovative and entrepreneurial society.⁷⁴
- 4.92 Indigenous Capital Limited (ICL) was set up several years ago to look at providing high risk venture capital to Indigenous enterprises. ICL concluded that although it would be difficult, it would be feasible to set up trading businesses that could become sustainable.⁷⁵

73 Indigenous Business Australia, *Submission No. 58*, pp. 3-4.

74 Indigenous Capital Limited, *Submission No. 51*, p. 1.

75 Mr Roger Allen, *Transcript of evidence*, 25 July 2008, p. 24.

- 4.93 The model of venture capitalism proposed by ICL includes not only the provision of money but also the hands on support, discipline, mentoring and everything required for active participatory investment. They see their role as being the intersection between the corporate providers of capital and the Indigenous entrepreneurs.⁷⁶
- 4.94 ICL have currently funded a feasibility study and business plan with the Yalanji people, in the Daintree, for a tourism business with Indigenous tourism and culture. For this project to proceed, ICL will need to raise the venture capital funds which is proving to be a challenge.
- 4.95 The Minerals Council of Australia noted that while tax exemption to encourage venture capital is granted for specific emerging businesses, including a tax exemption for non residents, no clear venture capital opportunity exists to encourage Indigenous enterprise development.⁷⁷
- 4.96 Additionally, the Minerals Council considers that existing Australian Government venture capital programs, such as the Small Business Incubator Program, have application guidelines which are onerous and prescriptive. In addition, their eligibility criteria are too narrow to support the diversity of Indigenous enterprise development necessary to facilitate the development of real economic opportunities for a significant number of Indigenous people and communities.⁷⁸
- 4.97 The Australian Indigenous Chamber of Commerce proposed that there should be a tax exemption for Indigenous venture capital funds to encourage investment in Indigenous entrepreneurship by the entire Australian finance and investment community.⁷⁹
- 4.98 The Tjunga ARC project described an alternative form of venture capital existing within their research. They were approached by private philanthropic people who wish to provide a social investment for specific Anangu Pitjantjatjara Yankunytjatjara (APY) enterprises.

They are prepared to wait some time for return on their capital outlay, providing there is adequate support provided to the latent enterprise and evidence that there is social benefit which they believe will lead to and build economic

76 Mr Roger Allen, *Transcript of evidence*, 25 July 2008, pp. 23-4.

77 Minerals Council of Australia, *Submission No. 54*, p. 2.

78 Minerals Council of Australia, *Submission No. 54*, p. 2.

79 Australian Indigenous Chamber of Commerce, *Submission No. 50*, p. 7.

benefit. This type of social investment is we believe an untapped resource in Australian society.⁸⁰

Tax incentives

- 4.99 Within the current Australian tax system, there already exist a range of incentives to encourage the development of mainstream businesses. They include incentives for farming and mining, building and infrastructure development, research and development, and the film industry.⁸¹
- 4.100 Using tax reform as a basis for increasing economic activity is a suggestion often made by the business community. This suggestion can undermine the tax base required by governments to be able to provide the services at a level that the community may expect.
- 4.101 Participants in the 2020 Summit in April 2008 proposed the idea that to assist with Indigenous economic development, tax incentives and concessions could be provided to encourage higher levels of Indigenous engagement in private enterprise and entrepreneurship. Some groups and individuals cautioned that tax incentives and concessions need careful consideration because they do not always achieve the desired results.⁸²
- 4.102 On 13 May 2008 the Australian Government announced the review of Australia's tax system. The review is considering the current tax system and will make recommendations to position Australia to deal with the demographic, social, economic and environmental challenges of the 21st century. One of the areas that the review will consider includes enhancing the taxation of savings, assets and investments, including the role and structure of company taxation.⁸³
- 4.103 In the course of the inquiry, the Committee has received a range of evidence and opinions on possible changes to the current tax system which may assist in the development of Indigenous enterprises.

80 Professor Bobby Banerjee, Deirdre Tedmanson, Alan O'Connor, Dr Murray Muirhead, Christopher Talbot, Peter McDonald, Gary Lewis, Dennis Colson, Roxanne Colson and Bebe Ranzam, *Submission No. 66*, p. 13.

81 O. Stanley, *The potential use of tax incentives for Indigenous businesses on Indigenous land*, CAEPR Working paper no, 17/2002, p. 2.

82 'Options for the Future of Indigenous Australians, *Australia 2020 Summit Final Report* 2008, p 228, www.australia2020.gov.au accessed 13 October 2008.

83 <http://taxreview.treasury.gov.au> accessed 13 October 2008.

- 4.104 AIATSIS consider that the question of tax based development models arises on three levels: tax and welfare for individuals in Indigenous communities; legal entities for Indigenous business activity and appropriate corporate structures for Indigenous economic development; and tax incentives to encourage investment and increase access to capital.⁸⁴
- 4.105 The Australian Indigenous Chamber of Commerce proposed a range of extensive tax reforms to assist with the development of Indigenous enterprises:
- There is little or no culture of saving and capital accumulation in poor communities and tax incentives must be combined with an educational campaign to encourage Indigenous people to save through tax deductible deposit accounts or invest in income producing assets;
 - A new form of Indigenous Business Corporation could receive tax breaks and have access to an Indigenous business fund which could be funded from the tax deductible deposits used to encourage Indigenous savings;
 - Micro banking could be reviewed to investigate its potential for Indigenous communities and businesses;
 - Amendments to tax laws are needed to clear up the status of payments under native title agreements;
 - The tax system should be used to provide a financial incentive for the use of Indigenous subcontractors with double tax deductions for non Indigenous contractors who employ or contract with Indigenous contractors;
 - Tax exemption for Indigenous venture capital funds to encourage investment in Indigenous entrepreneurship by the entire Australian finance and investment community; and
 - Full tax deductibility and tax incentives for all Indigenous education and job hunting expenses to encourage education and employment.⁸⁵
- 4.106 IBA is of the opinion that tax incentives do not tend to achieve the desired effect as they are often overly complex, open to exploitation and can send the wrong signals about the competency of Indigenous enterprises. Further, such incentives do not necessarily assist Indigenous Australians to own assets or generate wealth, so longer-

84 AIATSIS, *Submission No. 26*, p. 5.

85 Australian Indigenous Chamber of Commerce, *Submission No. 50*, pp. 6-7.

term Indigenous economic assistance would not necessarily be achieved through such a mechanism.⁸⁶

- 4.107 Several groups suggested the use of a tax credit or rebate.⁸⁷ Mr Neil Willmetts suggested introducing taxation reforms which lower the 30 per cent company tax rate for Indigenous owned businesses to 10 per cent for the first three years of their start-up.⁸⁸
- 4.108 Mr Bill Moss AM from Gunya Australia, proposed an Indigenous Economic Development Scheme which would provide:
- A tax credit on initial start up investment with the initial (start up) investment capital considered expenses in that financial year;
 - Initial capital cost i.e. all start up expenses will be subject to a 150 per cent tax credit, paid the year in which they are incurred; and
 - Operating losses for the first 5 years will be subject to a 150 per cent tax credit, paid the year in which they are incurred.⁸⁹
- 4.109 The Committee has seen that there is a range of opinions about the merit of tax reform to assist developing Indigenous enterprises. They consider that Indigenous businesses do need some support, during the development phase and a reduction in company tax over a specified time could provide this. The Committee considers that any taxation relief support would need to be simple.
- 4.110 The Committee has not examined in detail the appropriate rate of a proposed tax reduction. Consequently it does not specify that any rate of reduction to be provided, only the Government consider through the review of the taxation system whether the taxation system has a role in encouraging Indigenous start up business.

Recommendation 11

- 4.111 **The Committee recommends that the Australian Government as part of the current review of Australia's taxation system include consideration of how to encourage Indigenous start up business through the taxation system.**

86 Indigenous Business Australia, *Submission No. 58*, pp. 14-15.

87 Rio Tinto, *Submission No. 43*, p. 5.

88 Mr Neil Willmetts, *Submission No. 64*, p. 14.

89 Indigenous Economic Development Scheme, <http://www.globalfoundation.org.au> accessed 13 October 2008.

The role of Indigenous Chambers of Commerce

- 4.112 The role of Chambers of Commerce is to represent the interests of business at a local, state and national level and they have played a significant part in the shaping of Australia, not only in economic but in social terms. Few mainstream Chambers of Commerce have however, promoted the importance of Indigenous people being in business, or have advocated for their specific business development needs.⁹⁰
- 4.113 The Committee heard from a range of Indigenous Chambers of Commerce. The South East Queensland Indigenous Chamber of Commerce, the Australian Indigenous Chamber of Commerce,⁹¹ the Mandurah Hunter Indigenous Business Chamber Inc⁹² were all strong supporters of Indigenous business and the role that Indigenous Chambers of Commerce could play in helping them succeed.
- 4.114 A roundtable of Indigenous business owners and support organisations in Brisbane highlighted to the Committee the role that the South East Queensland Indigenous Chamber of Commerce plays in supporting them as Indigenous business owners.⁹³ This view was contrasted by a micro-enterprise operator who considered that the value of Indigenous-only organisations such as Indigenous Chambers of Commerce is extremely limited. Guurrbi Tours suggested they provide moral support, but do not help people move forward.⁹⁴
- 4.115 The Northern Territory (NT) is also considering an Indigenous Chamber of Commerce. The Committee was told it would be appropriate to have an Indigenous chamber of Commerce as the NT has a 30 per cent Indigenous population.⁹⁵
- 4.116 The Australian Indigenous Chamber of Commerce is a newly formed organisation, stemming from the 2020 Summit. They envisaged a group that could:
- liaise with government;

90 Mr Neil Willmetts, *Submission No. 64*, p. 9.

91 Australian Indigenous Chamber of Commerce, *Submission No. 50*.

92 Mandurah Hunter Indigenous Business Chamber Inc, *Submission No. 68*.

93 Roundtable discussion, *Transcript of evidence*, 9 September 2008, pp. 48-66.

94 Guurrbi Tours, *Submission No. 2*, p. 1.

95 Ms Sarina Jan, *Transcript of evidence*, 6 August 2008, p. 71.

- play a role in promoting trade and commerce between Indigenous and non Indigenous Australians and businesses;
 - advance Indigenous entrepreneurship;
 - commission research into Indigenous economic policy and social outcomes;
 - promote excellence in Indigenous economic policymaking and research;
 - promote business to business mentoring, dialogue and networking opportunities between Indigenous and non Indigenous Australians; and
 - represent and advance the interests of Indigenous business.⁹⁶
- 4.117 Ms Sarina Jan proposed a model of mandated procurement through an Indigenous Chamber of Commerce. She proposed that government agencies could allow an Indigenous Chamber of Commerce and Industry to project manage tenders under \$50 000 in Indigenous affairs and make it competitive for their members. If the Chamber cannot find the competition there, they put it out to tender further. This would provide a start for an Indigenous business and would also ensure that the Indigenous Chamber of Commerce would instil quality standards and controls.⁹⁷
- 4.118 Similarly Mr Charles Jia claimed that while there are many government services and programs to establish Indigenous businesses, there is not much done to assist them to continue to develop their business after set up.⁹⁸
- 4.119 An Indigenous business owner reported that most assistance time offered by government agencies was spent in negotiating IBA loan requirements.⁹⁹ Inquiry participants identified a need for follow up mentoring and training, building management, planning and financial knowledge, as well as networking, marketing and negotiation skills necessary to win contracts and new clients.

96 Mr Warren Mundine, *Transcript of evidence*, 25 July 2008, p. 33.

97 Ms Sarina Jan, *Transcript of evidence*, 6 August 2008, p. 71.

98 Mr Charles Jia, *Submission No. 18*, p. 1.

99 Mr David Potter, *Transcript of evidence*, 14 July 2008, p. 40.

Indigenous business awards

- 4.120 Many participants in the inquiry focussed on the Indigenous businesses that are already out there and how these businesses are quietly going from strength to strength. They considered that there should be more done to raise the profile of successful Indigenous businesses.
- 4.121 Indigenous business awards used to take place in Western Australian¹⁰⁰ and still take place in NSW.¹⁰¹
- 4.122 The Committee considers that awards such as these would be a valuable networking and celebration opportunity to showcase Indigenous business owners. The Committee considers this an important step in the development process of Indigenous enterprises as well as recognising the critical role that small business plays in employment.
- 4.123 Indigenous business awards would bring attention to the spectrum of Indigenous businesses that are currently operating. The Committee was impressed with the Indigenous Governance Awards, run by Reconciliation Australia in partnership with BHP Billiton, especially the focus on Indigenous enterprises.¹⁰²
- 4.124 Mr Neil Willmetts suggested tabling a report in Parliament detailing Indigenous successes.¹⁰³ While this approach has merit the Committee considers an awards ceremony would bring an element of celebration and recognition which is an important factor in the development of greater numbers of Indigenous enterprises.

Recommendation 12

- 4.125 **The Committee recommends that the Australian Government fund biennial Indigenous business awards, similar to those held in New South Wales and previously in Western Australia.**

100 Ms Sarina Jan, *Transcript of evidence*, 6 August 2008, p. 72.

101 Aboriginal Employment and Business Awards, <https://www.det.nsw.edu.au>, accessed 13 October 2008

102 Ms Barbara Livesey, *Transcript of evidence*, 25 September 2008, p. 19.

103 Mr Neil Willmetts, *Submission No. 64*, p. 8.