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The Secretary of the Committee

Dear Sir or Madam

Inquiry into Developing Indigenous enterprises

RECEIVED
07 AUG 2008
BY: ATSLA

I noticed with interest the above Inquiry related to the opportunities for Aboriginal and Torres Strait Islander people to grow small and medium size businesses.

Harlequin Consultants-Overview

As the Director of an independent Registered Training Organisation, and Business Consultant, I have had more than 15 years experience working with Indigenous individuals and Communities.

This work has been with ATSIC, the Department of Commerce and Trade, Indigenous Business Australia as a Preferred Service Provider and Business Trainer under their Workshop Services Contract, Community Development Organisations, various Detention Centres, Schools and Job Network Agencies

I have also provided Business Training to over 5,000 people as Participants in the Federally funded New Enterprise Incentive Scheme over the last 18 years. In the last two years our NEIS Clients have had a success rate after 15 months of 94%. Some of these have been Indigenous Clients, assisted by NEIS with a top up level of training and Mentor support from IBA.

I have worked in many parts of Australia, in regional, rural and very remote areas, and have been accepted into remote Communities and given the honour of acceptance by traditional Communities in the provision of a "Skin name". The businesses types and industries are very diverse and include tourism, the arts, catering, training, agriculture, consultancy, manufacture.

I consider that I have gained a reasonably good understanding of the issues facing Indigenous people wishing to enter into self employment or operating a commercial enterprise and have a good understanding of the extremely valuable programs IBA provide

I have witnessed first hand on several occasions abusive behaviour, misuse of illegal substances, family violence and obvious despair by some Aboriginal people over their seeming entrenchment in a lifestyle of poverty and abuse.

I do not presume to be able to offer easy solutions to these problems.

However I have also seen many achievements and encouraging life style improvements that are predominantly brought about by the assistance offered by agencies such as Indigenous Business Australia and believe that education and training must be a priority in the quest to achieve overall lifestyle improvements amongst Indigenous people.

There are still significant opportunities in tourism and utilisation of particular skills possessed by Indigenous people that have not yet been developed into an employment or commercial venture. For example, health and dietary standards of Indigenous people remains poor, but use of traditionally owned land for agriculture purposes appears to be unusual.

Many of the IBA Clients with whom I have been associated, have been very successful and quite dramatically changed their life style through self employment and has frequently occurred as a direct result of IBA assistance.

IBA provide excellent support services, I have found their policies to be carefully researched and implemented to achieve maximum outcomes to their Clients in a cost effective manner. I believe that opportunities definitely exist in the development of far more commercial enterprises, particularly in some of the remote Communities.

Attachment and importance of their country is a fundamental importance to the majority of the Clients I have worked with.

In many remote areas employment options are limited. The development of a business on a local basis provides employment to themselves and family, extends local services and products to others in the Community. Wealth is generated within the Community, and young people can be provided with role models and employment opportunities without having to leave the area. Self esteem levels are also increased.

Women in Communities are often the initiators of a business concept. I have noticed that since the proposed removal of the CDEP Programs, many senior Community women have expressed their wish to achieve financial independence and dispense with Government income support and are now actively seeking business opportunities.

Training and Mentor Support

I strongly believe that intensive and comprehensive training and education is absolutely essential to support any business venture. This is particularly important with Indigenous Clients who may not have been involved previously in a climate of business. Skills transference is imperative. Support from professionals and advisors are usually important initially, but with effective tuition the business owners should gradually take on the majority of business management and operations. It is counter productive to provide loans or grants without ensuring the skills are present to manage funds.

Long term reliance for all aspects of business administration from outside sources and consultants tends to reduce the Proprietors sense of ownership or incentive to operate the business. Ignorance of such financial or operational issues may also lead to misuse of business funds by outside persons.

If the business proprietor does not have a good understanding the overall business operations the business will generally not flourish and grow. Training methodology and frequency must be suitable for the target Clients, first identifying their precise needs.

Workshops can sometimes only be effective when delivered to small groups with a specific business concept. Clients may not be prepared to communicate their business proposals with non family, even within the same Community.

Mentor support is generally vital to all new businesses, especially Indigenous business where other networks or sources of support may not be present. Mentor support may be required for the first two years of business operations or longer if the business is experiencing change or significant growth.

IBA policy has evolved since its inception and the joint arrangement of IBA qualified economic development and other staff members in conjunction with outside, experienced consultants results in a well balanced, effective level of service.

Clients assisted by IBA have the choice of this range of IBA contracted Consultants to chose to work with. Although funded by IBA, the Client's ability to select the Provider with the most suitable experience, knowledge and with whom they can develop a good working relationship is important.

The needs of Indigenous persons operating a business can vary considerably from non Indigenous business operators, and advisors and agencies must have the relevant skills, knowledge of both business and cultural/ family issues to be effective in the provision of training and consultancy services. Clients applying for finance are frequently not able to manage the processes or requirements of the mainstream lenders.

Liaison with Non Indigenous Businesses

I am aware of several instances of support and involvement provided to Indigenous businesses by non Indigenous controlled business but would certainly like to see an expansion of this involvement and feel it should be encouraged.

In recent years IBA has entered into agreements with some of the mainstream financial lenders to assist Indigenous business development- an example of input by non Indigenous commercial organisations

My Company is in fact currently conducting research into Indigenous business sub contract arrangements with mining and other private and Government organisations in the Pilbara Area.

IBA have funded this program which will involve their newly appointed Senior Economic Development Officer who has dedicated responsibility for the Pilbara area. The Office of Aboriginal Economic Development and the Pilbara Development Commission are also contributing to the initiative.

Several Pilbara based non Indigenous companies have already expressed their interest in encouraging Indigenous sub contract arrangements and have dedicated staff members appointed to assist with such issues.

The study will involve detailed research on the potential contracts available, barriers to Indigenous business sub contract arrangements, gathering information from potential Contractors re their requirements and opportunities available.

It will consider those Indigenous Organisations already involved in sub contract arrangements to better comprehend their experiences, and survey Indigenous Organisations wishing to embark on such contracts.

The study will involve over 70 respondents located in the Pilbara area, culminating in the final report presented to IBA in October 2008.

This data will be very important to effectively plan and develop innovative and relevant training and extra support services to Indigenous Business in the area.

IBA is already involved in highly successful training programs to encourage participation and provide understanding of business opportunities.

In WA IBA has already committed to the provision of 7 one day Workshops in September alone. Entitled "Introduction to Business" they are designed to encourage and inform participants re their suitability for self employment, and gain a good understanding of the issues that must be considered prior to business commencement, how to develop a business concept, and support available.

The Participants are also encouraged to progressively make the decision to move away from CDEP support into either employment or self employment.

Summary

We would recommend that there is significant potential to extend the opportunities for Indigenous enterprises. This can be achieved by the continuation and expansion of practical programs such as provided by IBA which have significant records of achievement.

These Programs must be flexible enough to meet the needs of Indigenous people over a wide range of diverse geographical locations and cultural practices.

There has already been considerable success, much more is needed still. I have been fortunate to work with highly motivated, hard working Indigenous people involved in business, plus very dedicated IBA and other Government Agency staff.

It is regrettable that generally stories of failure tend to be circulated and reported in the media far more than success stories. Organisations such as IBA often are the subject of criticism without any balance or recognition of the excellent work they do. There will always be Clients who feel they deserve more funding, assistance etc. They should not be interpreted as representing all IBA support recipients.

New methods of appropriate business support should be the subject of ongoing research and development, publicized, and made readily available to eligible persons.

We are currently working with a major Australia Wide Job Network Agency considering plans to establish "Social Enterprise Programs for long term unemployed, migrants and Indigenous unemployed persons. This project will provide training and support to its Clients in a completely different manner from the traditional employment services option, but self employment will be an important option for Participants.

Increased communication between the agencies involved is also important to develop common goals and attempt to avoid duplication of funds and efforts. We hope to involve IBA in this venture.

I hope that these comments may be of use, and would be very pleased to provide any further information or assistance should this be of benefit to this inquiry. We sincerely hope that IBA will continue in its valuable work to promote and assist Indigenous business and as private Consultants highly value their flexible and innovative response to the needs of our joint Indigenous Clients.

I am also enclosing a copy of an informal update we sent to IBA some months ago "Brag Bag" This may provide a little more insight into some of the IBA Client achievements.

I can be contacted on telephone 08 9242 7575 or mobile 041 222 4347 and appreciate the opportunity to make this submission

Julie Richardson

Director

Harlequin Consultants Pty Ltd.

6 August 2008

On my way back from Port Hedland after completing the last IBA Mentor visit to Phil Dhu before Gumula take over this responsibility, it occurred to me that we often dwell on the difficult, less successful aspects of our roles in providing business support to Aboriginal Clients so decided to send you just a potted overview on some of the SUCCESS stories!

Hope you have a great Monday and gain a little encouragement from this!

BRAG BAG!!

It is so easy to be negative and dwell on failures, wonder how effective we are being, and perhaps forget the achievements of many of our wonderful IBA assisted Clients so we thought it was time to remember and acknowledge the success that many of our Clients have achieved.

The following five businesses represent just some of the Aboriginal people that Harlequin has had the privilege to work with recently through IBA.

IBA help has been absolutely fundamental in the development of these enterprises.

We do admit to a certain amount of boasting on behalf of these Clients but feel that it is well warranted!

They clearly portray enormous passion and determination to achieve their goals and overcome the many issues that can be particularly daunting for Aboriginal people entering into small business.

Phil Dhu-Total Development (Aust) Pty Ltd

The thought of starting and maintaining a Nationally Accredited registered Training Organisation in Australia is enough to make even the most experienced Trainer quail but this is exactly what Phil Dhu has done. A man living and working in the Pilbara town of Port Hedland in the mining industry, Phil has very recently achieved Training Accreditation Council approval to provide fully accredited training programs in the Metalliferous and Open Cut Mining safety and heavy equipment operations.

Phil originally commenced his business management training in 2006.

His case is a great example of joint assistance from IBA and also the Gumula Aboriginal Corporation who through their Business Development Program for its members used Phil's situation as a model for the commencement of business finance support. Setting up an RTO is expensive and Gumula has liaised closely with Harlequin to look at the best methods to support the business. It has now helped in the provision of funds for TACS registration and audit costs, stationery and printing and intends to assist with the costs of long term mentoring and record keeping support taking over this role from IBA now that IBA Mentor support has been completed this month.

What a great example of two organisations working together to achieve the same goal.

Steve Reid-Qwik Signs

Getting a \$29,000 IBA loan in 2007 to take over an ailing sign writing business was one of the first hurdles Stephen faced when he decided to give up his Police Force job and concentrate on self employment. With the support of his wife Abbi, Stephen has built Qwik Signs from a break even situation to a substantial and profitable business. The sales last month grew to over \$20,000 –in just one month and thanks to careful planning, high quality of work and diligent management, Steve and Abbi now have a profitable and respected business and a potentially secure long term future for themselves and their young son. Their plans to buy their own house in the near future.

Stephen and Abbi underwent business and financial training, developed their business plan, received financial and business mentoring and have been helped by IBA on two occasions with loans, the set up and subsequently to purchase extra equipment.

Kerriane Cox Musical Performer and Songwriter-Beagle Bay

At Harlequin we often joke that making capitalists out of artists is one of our biggest challenges.

Kerriane was no exception but was determined to understand and deal with the dreaded tax and day to day management of her business correctly. Kerriane is now an established and well know musical artist. She has 3 CD's
Kerriane Cox-Musical Performer and Songwriter, her passion is the music industry and helping her Community as a role model and mentor.

We first started working with Kerriane in 2005 through IBA Broome, to provide business management marketing and financial training. Last year she came back to IBA for further help to re her business administration. Through her web site, word of mouth and personal performances, Kerriane is well established in the musical world. She tours throughout Australia and overseas. Her gigs have taken her to South Africa, America and in Australia from the Blue Mountains to Nannup in SW of W.A>

She is a strong role model and also provides Cultural Consultancy.

Kerriane was born and lives in the remote Beagle Bay Community north west of Broome.

Kiva Beauty Salon-Broome

Another Broome based success storybased is the Kiva Beauty Salon who sub leases the premises from Moonlight Bay.

Narelle and Rachael started the business when both in their early 20's. With no business knowledge but lots of passion and solid training and experience in the beauty industry, they were able to borrow \$15,000 from IBA to start Kiva. The previous Salon was losing money, outdated and need a total make over itself. After 3 yrs they now have four employees, last year in several months doubled the turnover of the previous year.

There are still challenges ahead, Rachael is expecting her second baby and the business plan has been revisited to allow for the expansion and review of Partners involvement, but these two young girls have demonstrated that their ability and determination to make a success of a highly cyclical and demanding business. IBA has provided a second round of Mentor support to help with the review of the business operations, including proposed computerization of all client bookings, stock control and financial recording functions.

This second round of support is frequently a valuable and vital form of assistance once the business has been established, is growing and need evaluation and needs to consider extending management skills to deal with a different range of management issues.

The standard of services, customer relations, and salon presentation is considered to be superior to any other such establishment in the area. 80% of their customers are long term and locally based.

His and Hers Handy Worx

Tracey Spanbroek and Matt McGuire have always been handy and loved doing up houses.

This hobby has been developed into a great new business providing maintenance and repairs to buidlers and domestic customers across Perth suburbs.

Recent contracts with builders have been maintained and new opportunities constantly sought. These include the installation of new concept introduced recently to provide pavement hazard warnings to the visually impaired has provided a unique and highly profitable income source.

Matt and Tracey received business and mentor support from IBA. They initially did their training with the New Enterprise Incentive Scheme and received top up training and extended Mentor support from IBA, again a very effective way to utilise other forms of support to small business without duplication of effort/funds. Tracey and Matt are set to achieve a turnover well in excess of \$100,000 this financial year. They have paid off all outstanding loans and debts and are now financially secure.

Julie Richardson
Harlequin Consultants