



Australian Government
Indigenous Business Australia

4 June 2007

Dr Ian Holland
Committee Secretary
Senate Environment, Communications, IT and the Arts Committee
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Dr Holland

Thank you for your invitation for Indigenous Business Australia (IBA) to make a submission to the Senate Standing Committee on Environment, Communications, Information Technology and the Arts and your letter of 11 May 2007 seeking responses to a number of specific questions arising from the Committee's deliberations.

Background

Indigenous Business Australia was established by the *Aboriginal and Torres Strait Islander Commission Amendment Act 2001*. Its legislative charter requires that IBA act commercially and assist Indigenous Australians to achieve self sufficiency. IBA achieves this by delivering business assistance to Indigenous Australians through its Business Development Programme, known as IBA Enterprises and its Investment Programme, known as IBA Investments. As well, home ownership assistance is offered through its mainstream Home Ownership Programme, known as IBA Homes, and its new Home Ownership on Indigenous Land Programme, known as Community Homes.

IBA Enterprises aims to provide Indigenous people with skill development services and alternate funding products to achieve greater independence from Government and improve business management capabilities. The programme provides eligible Indigenous applicants with a range of funding products for the acquisition, establishment and /or development of commercially viable small to medium sized enterprises that have demonstrated, or have the potential, to achieve long-term commercial viability.

IBA Investments makes business investments directly, often through joint venture arrangements with expert industry partners and Indigenous Australians. The investments programme has successfully drawn together Indigenous Australians and the private sector into sustainable business relationships that enable profit sharing

and asset accumulation, and generate employment opportunities, while building capacity and skills of its Indigenous partners.

Committee Questions

I would like to offer the following comments in relation to the specific questions you raised in your letter of 11 May 2007.

1. *IBA's annual report makes little mention of support to art centres. Do you provide any direct support to art centres through, for example, the education and training of art centre managers?*

IBA Enterprises can support Indigenous people wanting to develop businesses, or access business development training and support, in a range of sectors including the arts. However, in line with its commercial charter, IBA does not provide grant support to organisations or provide general education and training of art centre managers.

2. *Does IBA provide direct support for the training of Indigenous artists?*

Where Indigenous artists are seeking to establish a commercial enterprise they can seek business development training, and business planning and mentoring support through IBA Enterprises.

3. *At what point was the decision made to cease providing funding support to Creative Economy's Indigenous Creative Business Development Programme? Can IBA explain why this funding was curtailed?*

Indigenous Business Australia has supported Creative Economy in the past with significant funding to provide arts business support and business management training to Indigenous artists. Under this arrangement, Creative Economy was funded under a mobile business hub model where outreach services in business development assistance and mentoring were provided to regional and remote clients in creative arts industries across several states rather than on a fee for service basis, as well as funding on a case by case basis to provide services to individual clients. After evaluating the outcomes relative to the money invested, IBA considered that the outcomes were insufficient to warrant continued funding. Originally funded from two other sources which ceased, IBA was not able to support the increased costs sought by Creative Economy.

This decision does not preclude individual clients from approaching IBA directly for business support. Also, Creative Economy remains one of IBA's preferred service providers, to whom IBA refers clients for the potential provision of one-on-one business support.

4. *Does IBA see any currently existing over-arching strategies for improving the business practices of art centres and the Indigenous arts industry more broadly? Has IBA produced any analysis of the Indigenous arts industry and how IBA could provide assistance?*

The Indigenous arts sector provides enormous potential for commercial development involving Indigenous ownership and control of businesses. IBA is aware of the need

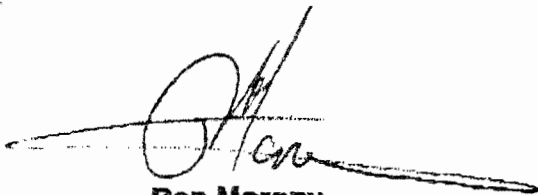
for an over arching strategy for improving the business practices of art centres and the Indigenous art and craft industries more broadly.

In order to avoid a piece meal approach, IBA is currently considering how it can take a strategic approach to supporting commercial development in this industry. In the absence of industry specific funding to support this industry, IBA must operate commercially. However Indigenous artists can, and do, access IBA Enterprises business support and development assistance.

Indigenous Business Australia can also provide innovative commercial solutions to community enterprises where there is a desire to achieve commercial viability, such as has occurred with Outback Stores, a subsidiary company of IBA. Under this model the commercial viability of community stores is secured through improved management, supply chain logistics and infrastructure. The model also provides for the transference of business and financial skills necessary to run an effective business.

Thank you for considering our views. Please direct any further inquiries to Ms Kaely Woods, Assistant General Manager Partnerships on ☎ 02 6121 2610.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Ron Morony', with a long horizontal line extending to the right.

Ron Morony
General Manager