

Mr John Carter
Secretary
Senate Employment, Workplace Relations,
and Education References Committee
S G 52
Parliament House
ACT 2600
(eet.sen@aph.gov.au)

Dear Mr Carter

INQUIRY INTO SMALL BUSINESS EMPLOYMENT

ATSIC would like to thank the Senate Employment, Workplace Relations, and Education References Committee for the opportunity to express an Indigenous view on the possible impediments to employment growth, including government regulation, in the small business sector.

Attached is ATSIC's final submission.

If you require any further assistance, do not hesitate to contact Mr Brian Stacey, Manager, Land & Development Branch: on (08) 8944 5530 or brian.stacey@atsic.gov.au.

Yours sincerely

Mick Gooda
Ag Chief Executive Officer

16 October 2002

Cc Margaret Blood
Principal Research Officer
(Margaret.blood@aph.gov.au)

**ABORIGINAL AND TORRES STRAIT ISLANDER COMMISSION (ATSIC)
FINAL SUBMISSION**

INQUIRY INTO SMALL BUSINESS EMPLOYMENT

Senate Employment, Workplace Relations and Education References
Committee

Introduction

Thank you for the opportunity to participate in the Inquiry into Small Business Employment and put forward an Indigenous perspective.

The Senate Employment Workplace Relations and Education References Committee (the Senate Committee) is undertaking an inquiry into the effectiveness of Government regulation on small business and its capacity to employ more Australians.

Whilst the Terms of Reference (TOR) do not include specific reference to Indigenous small business and employment, ATSIC believes that this is a major area of concern in the current economic climate.

Additional information on some of the initiatives that ATSIC has been pursuing collaboratively with other government agencies and the corporate sector is included.

Business could play a key role in the reconciliation process and help reduce disadvantage among Indigenous Australians. The rural sector has been the most active in developing joint ventures with Indigenous communities. While such partnerships proved successful in breaking the cycle of welfare dependency in Indigenous communities, progress towards achieving more collaboration between business and Indigenous peoples has been slow. Experience in the United States, Canada and New Zealand shows that business development can play a major role in Indigenous community development.

Australia's Indigenous businesses number approximately 800. This figure is obtained by Indigenous businesses accessing ATSIC's programs. These figures do not include Indigenous businesses that access funds through other avenues. Comparing these figures internationally shows that Indigenous small business is important to the development of communities. In Canada there are approximately 20,000 Aboriginal small businesses. These businesses participate throughout the economy in a range of regions (rural, remote and urban).

Terms of Reference

- 1. The effect of government regulation on employment in small business, specifically including the areas of workplace relations, taxation, superannuation, occupational health and safety, local government, planning and tenancy laws.**
- 1.1 It is difficult to ascertain the level of Indigenous involvement in micro or small businesses. There are a raft of reasons for this situation, however, one of the most common causes which appears to be unique to Indigenous peoples and business, is that Indigenous peoples do not affiliate with outside organisations (e.g. the Australian Chamber of Commerce and Industry). As a rule Indigenous peoples either participate in businesses using a communal approach (e.g. community store) or operate as sole traders or incorporated Indigenous organisations. This is different from the general population, including people newly arrived to Australia, who will participate in outside organisations.
- 1.2 Indigenous businesses can range from sole traders, partnerships to corporations in micro, small, large or multi-national businesses. We can only provide general information on entities that have obtained business funding from ATSIIC. Therefore ATSIIC's data is narrow and any reference to wider data is anecdotal.
- 1.3 Opportunities for Indigenous peoples to follow the traditional path to owning their business (working in a specific industry, acquiring the relevant knowledge and experience and then starting their own business) are limited. Many Indigenous peoples go from being unemployed to being self-employed.
- 1.4 Depending on the area, English may not be the first language of many Aboriginal and Torres Strait Islander peoples. Other factors such as remoteness also impact on Indigenous peoples' capacity to participate in small business. For example, access to and participation in education can be limited, resulting in low levels of literacy and numeracy.
- 1.5 Government regulation in this environment creates many other obstacles. Exposure to occupational health & safety, workplace relations, taxation and superannuation regulatory environments have, too often, been limited. Regulatory information is often difficult to access, and many Indigenous peoples find that they only gain the relevant data following their failure to comply.
- 1.6 Matters such as calculation of taxes – including GST and PAYE – become extremely difficult when information is not easily accessible and assistance in preparing required returns is limited. Information for

the broader community is usually available in a variety of languages, but it is extremely rare to find such information available in Indigenous languages. Interpreter services for Indigenous peoples are ad-hoc and usually have a high cost attached, free services only being provided for legal proceedings and health support.

- 1.7 For example, ATSIC provided a range of additional support services for the financed Indigenous business portfolio upon the introduction of the GST to ensure that the client base was informed and concurrently supported that information flow with access to accountants to assist in their GST implementation.
- 1.8 The lack of easily accessible, easily comprehended information, at all levels of Government, increases the burden on those new to business.
- 1.9 ATSIC currently provides a Business Development Program (BDP), including a Business Facilitation Scheme (see background at Attachment A for further information on BDP and its related facilities) to assist Indigenous Australians enter the business industry. Whilst this program has, to date, been extremely successful and has delivered vital support to business operators, there is clearly a need to either rationalise or increase the flexibility of the regulatory environment. See 4.9 below for more detail on ATSIC's business program.
- 1.10 In many instances ATSIC has had to develop training and information/awareness packages to assist Indigenous small business operators to understand new legislation and regulatory requirements. A case in point was the extensive training and information packages developed for ATSIC business clients to understand the implications of the Goods & Services Tax (GST). It is not ATSIC's role to fund and provide such information. Even so, ATSIC was aware of the critical need to ensure their clients (that is, small business operators who had received funding from ATSIC) gain a comprehensive knowledge and understanding of their obligations in this regard.
- 1.11 ATSIC understands the need to have a regulatory environment, and acknowledges that in many instances such regulations provide a vital framework for success. However, it is clear that there needs to be much greater integration of the varying requirements at the local, state/territory and commonwealth government levels, to ensure consistency, to avoid duplication, and increase the capacity of Indigenous peoples to participate in small business. There is also a need to assess the current regulatory regimes across the country to ensure their validity and to develop a framework that provides timely, accurate advice to all business operators – large and small – when regulations and/or legislation changes, are implemented, or ceased.
- 1.12 Many Indigenous organisations are incorporated under the *Aboriginal Councils and Associations Act, 1976* (the Act) through the Office of

Registrar of Aboriginal Corporations (ORAC). The Act was set up to help Aboriginal communities become incorporated and self-sufficient, and includes all reporting requirements. However, some sections of the Act refer to other legislation such as the *Corporations Law Act*. Indigenous Corporations are also incorporated with a set of rules, and reporting requirements are clear. Other legislation that Indigenous Corporations may have to comply with relate to the funding bodies and their requirements for Corporations.

2. The special needs and circumstances of small business, and the key factors that have an effect on the capacity of small business to employ more people.

- 2.1 Aboriginal and Torres Strait Islander communities vary greatly across the country politically, socially, materially, geographically and economically. All aspects of infrastructure mirror this diversity.
- 2.2 On 30 April 2001, ATSIC made a submission to the Joint Standing Committee on Foreign Affairs, Defence and Trade, Trade Sub-Committee Inquiry, '*Enterprising Australia – planning, preparing and profiting from trade and investment*', a copy of the report was provided to the Senate inquiry into Small Business Employment at ATSIC's hearing. In this submission ATSIC described the key impediments to investment and trade together with solutions to these impediments. Also at the Senate hearing, ATSIC provided copies of Dr Ian Manning's report, '*Regional Income Taxation in Australia*', Dr Owen Stanley's report on '*Aboriginal Communities and the GST in the North*' and Dr Owen Stanley's paper prepared for the Banking and Finance workshop on tax incentives. See 4.7 below for more detail on tax incentives.
- 2.3 Other issues that ATSIC believes need to be addressed which are problems specific to Indigenous peoples, include:
 - ◆ Social issues;
 - ◆ Access to finance;
 - ◆ Security on inalienable land;
 - ◆ Attracting outside investors onto Aboriginal held land, and the difficulties associated;
 - ◆ Basic infrastructure needs;
 - ◆ Geographical remoteness;
 - ◆ Distrust of federal assistance;
 - ◆ Federal policies that fail to reflect the severity of the technology gaps (financial literacy) faced by Indigenous peoples;
 - ◆ Insufficient dissemination of information regarding federal programs available; and
 - ◆ Insufficient planning in the communities.

3. The extent to which the complexity and duplication of regulation by Commonwealth, state and territory governments inhibits growth or performance in the small business sector.

- 3.1 ATSIIC is currently in the process of developing a National Indigenous Employment Policy. A part of the policy is investigating the development of a Scorecard concept. The idea behind this is to have a system/tool, which enables ATSIIC to carry out its function of monitoring and evaluating government policies to determine where there are gaps and overlaps.
- 3.2 This analysis will determine the effectiveness of government programs. This information will also enable better communication and interaction between ATSIIC and other relevant government departments. While this has been called a National Indigenous Employment Policy, it will encompass a more holistic approach encompassing a single entity such as Employment, but also looking at such things as training, education, housing, etc.

4. Measures that would enhance the capacity of small business to employ more people.

4.1 Education

- 4.1.1 Indigenous education is one of the lowest in Australia. This is shown from the results from the 2000 National Reading and Numeracy. The numeracy rate of Indigenous people compared to all Australians is remarkably low. (All Australians: 92.7% of year 3 and 89.6% of year 5 achieved national minimum standard, Indigenous: 73.7% of year 3 and 62.8% of year 5 achieved national minimum standard.)
- 4.1.2 The literacy rate of Indigenous people compared to all Australians is also low. (All Australians: 92.5% of year 3 and 87.4% of year 5 achieved national reading standard, Indigenous: 76.9% of year 3 and 62.0% of year 5 achieved minimum reading standard)
- 4.1.3 There is a relatively high proportion of Indigenous people studying in vocational education and training (VET). In 2001, Indigenous students comprised 3.3 per cent of total students at the vocational level. Only 13 per cent of Indigenous VET students were studying at the Australian Qualification Framework Certificate (AQF) IV level or above in 2000, compared with 21 per cent of all VET students. In 1996, the VET participation rate (TAFE plus other VET training) of Indigenous Australians exceeded their population share (2.4% of total enrolments compared with 2.1% of the 1996 census population).
- 4.1.4 In 1998, 35.1% of Indigenous TAFE students enrolled in AQF certificates I and II (lower level courses) compared with 19.4% of other students. In 1998, 33% of Indigenous enrolments were in multi-field

education compared with 18.5% of other students. In 1998, about 49% of Indigenous enrolments resulted in a pass compared to about 59% for other students.

- 4.1.5 Indigenous people also show poorly in the secondary and tertiary data. The 1996 census indicated that only 31% of Indigenous students are completing secondary schooling (year 12) compared to 76% of other Australians. The apparent retention rate from Year 10 to Year 12 for Indigenous students, while showing improvement over previous years, is still only 43.6 per cent compared with a corresponding apparent retention rate for non-Indigenous students of 76.2 per cent. The 1996 Census indicates that 29.2% of Indigenous 20-24 year olds left school before the age of 15 compared with 9.3% of non-Indigenous people of the same age.
- 4.1.6 In the 1996 census, 1.8% of Indigenous 20-24 years indicated that a university degree was their highest level of educational attainment compared with 11.3% of non-Indigenous people of the same age.
- 4.1.7 In higher education in 2001, there were 7,342 Indigenous students, comprising 1.2 per cent of domestic students in the higher education sector.

4.2 Improved Training outcomes

- 4.2.1 Training has been dealt with in many different arenas. There is ANTA, ECEF, VET and NESAs. Indigenous peoples are encouraged to participate in these courses to better their employment prospects.
- 4.2.2 In May 2002 the Australian National Training Authority (ANTA) Ministerial Council asked ATSIC and ANTA to prepare a joint paper for the November 2002 ANTA MINCO on Indigenous employment and training and a progress report against the MINCO resolutions. This paper will be prepared for ANTA/MINCO and for the Ministerial Council on Education Training and Youth Affairs (MCEETYA).
- 4.2.3 The VET sector has a national strategy for Aboriginal and Torres Strait Islander peoples in VET – *Partners in a Learning Culture*. A number of partners from government, industry and community are working together to implement the actions in the Blueprint for Implementation of the *Partners in a Learning Culture*.
- 4.2.4 Most States and Territories also have an Indigenous training advisory committee or a *Partners in a Learning Culture* implementation committee.
- 4.2.5 The Enterprise and Career Education Foundation (ECEF) encourages and supports effective school-industry partnerships to link businesses, schools and communities to create a diversity of learning experiences. It supports the implementation of the MCEETYA Framework for

vocational education in School. The ECEF has been set up by the Commonwealth to assist young people achieve a successful transition from school to further education, training and employment and to help young people to make the right choices about their futures.

- 4.2.6 The Indigenous strategies sub-committee of ECEF is responsible for providing advice to the ECEF Board on Indigenous training issues.

4.3 Indigenous Employment Outcomes

- 4.3.1 Indigenous employment outcomes from businesses funded from the Business Development Program (BDP) have continued to grow. In the 2001-02 financial year there were several ventures funded that provided significant employment outcomes. In particular, one business funded in Queensland provided “immediate” employment for 24 Indigenous people – these included qualified tradespersons, apprentices, trainees and administrative staff.
- 4.3.2 However, there are concerns about the lack of employment opportunities for Indigenous peoples across Australia generally. ATSIC is a supplementary funding agency, and does not have primary carriage of small business, employment and education programs. The lack of economic/business development, and employment programs from other Government agencies – State, Territory and Commonwealth – limits further the opportunities for Indigenous businesses and employment.
- 4.3.3 The Commission is exploring the development of an Employment Policy based on a three pronged approach (i) overcoming chronic system problems like inefficiency, lethargy and policy failure (ii) working to empower Indigenous peoples, and (iii) developing a monitoring and evaluation framework based on best practice and risk aversion.
- 4.3.4 The purpose of the policy is to provide ATSIC with tools that will assist in:
- ◆ Coordination and control to harness the combined efforts of the key stakeholders in the right directions;
 - ◆ Empowerment of Aboriginal peoples and Torres Strait Islander peoples by pursuing capacity building and community development, and
 - ◆ Monitoring and evaluation of performance of governments and other stakeholders.
- 4.3.5 The aim of the Policy is to increase employment opportunities and improve sustainable employment outcomes for Aboriginal and Torres Strait Islander people.

4.4 Community Development Employment Project (CDEP)

- 4.4.1 The CDEP scheme is an employment, training and community development initiative involving over 270 Indigenous community organisations and 32,616 participants as at 30 June 2001, with a total of 48,591 participants throughout the financial year going through the scheme.
- 4.4.2 CDEP participants voluntarily forego their rights to social security entitlements and instead are paid wages by CDEP organisations roughly equivalent to those benefits in return for part-time work. In 2000/2001 financial year, 64% of CDEP funds (\$280m out of grants totalling \$437m) were offset welfare entitlements.
- 4.4.3 CDEP operates in very diverse social, cultural and economic environments and provides 25% of Indigenous employment.
- 4.4.4 It is estimated that approximately 3,000 CDEP participants moved to mainstream employment on a full-time and/or seasonal basis during 2000/2001. In addition, CDEP provided the opportunity for more than a third of participants to earn additional income from income-generating activities such as undertaking contracts for the provision of municipal services, caring for country and part-time work with external employers.
- 4.4.5 The estimation of 3,000 participants is conservative as the tracking of CDEP participants who leave is problematic. During 2000/2001, 18,478 participants left the scheme, 8,535 without providing reasons. Of those who did provide reasons, 1,081 moved into mainstream employment, a further 102 participants left to take up training positions, 167 returned to full-time education and 113 accessed Job Network placements and IEP incentives.
- 4.4.6 In 1997, Mr Ian Spicer independently reviewed the CDEP scheme. As a result of this review, Government policy has sought to increase the number of businesses generated within CDEP.
- 4.4.7 An example of this includes the report prepared by John Taylor and Boyd Hunter from the Australian National University's, Centre for Aboriginal Economic Policy (CAEPR), called *'The Job Still Ahead: Economic Costs of Continuing Indigenous Employment Disparity'*. This report highlighted some of the issues that Indigenous employment/unemployment encounters. Some extracts from this report are attached for your information. (Attachment C).
- 4.4.8 Indigenous communities and policy makers face structural barriers as they attempt to raise living standards. Some of these barriers have become increasingly diverse and locationally dispersed. This, in turn, leads to variable constraints and opportunities for economic development. Above all, however, a fundamental problem has been the failure of job growth to keep up with growth in the population of working age.

- 4.4.9 Projections based on the 1996 Census suggest that, at the very least, the Indigenous population is likely to increase from an estimated 386,000 in 1996 to 469,100 by 2006 at an annual rate of growth of 2 per cent. This is twice the rate of growth projected for the rest of the population. There are also anticipated changes in age structure into the new millennium. Unlike the general population, for whom the consequences of population ageing will be increasingly apposite, the ascendant issues for Indigenous social policy will derive more from needs in the school-to-work transition years and in the prime working age group.
- 4.4.10 It is conservatively estimated that the number of Indigenous adults will be greater by 64,800, or 28 per cent, in 2006. This is substantially above the projected increase in the rest of the adult population, which is only 12 per cent.
- 4.4.11 In the first half of the 1990s, growth in Indigenous mainstream (non-CDEP) employment was equivalent to that recorded for the population as a whole at 1.3 per cent per annum. On the assumption that Indigenous mainstream employment growth will continue to match employment growth generally, and that the labour force participation rate for Indigenous people will also remain constant (as it has during the 1990s), then the following labour market outcomes are anticipated.
- 4.4.12 The mainstream employment/population ratio for Indigenous people will decline from its already low level of 30.8 per cent in 1996 to 27.4 per cent in 2006. This means that barely one quarter of Indigenous adults will be in mainstream employment. By comparison, the proportion of non-Indigenous adults in mainstream employment is assumed to remain static at around 55 per cent, and
- 4.4.13 In the absence of CDEP scheme work, the unemployment rate for Indigenous people will rise from 41 per cent of the labour force to 48 per cent by 2006. For non-Indigenous Australians, the unemployment rate is assumed to remain around the 1996 level of 8.5 per cent. The official level of Indigenous employment grew during the 1990s at 3 per cent per annum, which was twice the rate recorded for all other Australians.
- 4.4.14 Thus, simply to prevent Indigenous labour force status from slipping further behind it will be necessary to maintain a commitment to special employment programs as well as to generate additional outcomes in the mainstream labour market. However, to move beyond this, and attempt to close the gap between Indigenous and other Australians, will require an absolute and relative expansion in Indigenous employment that is without precedent. The job requirements to achieve these scenarios are outlined below.
- 4.4.15 Just to maintain the status quo (an employment rate of 39 per cent and an unemployment rate of 26 per cent) would require 25,000 extra jobs

by the year 2006, whereas on current trends only 21,000 are expected to be created. To achieve employment equality with the rest of the Australian population, an additional 77,000 Indigenous people would have to be employed resulting in an overall deficit of some 55,000 jobs.

4.4.16 If the focus is on mainstream job requirements, excluding opportunities provided by the CDEP scheme, then the backlog in the number of jobs needed is projected to be much larger, indeed greater than the number presently employed.

4.4.17 Simply to remain at the present lower level of engagement will also require an additional 1,500 full-time positions each year in the face of growing labour supply.

4.4.18 Attachment C also includes policy implications from the report entitled '*The Job Still Ahead*' (1998)

4.5 Unemployment statistics

4.5.1 Analysis of employment data from the 2001 Census shows little improvement for Aboriginal and Torres Strait Islander peoples over the past 10 years.

4.5.2 Even on the most generous assessment, Indigenous unemployment is still about three times that of the wider community — 20% compared with 7%. However, if participants in CDEP are included in the calculations then the rate of Indigenous unemployment rises to at least 5 times the national rate.

4.5.3 A profile of the Aboriginal and Torres Strait Islander labour force from the 2001 Census shows that since 1996:

- ◆ the number of Indigenous people aged over 15 increased by 37,500 to 249,100;
- ◆ the number employed increased by 18,000 to 100,400;
- ◆ the number unemployed increased by 800 to 25,000;
- ◆ those not in the labour force increased by 19,900 to 115,400.

4.5.4 Table 1 shows these changes as rates. The figures show that the unemployment rate has fallen slightly from 23% in 1996 to 20% in 2001, while the employment rate and the participation rate stayed about the same. At the same time, the unemployment rate for non-Indigenous Australians fell from 9% to just over 7%, while the employment and participation rates increased.

Table 1. Labour Force Status: Indigenous and non-Indigenous Australians 1991-2001

	Indigenous			Non-Indigenous		
	1991	1996	2001	1991	1996	2001

Employment Rate	37.0	40.7	40.3	55.8	56.4	58.1
Unemployment Rate	30.8	22.7	20.0	11.4	9.0	7.2
Participation Rate	53.5	52.7	52.1	63.2	62.0	63.4

4.5.5 These results are in line with expectations based on projections produced by the Centre for Aboriginal Economic Policy Research (CAEPR) at the Australian National University.

Table 2. Relative Indigenous/non-Indigenous labour force status: 1991-2001

	Ratio of Indigenous to non-Indigenous labour force status		
	1991	1996	2001
Employment Rate	0.66	0.72	0.69
Unemployment Rate	2.70	2.52	2.78
Participation Rate	0.84	0.85	0.82
Median Individual Income	0.64	0.64	0.60

4.5.6 Further statistics on the Indigenous labour force and income levels are attached (Attachment D).

4.6 Financial literacy

4.6.1 It may be valuable to have best practice models in the delivery and support of financial services to Indigenous communities. Currently financial literacy training is being offered by Westpac, Tangentyere, which is an outlet of Westpac, the Traditional Credit Union and First Nations Credit Union.

4.6.2 The continuing demand for the expansion of culturally informed services and financial literacy training in remote communities, provided by organisations such as the Traditional Credit Union, could be assisted through the development of ongoing partnerships with major financial institutions utilising on-lending practices similar to those already being successfully used in the United States of America.

4.6.3 There may be scope to develop a more sustained and coordinated strategy in the delivery of financial literacy education to Indigenous Australians through a partnership of existing financial institutions with a direct interest, relevant Indigenous organisations, government agencies and the philanthropic sector. This strategy could be informed by existing Australian and international best practice.

4.7 Tax incentives

4.7.1 Australia can learn from the current USA Department of Housing and Urban Development (HUD) / Department of Agriculture, Renewal

Communities, Empowerment Zone and Enterprise Community (RC/EZ/EC) Program. This program treats socio-economic disadvantage as a zonal problem and brings an integrated range of policies to bear for the zone. In Australia, such a program should include a mix of tax incentives, government provision of services, government grants and expenditure, subsidies and preferential contracting. The integrated approach should do the following: avoid overlapping policies (uncoordinated tax incentives, subsidies and quotas, for instance, all aimed at the same problem); ensure complete coverage; and gain the maximum total impact on socio-economic disadvantage.

- 4.7.2 The HUD Initiative for RC/EZ/EC is important to the development of distressed urban and rural areas nationwide. The Initiative, through federal grants, tax incentives, and partnerships with government, for-profit and non-profit entities, has opened new businesses and created jobs, housing, and new educational and health care opportunities for thousands of Americans.
- 4.7.3 High unemployment, crumbling infrastructure, minimal access to business capital and loss of hope represent some of the most notable challenges confronting inner cities and distressed rural areas. The RC/EZ/EC Initiative assists in offering residents and businesses of these areas opportunities and resources to overcome seemingly insurmountable problems. What have been vacant lots or abandoned buildings have been turned into new business complexes and affordable housing.
- 4.7.4 Employment opportunities for residents have expanded and support services including childcare, education and health care have been strengthened, thus enabling residents of the nation's poorest communities to participate more fully in the workforce. Such positive changes have been achieved as a result of the relationships formed between residents, private and public partners and the community, all of whom have worked hard from the grassroots level to effect positive change in their communities.
- 4.7.5 While tax incentives or other policies designed to increase Indigenous and non-Indigenous incomes and employment can be seen as a cost, from a policy point of view, this cost must be compared with the potential benefit that may follow. The socio economic disadvantage which many Indigenous people experience has very substantial costs to both Indigenous and non-Indigenous society. Increasing Indigenous incomes and reducing unemployment are two well-established methods by which such problems can be reduced. The effectiveness of such policies must be judged in terms of these benefits.
- 4.7.6 Finally, without such tax incentives it appears that there may be missed opportunities in terms of investments in Indigenous businesses more generally and particularly in joint ventures.

4.8 Integration of business support and business programs

- 4.8.1 There is an identified need for Australian Governments, at all levels, to integrate their business support and business development programs. It is widely acknowledged that employment growth equates to business growth. It is also a fact that, on many agreed measures, over 75% of mainstream small businesses in Australia fail within their first two years of operation. Until ATSIIC has a way of measuring Indigenous small business it is difficult to ascertain if we have a higher or lower success rate. Many of these failures are contributed to by the overwhelming array of regulations and legislation impacting upon businesses.
- 4.8.2 There is also widespread evidence that business development and growth is a key factor in addressing unemployment, yet most commonwealth initiatives in recent times have focused upon training and education for individuals, rather than “jobs creation”.
- 4.8.3 It is crucial that governments work towards stabilising the macro-economic frontier. The current situation whereby local and state/territory governments provide incentives to business fosters an environment of relocation as opposed to growth and development.

4.9 Business Development Program

- 4.9.1 ATSIIC’s Business Development Program (BDP) facilitates the acquisition, establishment and development of commercially viable enterprises and community enterprises by Aboriginal and Torres Strait Islander peoples. Vital support is provided to Indigenous peoples involved in business projects at both an individual and community level.
- 4.9.2 The BDP offers an alternative to business finance provided by mainstream financial institutions. The finance provided through the BDP can be in the form of a loan, loan/grant mix or guarantee. The financial assistance provided takes two principal forms – a ‘Fast Track Loan’, capped at a maximum of \$12,500. This is essentially a loan product where the client does not need to satisfy a range of equity and security provisions. Normal equity and security criteria exist for applications for finance in excess of \$12,500.
- 4.9.3 The BDP provides two types of services:
- (a) Business Support
- ◆ access to professional business and marketing advice;
 - ◆ training, mentoring and facilitation of access to other public and private sector services. This range of services need not be associated with the provision of finance;
 - ◆ Provision of professional assistance in the development and presentation of business proposal and application for funding;

- ◆ Assistance to access business and management training; and
- ◆ On-going access to professional assistance aimed at ensuring continued viability of the enterprise.

(b) Business Finance

- ◆ Access to loans at low market rates with no fees or charge;
- ◆ Access to equity funding to enable applicants without sufficient capital base to develop businesses;
- ◆ Access to grant assistance for production of benefits to Indigenous people associated with commercial business activity.

4.9.4 ATSIIC also contributes to the Indigenous Small Business Fund (ISBF), an element of the Indigenous Employment Program (IEP), co-managed with the Department of Employment and Workplace Relations (DEWR) and cooperates with the Department of Industry and Resources.

4.9.5 Two portfolio agencies, Indigenous Business Australian (IBA) and the Indigenous Land Corporation (ILC), have a role in facilitating Indigenous economic development. In 2001-02 there was continued cooperation between IBA and the BDP, as indicated by joint project investments of approximately \$7.35m.

4.9.6 Total expenditure on loans and grants in 2001-02 was \$53.43m, representing approximately 95 per cent of the total allocation. There was a growing demand for the loan product as illustrated in Figure 1. In addition, \$6.76m was provided for business support services, including services provided under the ISBF.

Figure 1: BDP Loans 1997-2002

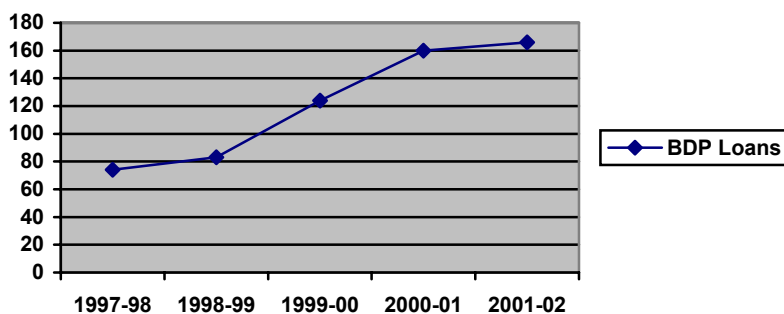
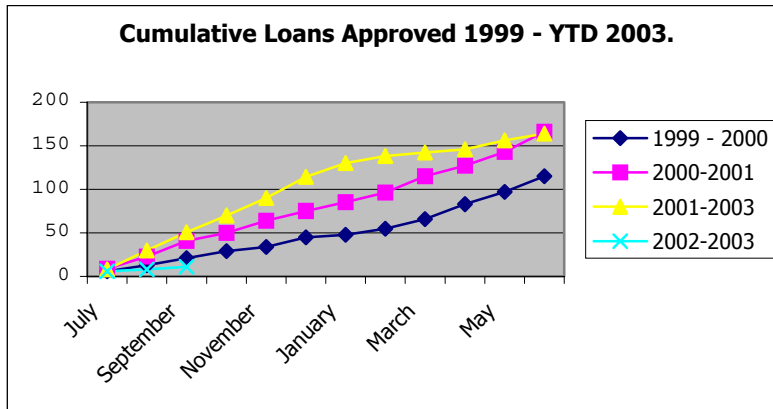


Figure 2: BDP Loans Value 1997 to 2002



4.9.7 In 2001-02, aggregate interest of \$3.01m was determined for the loan portfolio of \$73.982m. This represented a total return on investment of around 4.6 per cent. Total interest and principal repayments made to the BDP in 2001-02 were \$10.5m. Loan discharges totalled \$3.85m, compared with \$1.7m in discharges in 2000-01.

4.9.8 The business support program has clearly had a positive impact on businesses funded via the Business Development Program, with an increased percentage of businesses funded still viable after one and two years. The percentage of businesses funded in 1999-00, and still in operation after one and two years, was 75 per cent and 70 per cent respectively.

4.9.9 This increased to 76 percent and 74 percent respectively for businesses funded in 2000-01, and the percentage of businesses funded during 2001-02 still in operation after one year has increased to 90%. These results are very encouraging and it is expected that the continued development of the business support program and Business Facilitator Network will further enhance the success rate of businesses funded under the Business Development Program.

4.9.10 More details on ATSIK's business program such as eligibility and various BDP products are attached (Attachment A). ATSIK's service charter for BDP is attached (Attachment B).

4.10 Joint ventures with external parties

4.10.1 ATSIK invested in a number of joint ventures/projects in partnership with the IBA. The total investment is \$15,350,000, made up of \$4.24m paid in the 2000-01 financial year, \$7.35m in the 2001-02 financial year, and \$3.76m previously allocated for the National Torres Strait Islander Secretariat and Port Botany projects. More information on examples of joint ventures with external parties is attached. (Attachment A).

4.11 Establishment of an Australian Indigenous Business Chamber of Commerce.

- 4.11.1 Indigenous peoples do not affiliate with outside organisations (e.g. the Australian Chamber of Commerce and Industry). As a rule Indigenous peoples either participate in businesses on a communal approach (e.g. community store) or will act as a sole trader or be incorporated. Indigenous economic development and participation could be greatly enhanced by supporting the growth of businesses through subsidiary industries, which will enable a subsequent flow on for small business development. Such developments occur in the broader, mainstream community and could easily (and possibly more effectively) be translated to Indigenous communities. To overcome this an Indigenous Chamber of Commerce and Industry unit should be established within the Australian Chamber of Commerce and Industry.
- 4.11.2 The Goulburn Valley region of Victoria is an example of this, where Italian companies have provided Olive trees to primary producers, with a guarantee to purchase all fruit when available. The primary producer has no outlay to purchase land and or crops, rather, they purchase the necessary machinery to farm the crop desired and can guarantee employment and economic growth. Such initiatives are becoming crucial to the survival of rural towns across Australia.

4.12 Access to mainstream lending

- 4.12.1 A major obstacle to Indigenous small business development is the ability to access loans from mainstream commercial lenders, such as banking and other financial institutions. For the most part, Indigenous peoples have a much lower economic base than the broader community.
- 4.12.2 Security over community title land is an issue banking and financial sectors will need to overcome. Overseas experiences have shown examples of overcoming security as an issue for development. An example of banks developing new initiatives to overcome the issue of security includes the Bank of Montreal and Royal Bank Canada. These banks use band council guarantees.
- 4.12.3 Problems with on-reserve lending have prompted the Commonwealth, State and Territory Indigenous Affairs Ministers to begin exploring ways in which impediments to home ownership and economic development might be addressed. There is a lack of clarity in property rights in land and resources, both within the Indigenous domain and inter-culturally.
- 4.12.4 Government must form alliances with peak Indigenous and banking bodies to address this lack of clarity. Such an approach would be consistent with that adopted in Canada over 15 years ago when the Canadian government, First Nations and the banking industry (under the auspices of the Canadian Bankers Association) joined forces to examine and seek to overcome barriers to private investment on Aboriginal reserves.

4.12.5 In Canada, land is held on trust for First Nation Canadians. Under the *Indian Act* (sections 4 and 18(1)), the Minister for Indian Affairs and Northern Development has wide, discretionary powers of control over First Nations lands, assets and money. All Canadian First Nations' land was held on trust creating a situation where historically, developments, including housing or infrastructure loans, did not take place without ministerial guarantees. However, more recently, banks such as the Bank of Montreal, have been prepared to waive the usual requirement of a ministerial guarantee before offering loans for projects on First Nations' land. Examples of infrastructure projects on such land that have been invested in by the Bank of Montreal are: -

- ◆ \$15.5 million project, over 20 years, for the construction of a hydro-electric generating station;
- ◆ \$3.4 million project, over 15 years, for the construction of a gymnasium; and,
- ◆ \$1.8 million project, over 20 years, to finance sewerage, water and housing infrastructure.

4.12.6 In addition to major infrastructure projects Canadian banks are also prepared to offer on-reserve housing loans. The Bank of Montreal and Royal Bank both offer on-reserve home loan lending to their First Nation customers. These loan programs also operate outside the usual collateral requirement of a ministerial guarantee.

4.12.7 Under the Bank of Montreal's on-reserve housing loan program families, who are from First Nations that have agreements with the bank, are able to borrow funds for the construction, renovation and purchase of owner-occupied housing.

4.12.8 The lack of Indigenous specific economic development programs fosters the entrenched discrimination towards Aboriginal and Torres Strait Islander peoples, and limits their ability to become economically independent. There is a need to move away from mainstreaming of Indigenous programs and policies.

4.13 Improving Banking and Financial Services for Indigenous Australians

4.13.1 On 8-9 May 2002, Reconciliation Australia, in association with ATSIC, the Department of Family and Community Services (DFACS), Indigenous Business Australia (IBA) and Gilbert and Tobin, convened a workshop titled 'Improving banking and financial services for Indigenous Australians'. The workshop was attended by over one hundred representatives drawn from the banking and financial services sector, including all major banks and the Australian Bankers' Association. Representatives from peak Indigenous organisations also attended the workshop including land councils, Indigenous credit

unions, ATSIC and IBA. There were also representatives from all tiers of government and all major political parties, as well as from academia and the wider business community. The workshop was the first time that all the key stakeholders came together to debate and progress issues of this nature. The Workshop was co-chaired by the Westpac Banking Corporation and IBA.

4.13.2 Key issues identified in the workshop report which the banking and financial services sector needed to address to support Indigenous Australians includes:

- ◆ Ready access to banking and financial services for Indigenous people no matter where they live in Australia;
- ◆ Financial literacy education;
- ◆ Resource funds management;
- ◆ Indigenous employment in the banking and financial sector;
- ◆ Ready access to home loan funds on Aboriginal and non-Aboriginal land; and
- ◆ The overcoming of barriers to use the substantial assets that Indigenous corporations hold.

4.13.3 The outcomes of the workshop are in line with the Federal Government's statements on developing strong economic outcomes for Indigenous people across Australia. However, until such time as Indigenous peoples have access to banking and financial services, together with financial literacy, the possibility of the Indigenous community becoming an equal partner in Australia's future economic development is virtually non-existent.

4.13.4 It is critical to ensure that all Governments within Australia work towards removing statutory, and other, obstacles to using existing community assets to leverage a better economic future for Aboriginal and Torres Strait Islander peoples.

4.14 Competitive Tendering

4.14.1 Discussions have been held between IBA, Indigenous Land Corporation (ILC) and ATSIC in relation to obtaining positive outcomes from their combined assets. As an initial step in improving banking and financial services for Indigenous Australians the Chairpersons of the three organisations have agreed to pursue with the banking and financial services sector, the following key issues:

- ◆ Appropriate banking and financial services for Indigenous people no matter where they live in Australia;
- ◆ Financial literacy education;
- ◆ Resource funds management;
- ◆ Indigenous employment in the banking and financial services sector;

- ◆ Ready access to home loans funds on Indigenous and non-Indigenous land; and
- ◆ The overcoming of barriers to use the substantial assets that Indigenous groups hold

4.14.2 Currently the three organisations deal separately with banking and financial institutions, and it is believed that combining their respective fiscal strengths will assist in promoting positive outcomes for Indigenous people by better using these services.

4.15 Collaboration between ATSIC, Government Agencies and the Corporate Sector.

4.15.1 Aquaculture

4.15.1.1 ATSIC, Agriculture Fisheries and Forestry Australia (AFFA) and the aquaculture industry are working together to implement the Indigenous aquaculture strategy. The strategy has twenty-eight recommendations and highlights the need for Federal and State Government and industry cooperation for the development of the industry in Indigenous communities.

4.15.1.2 ATSIC is advocating for the development of aquaculture in Indigenous communities through the Government sponsored National Aquaculture Development Committee (NADC) and the Prime Minister's Science, Engineering and Innovation Council (PMSEIC). The strategy has strong support of peak aquaculture industry organisations in Australia. The National Aquaculture Council and the National Aquaculture Committee supports Indigenous aquaculture development. ATSIC has representation on these bodies.

4.15.1.3 The strategy highlighted that many Indigenous communities expressed a strong interest in aquaculture, and the industry is culturally in harmony with the lifestyles and skills of Indigenous peoples, and that Indigenous peoples lived in (and occupied lands in) coastal and inland regions that are well suited for aquaculture.

4.15.1.4 A key recommendation of the strategy was to establish a highly focussed specialised Indigenous Aquaculture Unit (the Unit) to implement the strategy. This recommendation is underway with ATSIC and AFFA agreeing to jointly fund the Unit for 2 Years. The Unit will be established later in 2002 and based in AFFA offices Canberra. The purpose of the Unit is to provide advice, help develop funding applications and otherwise promote Indigenous aquaculture development.

4.15.1.5 ATSIC, along with AFFA, are also developing Indigenous aquaculture networks across Australia. So far four have been set up in Far North Queensland, NSW, South Australia and Broome in WA.

- 4.15.1.6 State and Federal governments need to implement the aquaculture strategy for Indigenous communities. All regional Indigenous aquaculture networks must also adapt the recommendations in the strategy as a basis to increase the participation of communities in the industry.
- 4.15.1.7 Aquaculture is *high risk* and the greatest perceived challenge is the access to reliable funding to establish Indigenous demonstration projects, business planning and travel for interested communities to view demonstration projects, capital funding for infrastructure and operational costs, and the ability to attract joint ventures.

4.15.2 Indigenous Tourism

- 4.15.2.1 ATSIC is a member of the Indigenous Tourism Leadership Group (ITLG), which was established last year as an outcome of the Indigenous tourism forum held in Sydney in 2000. The group consists of highly influential members from Commonwealth agencies and the corporate sector. ATSIC, the Department of Employment, Workplace Relations (DEWR) and the Department of Industry, Tourism and Resources (DITR) have committed funds towards this group.
- 4.15.2.2 The ITLG is in the process of developing a proposal to establish the first ever Indigenous tourism venture capital fund. The ITLG met separately with Minister Ruddock and the Federal Minister for Tourism, the Hon. Joe Hockey, in May 2002 to discuss the initiative. At these meetings both Ministers endorsed the concept in principle.
- 4.15.2.3 ATSIC has developed a comprehensive submission to the Tourism Minister's "*10 year plan for tourism*". This plan is in line with the Coalition Government's election commitment to develop a ten year strategic plan for the tourism industry. The Minister for Tourism, the Hon Joe Hockey released the *10 year plan for tourism – A Discussion paper* on 2 May 2002.

4.15.3 Forestry

- 4.15.3.1 ATSIC and AFFA are developing a National Indigenous Forestry Strategy (NIFS), which will be completed in late 2003. AFFA and ATSIC have support for the development of this strategy from the National Association of Forest Industries (NAFI).
- 4.15.3.2 The NIFS will contain a number of elements that promote an understanding of the existing industry structure, identify where Indigenous communities currently operate in the industry, the potential areas for their contribution, and impediments to their future involvement in the industry. Out of the strategy, opportunities should arise for Indigenous communities to have some input into

the forest industry's development, especially where it is imperative that there are strong links between forestry and the social, economic and environmental issues of Indigenous people.

ATSIC's Business Development Program

1. ATSIC's Business Development Program (BDP) facilitates the acquisition, establishment and development of commercially viable enterprises and community enterprises by Aboriginal and Torres Strait Islander peoples. Vital support is provided to Indigenous peoples involved in business projects at both an individual and community level.
2. The BDP offers an alternative to business finance provided by mainstream financial institutions. The finance provided through the BDP can be in the form of a loan, loan/grant mix or guarantee. The financial assistance provided takes two principal forms – a 'Fast Track Loan', capped at a maximum of \$12,500 is essentially a loan product where the client does not need to satisfy a range of equity and security provisions. Normal equity and security criteria exist for applications for finance in excess of \$12,500.
3. The BDP provides two types of services:
 - ◆ Business Support – access to professional business and marketing advice, training, mentoring and facilitation of access to other public and private sectors services and this range of services need not be associated with the provision of finance; and
 - ◆ Business Finance – loans, a loan-grant mix and/or guarantees to Indigenous clients assessed as eligible. Access to these services is only available once clients have submitted a completed application form, including all necessary details and documents.
4. The BDP is, fundamentally, a commercial program to effect economic development. The funding criteria are founded on the importance of commercial viability for businesses receiving finance through the program, although, in some circumstances, social and cultural benefits may also be considered. Performance indicators for funding from the BDP include the requirement for Indigenous employment.
5. In the 2001-02 financial year, the BDP loan portfolio increased by approximately \$20m to \$73.892m. In addition, \$6.76m was provided for business support services, including services provided under the Indigenous Small Business Fund (ISBF). Demand for ATSIC BDP assistance continues to outstrip the available funds and access to mainstream commercial funding for Indigenous businesses is extremely difficult to access.

Business Support

6. The concept of developing a national network of Business Facilitators to assist potential business operators from the first stages of a business idea, through to a fully researched business proposal was first initiated in January 2001. The objectives of the national network of Business Facilitators are to provide a more efficient and cost effective means of providing potential business operators access to expert advice from their local area. When businesses commence they are able to access mentoring and monitoring from the Business Facilitators to assist them in successfully establishing their business.
7. The network of Business Facilitators continued to expand during 2001-02, with the rollout of Phase 1 commencing in March 2002 and additional development is planned for completion in 2002-03. There are currently 124 Business Facilitators appointed throughout Australia, collectively and individually providing increased access to specialist business support services at a local level.
8. Business Facilitation Services Objectives
 - ◆ Enhance access to expert guidance and advice to indigenous people wishing to enter into business and/or are in business and require specialist expertise to deal with problems or grow their business
 - ◆ To assist clients access business support services that are not provided by other agencies or are not easily accessible relative to where the client lives
9. Business Support – access to professional business and marketing advice, training, mentoring and facilitation of access to other public and private sectors services and this range of services need not be associated with the provision of finance.
10. The range of support includes:
 - ◆ Provision of professional assistance in the development and presentation of business proposal and application for funding
 - ◆ Assisted access to business and management training
 - ◆ On-going access to professional assistance aimed at ensuring continued viability of the enterprise.
11. During 2000-01, considerable effort was expended in re-engineering practices and processes associated with the management of current BDP loans. The revised processes commenced during 2001-02 and outcomes will be reviewed during 2002-03.
12. Success rates do not appear to be related to the industry classifications, but rather to the commitment of the operator, or economic situation in the location of the business funded. In some cases, for example remote cattle stations, there are difficulties experienced by organisations/communities in retaining qualified staff to assist with management of the business.

13. Nonetheless, anecdotal evidence would indicate that the business success rates (which are steadily improving) for small businesses are greater than those currently experienced in the broader community.
14. Whilst some businesses continue to operate, the management of loan arrears is a particularly difficult issue facing the Business Development Program. The reduction of loan arrears has been excellent in the financial year ended 30 June 2002, with overall arrears reduced by 9.68 per cent.
15. The expansion of the Business Support Program, in particular the increase in the number of Business Facilitators, has been [and will continue] to be a major factor in addressing the issues of arrears. This is primarily due to the improved “up front” assessment, monitoring and mentoring initiatives now in place.
16. Fast Track Loans arrears, and those business failures, continue to be an issue for concern. The review of the Business Development Programme will address these, and related, issues in an attempt to improve the success rates for all business operators. Nonetheless, there is a critical need for State, Territory and [other] Commonwealth agencies to look at the regulatory burdens placed upon small business operators. In addition, all Governments must address the issue of increasing access to business finance, development and support initiatives for Indigenous Australians.
17. Since the establishment of the ATSIIC business support programs, there has been an increase in the success rate of the Indigenous businesses funded by the BDP. The business support program has clearly had a positive impact on businesses funded via the Business Development Program, with an increased percentage of businesses funded still viable after one and two years.
18. The percentage of businesses funded in 1999-00, and still in operation after one and two years, was 75 per cent and 70 per cent respectively. This increased to 76 percent and 74 percent respectively for businesses funded in 2000-01, and the percentage of businesses funded during 2001-02 still in operation after one year has increased to 90%. These results are very encouraging and it is expected that the continued development of the business support program and Business Facilitator Network will further enhance the success rate of businesses funded under the Business Development Program.
19. The national network of Business Facilitators assists potential business operators from the first stages of a business idea, through to a fully researched business proposal was first initiated in January 2001. The objectives of the national network of Business Facilitators are to provide a more efficient and cost effective means of providing potential business operators access to expert advice from their local area. When businesses commence they are able to access mentoring and monitoring from the Business Facilitators to assist them in successfully establishing their business.

20. It is ATSIC's view that these services are not the province of ATSIC, but rather, should be provided by State and Territory Governments. Whilst many of these Governments currently provide such programs, access to them for Indigenous peoples is extremely difficult. Governments have a responsibility to ensure they develop frameworks that will encourage all Australians to have access to, and equity within, those programs.

Fast Track Loans Program

21. Fast Track loans have been introduced in recognition that a significant number of aspiring or active indigenous business people require only small amounts of funding for their businesses. These business people may find the normal business funding processes untimely or restrictive.

22. These loans are aimed primarily at business start-ups or indigenous businesses not already receiving ATSIC funding that require only small amounts of capital.

23. Fast Track Loans can be made significantly faster because of a simplified application process and criteria.

24. Fast Track loans are subject to the availability of funds under the BDP, confirmation of the applicants Aboriginal or Torres Strait Islander descent, the commercial viability of the business and the applicant's involvement in it.

25. These requirements are the same as for other funding under the BDP except with regard to equity and security. Restrictions are in place with regard to receiving other funding from ATSIC.

26. Fast Track Loans provide the potential for CDEP participants to develop their own business, secure self-employment and earn higher incomes with a view to leaving the CDEP scheme.

27. Receipt of a Fast Track Loan will not in itself require participants to leave the CDEP scheme. However, there are certain income limits which apply to continuing CDEP eligibility. These are set out in ATSIC's CDEP Guidelines.

28. The characteristics of Fast Track Loans are as follows:

⇒ Business Type

Fast Track Loans are only available to sole traders and partnerships.

⇒ Loan Size

Loans may be made up to a maximum of \$12,500 per business.

⇒ Equity

There is no equity requirement for Fast Track Loans.

⇒ Loan Term

Loans will be offered over a maximum term of five years. However, it is intended that these loans will be repaid as quickly as possible and that where the business can support the repayments the term of loans under this scheme will be under three years.

⇒ Interest Rate

The interest rate will be the base interest rate under the BDP.

⇒ Repayment Period

Where at all possible repayments will be made fortnightly. Repayments to commence one month after settlement.

⇒ Interest Rebate

An initiative of these loans is a 50 percent rebate of interest paid on the loan if a loan is repaid, in full, in less than half the original loan term.

⇒ Security

There is no security requirement for Fast Track Loans. However applicants will be required to provide two referee reports commenting on areas such as: how long they have known the applicant; their relationship to them; their knowledge of the applicant's ability in business and or their knowledge of the applicants standing in the community. Referee reports should not be from family members.

⇒ Supplementary Finance

Applicants are ineligible for Fast Track Loan funding if:

- ✓ they are in receipt of other ATSIC business loans; or
- ✓ have previously defaulted on an ATSIC loan; or
- ✓ have not satisfactorily acquitted a previous grant (eg. IBIP or EEG).

29. Successful applicants (clients) are ineligible for any additional finance from ATSIC until the loan is repaid. Business support services will be considered on a case-by-case basis but direct grants will not be available.

Streamlined Access

30. Another new initiative is streamlined access to other BDP funding. On successful completion of the loan clients will be able to access new finance from ATSIC (up to a maximum of \$30,000) by simply completing a BDP application form and a performance evaluation of the business being made by the Business Agent.

31. The Business Agent performance evaluation will be sufficient to support the application provided it is for the same business and security requirements can be met. Applicants will not be required to submit a business plan.

32. The performance evaluation should consider all aspects covered by the normal assessment of applications made by the Business Agent but also include an evaluation of the businesses trading history. Specific recommendations to improve the business (eg. completion of a business plan) should be made and incorporated into any loan agreement.

However, funding should not be approved where the evaluation shows the business to be commercially un-viable at the time of application.

Amount of Approvals

33. There have been approximately 140 Fast Track Loans approved since inception, totalling approximately \$1.5 million.

Joint Ventures with external parties

34. ATSIC invested in a number of joint ventures/projects in partnership with the IBA. The total investment is \$15,350,000, made up of \$4.24m paid in the 2000-01 financial year, \$7.35m in the 2001-02 financial year, and \$3.76m previously allocated for the National Torres Strait Islander Secretariat and Port Botany projects. The key projects currently underway, and to which ATSIC has contributed funding, are:

- ◆ National Torres Strait Islander Secretariat: \$1,960,000 for the purchase of an investment to produce an annual income stream that will diminish ATSIC's annual allocation for operational costs. Potential investment opportunities are being canvassed and it is hoped the funds will be allocated to a portfolio opportunity within the 2002-03 financial year.
- ◆ Port Botany Transfer Station (PBTS): An ATSIC investment of \$1.8m for the PBTS, a facility handling non-putrescible waste. The Station primarily services the Sydney CBD. PBTS Pty Ltd manages the joint venture, which is owned equally between Collex Waste Management Pty Ltd and IBA. The investment produces employment and contracting opportunities and has potential for future expansion.
- ◆ Foxleigh Joint Venture: An open cut PCI coal mine producing some 2.4m tonnes of coal per annum, with potential to increase production as the mine develops. The mine operates a 24-hour, six-day shift and employs 120 personnel. The project provides good employment opportunities through a range of contracted service providers, and creates substantial and sustainable employment opportunities for the Indigenous population in the area. The ATSIC investment totals \$3million.
- ◆ Scarborough House: A major office building in Woden, Canberra. IBA has acquired the building and is re-designing and refurbishing the premises. IBA is seeking to obtain a Government tenant with an initial 10 year lease to underpin the investment resulting in a solid capital growth and income stream. ATSIC has contributed an amount of \$4.29m.
- ◆ Monkey Mia Tourist Resort: This investment allows the Yadgalah group to participate in local commercial activity which impinges on their native lands and to receive economic and employment benefits.

In addition, the resort also promotes Indigenous culture through displays controlled by the Yadgalah people. The ATSIC component of this investment totalled \$3 million.

- ◆ Eastern Coal Project: A total ATSIC investment of \$1.3 million to acquire a 6.56% equity in this project. Eastern Coal is a Greenfield project with exploration/drilling still occurring. It is expected the project will provide significant employment opportunities and income streams. The most valuable aspect of this business is the future development of leases adjacent to Hayle Creek – one of the largest deposits of coal in Queensland.

Success rate of the program

35. The success of the program has been disappointing to ATSIC, with approximately 60% remaining in business after two years. Employment is generally on an “owner operated” basis, although some businesses have developed employment options for additional persons. The total number employed at end June 2002 was approximately 130 people, including borrowers, and taking into account the self-employed and the subsequent employees.

Examples

36. The types of businesses funded with Fast Track Loans vary greatly, from owner-operated to large operations such as a hotel and a supermarket. Industries represented include¹:

- ◆ Agriculture Forestry & Fishing
- ◆ Construction
- ◆ Retail Trade
- ◆ Accommodation, Cafes & Restaurants
- ◆ Transport & Storage
- ◆ Property & Business Services
- ◆ Cultural & Recreational Services
- ◆ Personal & Other Services.

37. Examples include: hairdressing; panel beating; photography; fishing/camping & day tours; art studio; fencing; retail food outlets; courier service; mobile disco; graphic design; sign-writing; cake wholesaling; locksmith; mechanic; landscaping; furniture store; vineyard; boat charter; mobile food fan; waste recycling; brick paving; landscaping; garment printing; kangaroo shooting; leadlight manufacture; security businesses; car detailing; and music compact disc production.

BDP criteria

¹ The Industry groupings are based upon the ABS Standard Industry Classification Listing

38. The BDP is designed to provide Business Support services and Business Finance to Indigenous people and organisations who wish to start and operate commercial businesses. BDP staff and their agents will help Indigenous people or organisations to put together the information needed to satisfy the eligibility criteria, on request. Staff will offer help to give each client the best chance of meeting the criteria. If an application does not meet the criteria, staff will provide an explanation of what the client would need to do to meet the and, where possible, will provide assistance in achieving what is needed.
39. The following eligibility requirements apply:
- ◆ Availability of Programme funds
 - ◆ Eligibility Requirements for all Clients including:
 - Aboriginality:
 - BDP Finance applicants: clients seeking finance under the BDP must provide a completed application for consideration by ATSIC and/or its agent(s).
 - ◆ Finance applications will be assessed against the following criteria and characteristics in the order set out below, in additional to Aboriginality and availability of funds:
 - Commercial Viability
 - Full time involvement in the business
 - Equity
 - Security
 - Need
 - Net Benefit

General Information on the success of the ISBF program and examples

40. The Indigenous Small Business Fund (ISBF) offers funding to Indigenous organisations and individuals to assist Indigenous people to learn about business, develop good business skills and expand their businesses. \$11 million was allocated for the program, over a period of three years, finishing on 30 June 2002. \$6 million was allocated by the Department of Employment and Workplace Relations (DEWR) and \$5 was contributed by ATSIC. Funding is available to:
- ◆ Identify and facilitate business opportunities;
 - ◆ Help Indigenous people start businesses; and
 - ◆ Provide advice or support services to small business people in developing their skills, markets and networks.
41. Funding for individuals is available through ATSIC and funding for organisations is available through the DEWR, in the range of \$5,000 to \$100,000 for business development projects. Funding was generally for a period of up to twelve months and a contribution to the cost of the project

was generally expected from the applicant, particularly when requested funding exceeded \$30,000.

42. Essentially the ISBF provided funding for Indigenous Australians to progress their business ideas into a Business Plan, in essence providing the same services as the ATSIC Business Support Programme.
43. ATSIC experienced some difficulties with administration of the ISBF as it required applicants to complete a number of differing application forms. That is, the forms for funding from ISBF are different to those required to access ATSIC Business Development and Business Support Funding. Accordingly, ATSIC generally provided funding for ISBF related initiatives under the ATSIC Business Support programme. Nonetheless ISBF funds have been allocated to 94 clients through DEWR.

Attachment B

Aboriginal and Torres Strait Islander Commission



Business Development Programme (BDP)

SERVICE CHARTER

October 1999

Business Development Programme Service Charter

This Charter supplements *ATSIC's general Service Charter* and has particular relevance to the service standards which will apply to the delivery of the Business Development Programme (BDP). The Purpose of this Service Charter is to:

- Explain the responsibilities and commitments of ATSIC, its business clients and agents; and
- To provide help in solving problems and answering questions about the Business Development Programme.

Business Development Programme

The Business Development Programme (BDP) provides assistance and finance to Indigenous businesses. It is fundamentally a commercial programme, not a social one. The funding criteria are founded on the critical importance of commercial viability for businesses receiving finance under the programme.

The BDP objective is:

To facilitate the acquisition, establishment and development of commercially viable enterprises by Aboriginal and Torres Strait Islander people.

This objective is principally measured by the planned outcome:

Increase in the number and value of commercially viable enterprises owned by Aboriginal and Torres Strait Islander people.

What is offered under the Business Development Programme?

- **Business Support**

All Indigenous clients can access support services, such as professional business and marketing advice, training, mentoring and facilitation of access to other public and private sector services. Business Support offers a range of services that need not be associated with the provision of finance.

- **Business Finance**

Loans, grants and/or guarantees are available to Indigenous people who provide a completed Application form (including all necessary details and documentation) and meet the eligibility criteria.

What are the standards of service that you can expect?

BDP staff and their agents will help Indigenous people or organisations to put together the information needed to satisfy the BDP eligibility criteria, on request. Staff will offer help to give each client the best chance of meeting the criteria. If an application does not meet the criteria, staff will provide an explanation of what the client would need to do to meet them and, where possible, will provide assistance in achieving what is needed.

- **Business Support**

In response to an initial inquiry, ATSIC staff (from the Regional Office [RO] or the State Commercial Unit [SCU]) will provide information on the eligibility and qualifications required for assistance under the BDP over the telephone or by return email. You will need to complete the proposal form and return it to the nearest SCU together with a Confirmation of Aboriginality and a CRAA report. The SCU will undertake an initial assessment and if basic eligibility requirements are met you will be referred to the Consultant. An initial interview will be conducted by the Consultant during which the clients needs will be assessed and agreed services offered.

- **Business Finance**

In response to an initial inquiry, ATSIC staff will provide you with an Information Kit and explain what you need to do to apply for finance. You will need to complete a finance application, including a Business Plan. You may be asked to supply more information at some stage during the assessment and you will be assisted wherever possible if requested. If you are dissatisfied with the service being provided, you have the right to ask for the matter to be referred to a senior officer – the Manager, SCU will then contact you within 5 working days to further discuss the issue.

Who is Responsible for What?

The key people involved in the delivery of the BDP are :

- Prospective clients (Inquirers and Applicants)
- ATSIC staff (in Regional Offices, State Offices and Central Office)
- Consultants

Prospective clients

Aboriginal people and Torres Strait Islanders or recognised Aboriginal or Torres Strait Islander organisations who seek BDP services are required to produce documentary evidence of Aboriginality or Torres Strait Islander descent. If you are seeking Business Finance you must provide an application containing all the necessary information to the ATSIC State Commercial Unit for your State or Territory. In addition, you must be able to demonstrate that the amount and type of funding sought from ATSIC is sufficient and the minimum necessary to make the business commercially viable. Commercially viable, in this context, is defined as a business that will

(1) Be managed by an individual or team with the necessary skills and experience (2) pay all operating expenses, including living wages, loan repayments and taxes; and (3) provide the business owner a positive return over the life of the business on the capital they have invested.

Regional Office Staff

Regional Office staff can provide Inquirers with information on the eligibility and qualifications required for funding under the BDP, eg. brochures, hand-outs, information kit etc. and then refer Inquirers to the State Commercial Unit. The same information kit is available from State Commercial Units.

State Office staff (State Commercial Units)

State Commercial Units (SCU's) will ensure that each client receives appropriate assistance and guidance to enable them to best utilise the services available. They will assign a specific contact officer to you.

SCU's staff:

- deal with loan inquiries received;
- undertake preliminary assessments and refer proposals that potentially satisfy eligibility requirements to Consultants;
- discuss the proposals with clients as necessary;
- manage the activity of Consultants;
- advise delegates on proposals which have been assessed by Consultants;
- manage records and accounts associated with BDP finance;
- oversight, monitor and provide aftercare to clients; and
- provide monthly reports to Central Office.

Central Office staff

Central Office staff:

- provide advice to the Commission;
- review, refine and develop BDP policy;
- set interest rates in accordance with the BDP Policy;
- provide "help desk" facilities to SCU's
- monitor and managing BDP arrears
- coordinate activities associated with BDP policy and administration; and
- provide program reporting and feedback to SCU's on comparative performance.

Consultants

Consultants:

- assist clients with loan inquiries, developing proposals, and preparation of applications
- provide independent assessments of proposals to ATSIC
- provide post loan monitoring on behalf of ATSIC and report accordingly.

What Service Standard timelines can be expected for a normal loan proposal?

You can expect that under normal circumstances:-

	<u>Service</u>
* Where you make initial inquiry in person to you and wish to proceed.	Information kit provided immediately.
* Where you make inquiry by telephone or in writing and you give your details.	Information Kit sent within 2 working days.
* Where you have completed a proposal form and submitted it to SCU. Note: You must also include the Confirmation of Aboriginality and CRAA Report with the proposal form, otherwise your enquiry will not be progressed.	Initial assessment within 5 working days.
* SCU will arrange for consultant to interview you once there has been an initial assessment of the application.	Within 2 working days.
* The Consultant will assess your eligibility against the BDP criteria and interview you.	Within 14 working days of ATSIIC contacting them.
* Consultant will notify SCU of result of interview	Within 7 working days of completion of interview.
* SCU will consider Consultant's assessment and prepare Checklist and submission for the delegate to consider.	Within 5 working days of receiving the Consultant's Report.
* ATSIIC's Delegate will consider the application and decide if it should be approved or declined ensuring that Commission's <i>Decision Making Principles</i> are applied.	Within 5 working days of receiving the SCU submission.
* If loan / grant approved then Letter of Offer will be recorded and despatched to you.	Within 2 working days after the Delegates decision.
* You are then required to respond to the Letter of Offer.	Within 45 days.
If your application is unsuccessful	Within 5 working days

you will be advised and given reasons for the decision.

of the Delegate's decision

If these timeframes are exceeded you will be entitled to an explanation from the person responsible for providing the service.

What Service Standard timelines can be expected for a Fast Track Loan proposal?

You can expect that under normal circumstances:-

* Where you make initial inquiry in person to you and wish to proceed.

Service
Information kit provided immediately.

* Where you make inquiry by telephone or in writing and you give your details.

Information Kit sent within 2 working days.

* Where you have completed the application form and submit it to SCU. You must also include the Confirmation of Aboriginality and CRAA Report with the proposal form, otherwise your enquiry will not be progressed.

Assessment will be completed within 8 working days.

* ATSIIC's Delegate will consider the application and decide if it should be approved or declined ensuring that Commission's *Decision Making Principles* are applied.

Within 2 working days of receiving the SCU submission.

* If loan / grant approved then Letter of Offer will be recorded and despatched to you.

Within 2 working days after the Delegates decision.

* You are then required to respond to the Letter of Offer.

Within 45 days.

If your application is unsuccessful you will be advised and given reasons for the decision.

Within 5 working days of the Delegate's decision

If these timeframes are exceeded you will be entitled to an explanation from the person responsible for providing the service.

Rights and Responsibilities

Client

Rights

* To expect timely assistance and information on request.

* To seek clarification on issues which affect your application.

* To seek an explanation if you are not happy with the way your application is being handled.

* To seek a review of a decision made in respect of your application.

ATSIC

Responsibilities

* To offer assistance in response to your inquiry about business support or finance.

* To advise you of the status of your application

* To explain the processes involved in assessing your application.

* To advise you of the decision making process and your rights of appeal.

Responsibilities

* To provide the information required for ATSIC to assess your application. (this doesn't guarantee success of applications which are accepted)

* To respond to requests for information within a reasonable timeframe.

Rights

* To reject your application if you do not provide the requested information

* To cease work on your application if the information is not provided.

Comments and Suggestions

We value your views on the quality of our services and areas where we could improve. Any comments you have should be directed to the Manager, Business Development Section, whose contact details are provided in the list at the end of this document.

Contacts and Feedback
Business Development Section
ATSIC
PO Box 17
Woden ACT 2606

Phone Free call

1800 069 182

ATSIC - State Commercial Units

New South Wales

Level 20
60 Margaret Street
Sydney NSW 2000
1800 044 966

(02) 9256 6100

Victoria

Levels 2 & 3 Casselden Place
2 Lonsdale Street
Melbourne VIC 3000
1800 034 403

(03) 9285 7222

Tasmania

Level 2
21 Kirksway Place
Hobart TAS 7000
1800 005 163

(03) 9224 4933

Queensland

Levels 12 & 12A
Mercantile Mutual Building
100 Edward Street
Brisbane QLD 4000
1800 804 754

(07) 3234 4222

South Australia

CPS Building
44 Waymouth Street
Adelaide SA 5000
1800 064 545

(08) 8237 6300

Western Australia

16th Floor
256 Adelaide Terrace
Perth WA 6000
1800 193 352

(08) 9220 3211

Northern Territory

Block 2
13 Scaturchio Street
Casuarina
Darwin NT 0810

(08) 8944 5566 1800 019 156

Community Development Employment Project

Some issues from the "*Job Ahead*" report

1. A key finding from this update of the '*The Job Ahead*', is that the conclusions from the previous analysis regarding the size of policy target groups, the magnitude of employment deficits, both present and projected, and the need for sustained improvement in employment outcomes simply to prevent an already poor situation becoming worse, are all essentially unchanged. Also unaltered is an estimation that the opportunity cost of business as usual would be huge with both social and economic consequences for Indigenous people, governments and the community at large.
2. Against key indicators of economic status, it is clear that the time available for decisive action is decreasing rapidly. In terms of employment status, for example, the vital issue for Indigenous policy into the new millennium is the distinct prospect that the overall situation will deteriorate. This is primarily because of population growth, but also because of the enormous difficulties of economic 'catch-up' in a rapidly changing and increasingly skills-based labour market.
3. It is important to recognise that policy options for addressing projected Indigenous employment disparities are not easy to prescribe, nor are they cost neutral. To withdraw expenditure is simply to hasten deterioration with a rise in associated social and economic burden. To continue business as usual is clearly insufficient in the face of population growth.
4. To enhance spending and program effort would clearly buck the fiscal trend but with the possibility, ultimately, of social and economic return. At the very least, in allocating spending on Indigenous economic policy there is a need to take into account the fact of relatively high population growth.
5. In terms of target groups within the Indigenous population, just over one-third of adults can be said to currently depend on some form of government support to maintain their presence in the labour force or to sustain those discouraged from participation. National Aboriginal and Torres Strait Islander Survey (NATSIS) data show that Indigenous people want to work as much as other Australians.
6. If all the people who want to work are included in the workforce, then the Indigenous participation rate would be 67 per cent, about 15 per cent more than are currently looking for work. This suggests that almost one-sixth of the Indigenous population are discouraged from seeking employment. It is imperative that policy must attempt to address all the employment needs of the current, potential and future Indigenous labour force.

7. As for labour market assistance, it seems safe to assume that those participating in the CDEP scheme are there for sound structural reasons, such as lack of local labour markets and adequate skills. With regard to other forms of labour market assistance, recent policy developments and cutbacks are likely to have substantial bearing on future employment outcomes for Indigenous people, but this is difficult to gauge at present.
8. The main issue here arises from the dismantling and restructuring of government employment assistance with the introduction of market-driven employment services under the Commonwealth's new 'Job Network'. Within this arrangement, intensive assistance is available to job seekers who encounter the greatest employment placement difficulty.
9. A Job Seeker Classification Instrument (JSCI) forms the basis of assessing client assistance needs and within this Aboriginal and Torres Strait Islander status assumes considerable weighting, as do many other characteristics that are likely to be associated with Indigenous people, such as duration of unemployment and low educational status. Given the importance of program support in generating Indigenous employment in the past, there is clearly a need to closely monitor progress in this area. Accordingly, the creation of the Job Network raises a number of pressing questions for Indigenous clients regarding access to the Network, the role of specialised and mainstream services and eventual employment outcomes.
10. In terms of measuring outcomes, the main drawback here continues to be over-reliance on the census as the main source of vital information regarding the economic circumstances of Indigenous people. This is increasingly unable to provide a longitudinal perspective for a population that is self-identified. With governments committed to benchmarking performance and the achievement of enhanced outcomes for Indigenous people the question of how outcomes will be measured is looming as a key issue (Council for Aboriginal Reconciliation/Centre for Aboriginal Economic Policy Research 1998).
11. Apart from the census, there has rarely been an adequate vehicle for answering some of the most basic questions of public policy concern such as, how many Indigenous people are employed? where? in what occupations? what qualifications do they have? how much do they earn? More importantly, the longitudinal question of how individuals are faring over time has been largely left to drift.
12. Leaving aside these complexities of data collection, a key policy question, that can still be addressed from cross-sectional examination of census data, is whether the relative economic status of Indigenous people is likely to appear any better when the next census results are publicly available in 2002 and again in 2007. All other things being equal, results from the present analysis of likely future employment and income status suggest that it will not.

Table A. Indigenous Labour Force Status, 2001

BASICS

	Employed	Unemployed	<u>Labour Force</u>	Not in the Labour Force	Not Stated	Total
<i>Males</i>						
Indigenous	54,800	15,300	70,000	45,500	4,000	119,500
Non-Indigenous	4,460,900	374,100	4,835,000	1,941,500	68,900	6,845,400
Total	4,546,800	394,000	4,940,800	2,022,700	295,200	7,258,600
<i>Females</i>						
Indigenous	45,600	9,700	55,400	69,900	4,300	129,500
Non-Indigenous	3,683,600	254,500	3,938,100	3,118,900	104,600	7,161,600
Total	3,751,800	266,700	4,018,600	3,242,700	336,900	7,598,100
<i>Persons</i>						
Indigenous	100,400	25,000	125,400	115,400	8,200	249,100
Non-Indigenous	8,144,500	628,600	8,773,100	5,060,400	173,500	14,007,000
Total	8,298,600	660,700	8,959,300	5,265,400	632,000	14,856,800

SUMMARY**MEASURES**

	Labour Force Participation Ratio	Employment to Population Ratio	Unemployment Rate
<i>Males</i>			
Indigenous	60.6%	47.4%	21.8%
Non-Indigenous	71.3%	65.8%	7.7%
Total	71.0%	65.3%	8.0%

Females			
Indigenous	44.2%	36.4%	17.6%
Non-Indigenous	55.8%	52.2%	6.5%
Total	55.3%	51.7%	6.6%
Persons			
Indigenous	52.1%	41.7%	20.0%
Non-Indigenous	63.4%	58.9%	7.2%
Total	63.0%	58.3%	7.4%

IMPACT OF CDEP

	CDEP Participants	CDEP as proportion of Labour Force	Unemployment + CDEP Rate
Census Counts	17,820	14.2%	34.2%
ATSI data	34,300	27.3%	47.3%

Source: 2001 Census of Population and Housing, ATSI CDEP data – August 2001

Three measures of Indigenous unemployment, 2001

1	Census unemployment rate	20.0%
2	Combined Census unemployment and Census CDEP rate	34.2%
3	Combined Census unemployment and ATSI CDEP participants rate	47.3%

Table B. Indigenous labour force status by ATSI Region , 1996-2001

	Labour Force (no.) 2001	Labour Force Participation Rate (a) 1996	Labour Force Participation Rate (a) 2001	Employment Ratio (b) 1996	Employment Ratio (b) 2001	Unemployed (no.) 2001	Unemployment Rate (c) 1996	Unemployment Rate (c) 2001
New South Wales								
Sydney	13,440	59.2%	57.8%	48.2%	47.0%	2,250	20.4%	16.7%
Queanbeyan (includes ACT)	3,710	57.4%	56.5%	44.4%	43.1%	800	25.0%	21.4%
Queanbeyan (excludes ACT)	2,250	53.3%	51.0%	37.5%	37.7%	600	29.6%	26.5%
Murdi Paaki (Bourke)	2,140	48.6%	48.3%	36.8%	35.1%	510	27.8%	23.9%
Many Rivers (Coffs Harbour)	9,670	52.6%	51.7%	37.6%	35.6%	2,650	32.3%	27.4%
Kamliaroi (Tamworth)	3,570	48.9%	48.5%	33.9%	32.6%	1,070	33.2%	30.0%
Binaal Billa (Wagga Wagga)	5,840	50.4%	48.4%	36.2%	35.0%	1,470	30.4%	25.2%
Total (exclude ACT)	36,860	53.9%	52.6%	40.4%	39.3%	8,520	27.0%	23.1%
Victoria								
Binjurr (Wangaratta)	4,210	59.5%	58.1%	48.8%	47.9%	670	19.8%	16.0%
Tumbukka (Ballarat)	4,170	57.0%	54.7%	43.8%	43.5%	830	23.0%	19.9%
Total	8,380	58.1%	56.3%	46.2%	45.6%	1,510	21.4%	18.0%
Queensland								
South East Queensland (Brisbane)	12,100	57.9%	58.6%	45.9%	43.3%	2,620	25.1%	21.7%
Cairns and District	5,440	50.9%	53.4%	41.6%	40.0%	1,210	21.5%	22.2%
Gulf and West Queensland (Mount Isa)	2,390	51.5%	56.5%	47.3%	41.5%	390	19.8%	16.4%

	Labour Force (no.) 2001	Labour Force Participation Rate (a) 1996	Labour Force Participation Rate (a) 2001	Employment Ratio (b) 1996	Employment Ratio (b) 2001	Unemployed (no.) 2001	Unemployment Rate (c) 1996	Unemployment Rate (c) 2001
Peninsula (Cooktown)	2,530	63.7%	65.3%	61.8%	61.3%	140	3.3%	5.3%
Central Queensland (Rockhampton)	3,910	53.7%	53.5%	39.7%	36.0%	1,010	33.4%	25.7%
Goolburri (Roma)	3,240	52.6%	54.5%	42.8%	38.1%	690	27.5%	21.4%
Townsville	4,770	53.1%	49.2%	37.4%	40.6%	1,150	23.8%	24.1%
Torres Strait	2,240	58.4%	62.7%	59.3%	53.0%	120	9.5%	5.5%
Total	36,610	55.1%	55.9%	44.7%	42.7%	7,330	22.5%	20.0%
South Australia								
Patpa Warra Yunti (Adelaide)	4,410	53.1%	50.0%	38.9%	39.2%	980	26.7%	22.2%
Wangka-Willurrara (Ceduna)	630	58.4%	55.9%	49.1%	48.8%	80	15.0%	12.2%
Nulla Wimila Kutju (Port Augusta)	1,860	54.5%	46.3%	37.8%	41.5%	340	22.5%	18.5%
Total	6,900	54.0%	49.4%	39.4%	40.7%	1,400	24.3%	20.3%

Source: 1996 and 2001 Census of Population and Housing

Footnotes:

- Labour force participation rate: the number of people in the labour force (i.e. employed – includes CDEP – or unemployed) expressed as a proportion of the total population aged 15 years and over.
- Employment to population ratio: the number of people who are employed – includes CDEP – expressed as a proportion of the total population aged 15 years and over.
- Unemployment rate: the number of people who are unemployed expressed as a proportion of the total labour force.

Table B. Indigenous labour force status by ATSI Region , 1996-2001 (continued)

	Labour Force (no.) 2001	Labour Force Participation Rate (a) 1996	Labour Force Participatio n Rate (a) 2001	Employment Ratio (b) 1996	Employment Ratio (b) 2001	Unemployed (no.) 2001	Unemployment Rate (c) 1996	Unemployment Rate (c) 2001
Western Australia								
Perth Noongar	6,030	48.3%	50.5%	36.6%	35.0%	1,660	27.5%	27.5%
Kullari (Broome)	1,450	56.5%	56.6%	51.1%	50.8%	140	10.0%	9.8%
Wunan (Kununurra)	1,410	60.0%	51.0%	46.5%	55.7%	130	7.6%	8.8%
Western Desert (Warburton)	960	43.7%	52.4%	49.3%	41.5%	60	3.6%	5.8%
Kaata-Wangkininyi (Narrogin)	2,120	47.6%	53.4%	41.8%	37.7%	460	20.6%	21.8%
Ngarda-Ngarli-Yarndu (South Headland)	1,520	50.1%	51.3%	42.5%	38.1%	260	23.4%	17.1%
Malarabah (Derby)	1,760	61.0%	62.4%	58.7%	57.3%	100	6.4%	5.9%
Wongatha (Kalgoorlie)	1,030	44.9%	48.3%	38.9%	35.4%	200	21.7%	19.4%
Yamatji (Geraldton)	1,570	46.3%	49.5%	37.7%	34.9%	370	24.6%	23.7%
Total	17,850	50.1%	52.2%	42.3%	40.4%	3,380	19.3%	18.9%
Tasmania								
Tasmania	5,490	61.0%	58.5%	47.0%	48.7%	1,080	20.2%	19.7%
Northern Territory								
Yilli Rreung (Darwin)	2,910	48.4%	50.4%	40.7%	37.1%	560	23.2%	19.3%
Alice Springs	1,290	44.0%	43.6%	36.5%	37.0%	210	16.0%	16.3%
Jabiru	1,880	42.4%	36.1%	32.8%	34.1%	170	19.6%	9.3%
Garrak-Jarru	2,160	51.0%	46.8%	40.0%	42.7%	320	16.4%	14.7%

	Labour Force (no.) 2001	Labour Force Participation Rate (a) 1996	Labour Force Participation Rate (a) 2001	Employment Ratio (b) 1996	Employment Ratio (b) 2001	Unemployed (no.) 2001	Unemployment Rate (c) 1996	Unemployment Rate (c) 2001
(Katherine)								
Papunya (Apatula)	1,280	31.4%	24.8%	21.8%	24.6%	150	21.0%	12.1%
Miwatj (Nhulunbuy)	1,540	37.7%	31.7%	29.1%	35.2%	130	5.6%	8.1%
Yappakurlangu (Tennant Creek)	690	40.1%	34.8%	32.2%	33.3%	50	17.1%	7.4%
Total	11,740	42.3%	38.5%	33.2%	34.7%	1,590	17.8%	13.6%
Australian Capital Territory								
Australian Capital Territory	1,460	65.8%	67.8%	58.6%	54.3%	200	17.6%	13.6%
Total Australia	125,440	52.7%	52.1%	41.7%	40.7%	25,040	22.7%	20.0%

Source: 1996 and 2001 Census of Population and Housing

Footnotes:

- d. Labour force participation rate: the number of people in the labour force (i.e. employed – includes CDEP – or unemployed) expressed as a proportion of the total population aged 15 years and over.
- e. Employment to population ratio: the number of people who are employed – includes CDEP – expressed as a proportion of the total population aged 15 years and over.
- f. Unemployment rate: the number of people who are unemployed expressed as a proportion of the total labour force.

Table C. Impact of CDEP on Indigenous labour force status by ATSI Region, 1996-2001

Area	Census: Employed - Total 2001	Census: Employed - CDEP 2001	Census: Employed 5 year growth	ATSI: CDEP Participants (a) 2001	ATSI: CDEP (b)(c) 5 year growth	ATSI CDEP as proportion of Census Labour Force (d) 2001	Combined Census CDEP + Unemployment Rate 2001	Combined ATSI CDEP + Unemployment Rate (d) 2001
New South Wales								
Sydney	11,190	150	1,710	440	290	3.3%	17.8%	20.0%
Queanbeyan (includes ACT)	2,920	100	680	320	230	8.6%	24.1%	30.0%
Queanbeyan (excludes ACT)	1,650	90	340	240	150	10.8%	30.5%	37.2%
Murdi Paaki (Bourke)	1,630	450	220	1,150	240	53.6%	45.0%	77.6%
Many Rivers (Coffs Harbour)	7,020	450	2,020	1,540	670	15.9%	32.0%	43.3%
Kamliaroi (Tamworth)	2,500	440	510	1,020	350	28.6%	42.3%	58.6%
Binaal Billa (Wagga Wagga)	4,370	200	970	610	400	10.5%	28.6%	35.6%
Total (exclude ACT)	28,340	1,770	5,740	5,240	2,180	14.2%	27.9%	37.3%
Victoria								
Binjurr (Wangaratta)	3,530	100	560	480	320	11.5%	18.4%	27.5%
Tumbukka (Ballarat)	3,340	70	540	380	270	9.2%	21.6%	29.1%
Total	6,880	180	1,100	870	590	10.3%	20.1%	28.3%
Queensland								

Area	Census:	Census:	Census:	ATSI:	ATSI:	ATSI CDEP as	Combined	Combined
	Employed - Total	Employed - CDEP	Employed 5 year growth	CDEP Participants (a)	CDEP (b)(c) 5 year growth	proportion of Census Labour Force (d)	Census CDEP + Unemployment Rate	ATSI CDEP + Unemployment Rate (d)
	2001	2001		2001		2001	2001	2001
South East Queensland (Brisbane)	9,480	70	2,580	430	420	3.6%	22.3%	25.3%
Cairns and District	4,230	750	790	1,440	260	26.4%	36.0%	48.7%
Gulf and West Queensland (Mount Isa)	2,000	510	400	810	250	33.8%	37.7%	50.2%
Peninsula (Cooktown)	2,390	1,870	220	2,820	-80	111.8%	79.3%	117.1%
Central Queensland (Rockhampton)	2,910	170	660	330	430	8.5%	30.0%	34.1%
Goolburri (Roma)	2,550	340	680	850	490	26.1%	31.9%	47.5%
Townsville	3,620	200	270	700	120	14.6%	28.3%	38.7%
Torres Strait	2,120	1,020	320	1,740	600	77.8%	51.0%	83.2%
Total	29,280	4,920	5,930	9,110	2,490	24.9%	33.5%	44.9%
South Australia								
Patpa Warra Yunti (Adelaide)	3,440	190	530	570	180	12.9%	26.5%	35.1%
Wangka-Willurrara (Ceduna)	550	260	40	670	10	105.5%	53.5%	117.7%
Nulla Wimila Kutju (Port Augusta)	1,510	770	500	1,230	-190	66.2%	59.9%	84.8%
Total	5,500	1,210	1,070	2,470	0	35.7%	44.4%	56.0%

Source: 1996 and 2001 Census of Population and Housing; ATSI CDEP data – August 2001.

Footnotes:

- a. Participants in August 2001.
- b. Assigned CDEP places.
- c. In the ACT, CDEP places are administered through the South East NSW/ACT CDEP.
- d. Rates may exceed 100% if participants in CDEP indicated in the Census that they were not in the labour force.

Table C. Impact of CDEP on Indigenous labour force status by ATSI Region, 1996-2001 (continued)

Area	Census:	Census:	Census:	ATSI:	ATSI:	ATSI	Combined	Combined
	Employed - Total	Employed - CDEP	Employed 5 year growth	CDEP Participants (a)	CDEP (b)(c) 5 year growth	CDEP as proportion of Labour Force (d)	Census Unemployment Rate	Census CDEP + Unemployment Rate
	2001	2001		2001		2001	2001	2001
Western Australia								
Perth Noongar	4,370	90	840	490	410	8.1%	29.0%	35.7%
Kullari (Broome)	1,310	670	290	1,460	380	100.8%	56.0%	110.6%
Wunan (Kununurra)	1,290	910	150	1,210	90	85.5%	73.4%	94.3%
Western Desert (Warburton)	910	730	150	1,200	0	125.1%	81.9%	130.9%
Kaata-Wangkininyi (Narrogin)	1,660	300	370	1,120	540	52.7%	35.9%	74.4%
Ngarda-Ngarli-Yarndu (South Headland)	1,260	280	310	650	380	42.7%	35.5%	59.8%
Malarabah (Derby)	1,650	1,230	290	1,730	210	98.2%	75.8%	104.2%
Wongatha (Kalgoorlie)	830	110	160	350	250	34.2%	30.1%	53.7%
Yamatji (Geraldton)	1,200	230	200	900	450	57.0%	38.4%	80.7%
Total	14,470	4,550	2,760	9,100	2,710	51.0%	37.8%	69.9%
Tasmania								
Tasmania	4,410	20	470	110	n.a.	2.0%	20.1%	21.7%
Northern Territory								
Yilli Rreung (Darwin)	2,350	170	360	220	220	7.6%	25.1%	26.9%
Alice Springs	1,080	240	80	480	110	37.2%	34.9%	53.4%

Area	Census: Employed - Total 2001	Census: Employed - CDEP 2001	Census: Employed 5 year growth	ATSI: CDEP Participants (a) 2001	ATSI: CDEP (b)(c) 5 year growth	ATSI CDEP as proportion of Census Labour Force (d) 2001	Combined Census CDEP + Unemployment Rate 2001	Combined ATSI CDEP + Unemployment Rate (d) 2001
Jabiru	1,700	1,260	110	1,800	740	96.2%	76.3%	105.4%
Garrak-Jarru (Katherine)	1,840	1,340	140	1,790	280	83.0%	76.7%	97.7%
Central Remote (Apatula)	1,120	750	-10	940	150	73.8%	70.7%	85.9%
Miwatj (Nhulunbuy)	1,410	990	-20	1,660	120	107.7%	72.4%	115.9%
Yappakurlangu (Tennant Creek)	640	410	-30	670	220	97.7%	66.8%	105.1%
Total	10,150	5,150	620	7,570	1,820	64.5%	57.4%	78.0%
Australian Capital Territory								
Australian Capital Territory	1,260	10	340	80	80	5.2%	14.3%	18.8%
Total Australia (includes Torres Strait Area)	100,390	17,820	18,130	34,300	9,790	27.3%	34.2%	47.3%

Source: 1996 and 2001 Census of Population and Housing; ATSI CDEP data – August 2001.

Footnotes:

- a. Participants in August 2001.
- b. Assigned CDEP places.

- c. In the ACT, CDEP places are administered through the South East NSW/ACT CDEP.
- d. Rates may exceed 100% if participants in CDEP indicated in the Census that they were not in the labour force.

Table D. Income of Indigenous and non-Indigenous Australians by ATSI Region, 1996-2001

Area	Median Weekly Individual Income, 2001		Change in the gap (a)			Ratio between Indigenous and non-Indigenous income	
	Indigenous	Non Indigenous	Gap	\$(2001)	%	1996	2001
New South Wales							
Sydney	\$327	\$456	\$129	\$25	24.0%	72.8%	71.7%
Queanbeyan (includes ACT)	\$281	\$436	\$155	\$20	14.8%	64.1%	64.4%
Murdi Paaki (Bourke)	\$214	\$320	\$106	\$54	103.8%	79.9%	66.9%
Many Rivers (Coffs Harbour)	\$241	\$307	\$66	\$11	20.0%	79.7%	78.5%
Kamliaroi (Tamworth)	\$215	\$339	\$124	\$47	61.0%	72.8%	63.4%
Binaal Billa (Wagga Wagga)	\$250	\$355	\$105	\$20	23.5%	71.3%	70.4%
Total NSW (exclude ACT)	\$262	\$398	\$136	\$25	22.5%	66.9%	65.8%
Victoria							
Binjurr (Wangaratta)	\$310	\$413	\$103	\$27	35.5%	78.3%	75.1%
Tumbukka (Ballarat)	\$286	\$361	\$75	\$21	38.9%	81.6%	79.2%
Total Victoria	\$296	\$389	\$93	\$27	55.0%	79.5%	76.1%
Queensland							
South East Queensland (Brisbane)	\$300	\$378	\$78	\$12	18.2%	79.6%	79.4%
Cairns and District	\$251	\$400	\$149	-\$5	-3.2%	58.6%	62.8%
Gulf and West Queensland (Mount	\$250	\$548	\$298	\$27	10.0%	44.0%	45.6%

Area	Median Weekly Individual Income, 2001		Change in the gap (a)			Ratio between Indigenous and non-Indigenous income	
	Indigenous	Non Indigenous	Gap	\$(2001)	%	1996	2001
Isa)							
Peninsula (Cooktown)	\$182	\$461	\$279	\$24	9.4%	42.5%	39.5%
Central Queensland (Rockhampton)	\$249	\$318	\$69	\$4	6.2%	76.9%	78.3%
Goolburri (Roma)	\$262	\$336	\$74	\$10	15.6%	77.3%	78.0%
Townsville	\$245	\$385	\$140	\$8	6.1%	62.0%	63.6%
Torres Strait	\$241	\$524	\$283	-\$67	-19.1%	38.2%	46.0%
Total Queensland	\$257	\$371	\$114	\$11	10.7%	67.9%	69.3%
South Australia							
Patpa Warra Yunti (Adelaide)	\$258	\$357	\$99	\$23	30.3%	74.9%	72.3%
Wangka-Willurrara (Ceduna)	\$185	\$345	\$160	\$57	55.3%	65.2%	53.6%
Nulla Wimila Kutju (Port Augusta)	\$189	\$321	\$132	\$57	76.0%	72.2%	58.9%
Total SA	\$219	\$355	\$136	\$48	54.5%	70.7%	61.7%

Source: 1996 and 2001 Census of Population and Housing

Footnotes:

- a. After adjusting for 11% rise in CDI between 1996 and 2001.

Table D. Income of Indigenous and non-Indigenous Australians by ATSI Region, 1996-2001 (continued)

Area	Median Weekly Individual Income, 2001					Ratio between Indigenous and non-Indigenous income	
	Indigenous	Non Indigenous	Gap	Change in the gap (a)		1996	2001
				\$(2001)	%		
Western Australia							
Perth Noongar	\$265	\$384	\$119	\$7	6.3%	67.1%	69.0%
Kullari (Broome)	\$194	\$485	\$291	\$88	43.3%	48.9%	40.0%
Wunan (Kununurra)	\$190	\$552	\$362	\$42	25.3%	38.2%	34.4%
Western Desert (Warburton)	\$167	\$980	\$813	\$32	4.1%	17.4%	17.0%
Kaata-Wangkininyi (Narrogin)	\$249	\$359	\$110	\$8	7.8%	68.1%	69.4%
Ngarda-Ngarli-Yarndu (South Headland)	\$263	\$661	\$398	\$9	2.3%	34.6%	39.8%
Malarabah (Derby)	\$187	\$580	\$393	\$73	22.8%	37.8%	32.2%
Wongatha (Kalgoorlie)	\$240	\$538	\$298	\$7	2.4%	42.2%	44.6%
Yamatji (Geraldton)	\$251	\$367	\$116	-\$7	-5.7%	63.4%	68.4%
Total WA	\$217	\$389	\$172	\$27	18.6%	58.6%	55.8%
Tasmania							
Tasmania	\$265	\$322	\$57	\$8	16.3%	83.1%	82.3%
Northern Territory							
Yilli Rreung (Darwin)	\$258	\$547	\$289	\$42	17.0%	49.0%	47.2%
Alice Springs	\$195	\$568	\$373	\$69	22.7%	39.9%	34.3%
Jabiru	\$177	\$580	\$403	\$40	11.0%	33.9%	30.5%
Garrak-Jarru (Katherine)	\$180	\$528	\$348	\$64	22.5%	39.8%	34.1%

Area	Median Weekly Individual Income, 2001					Ratio between Indigenous and non-Indigenous income	
	Indigenous	Non Indigenous	Gap	Change in the gap (a)		1996	2001
				\$(2001)	%		
Central Remote (Apatula)	\$177	\$610	\$433	\$25	6.1%	29.5%	29.0%
Miwatj (Nhulunbuy)	\$180	\$739	\$559	104	20.6%	26.1%	24.4%
Yappakurlangu (Tennant Creek)	\$186	\$465	\$279	\$0	0.0%	39.4%	40.0%
Total NT	\$183	\$560	\$377	\$69	22.4%	37.8%	32.7%
Australian Capital Territory							
Australian Capital Territory	\$407	\$551	\$144	\$0	0.0%	70.1%	73.9%
Total Australia (includes Torres Strait Area)	\$231	\$387	\$156	\$38	32.2%	64.2%	59.7%

Source: 1996 and 2001 Census of Population and Housing

Footnotes

- a. After adjusting for 11% rise in CDI between 1996 and 2001.