

**LAND RIGHTS – PAST
PRESENT AND FUTURE
20 Years of Land Rights
Conference, Canberra ACT.
16 & 17 August 1996.**

**SMALL BUSINESS DEVELOPMENT,
SUPERANNUATION AND FUNDS
MANAGEMENT**

IS THE WAY TO OUR FUTURE



1.0 Introduction

There have been many major political and legislative achievements made over the last 20 years which include the recognition of Native Title Rights for Aboriginal and Torres Strait Islander people. The same cannot be said from an economic point of view, history has made Aboriginal and Torres Strait Islander people dependent upon Government and Government policies. We are a people who are safe within the policies of Government and when Government states that Aboriginal and Torres Strait Islander people are not ready for business many of us accept the inevitable, that we are not ready for the business world.

If you sit back and look at what is currently happening to the Aboriginal and Torres Strait Islander economy with the announcement of a \$400 million cutback from ATSIC, one could safely ask 'Where is our economic security?' To date the Aboriginal and Torres Strait Islander community have not developed an economic foundation in which many of our people could turn to, when undertaking local, regional, state and national economic activity because we are still attached to the apron strings of Government.

Aboriginal and Torres Strait Islander people need to consolidate and extend the right to negotiate our social, political, cultural and economic aspirations. Native Title is the start to ensuring that responsible Government and Industry leaders come to the negotiation table. It is my concern that when we get those parties to the negotiation table we are going to be too conservative towards achieving our economic aspirations.

It is important that Aboriginal and Torres Strait Islander people start to evaluate the Corporate structures that the organisation/ businesses are setting up and the economic goals that we have set for ourselves - the "Black Economy" of the future. Does this vision include Small business development, Industry Development, Corporate Partnerships, Superannuation and Funds Management, Credit Unions and Government Asset Sales ?

The aim of this paper is to consider the opportunities that Aboriginal and Torres Strait Islander people have as a cultural group within the Australia's economy and the message I want to leave this forum is that we are being constrained by the perimeter of Government policies. Our negotiation approach is far too conservative when discussing economic development/ native title/ social justice .

This paper is not going to analyse the benefits of CDEP, regional agreements or the specifics of small business but it will give an overview of the economic areas that the Aboriginal and Torres Strait Islander industry should be targeting for future economic diversity.

2.0 The Millstone of Cultural/ Economic Assimilation

What are the economic benefits of having Native Title rights? What is our ultimate economic vision? Is self government or regional agreements or local community control the way to achieving social, political, cultural and economic self determination?

These are questions that Aboriginal and Torres Strait Islander people should consider before negotiating any social justice package. Where do Aboriginal and Torres Strait Islander people fit into Australian society economically?

There are many directions the Aboriginal and Torres Strait Islander people can take although when looking at developments in Canada there are some key lessons that we in Australia could take note of.

- First, Aboriginal economic development was focused on arresting the cycle of poverty, dependency, and abuse through provision of skills, tools, and resources. Evidence to date suggests that economic development programs have missed the target (Comeau and Satin, 1990). Billions of \$ have been squandered, but most Aboriginal peoples (a total of 66% in 1986) continue to receive some type of social assistance. (Fleras, Elliott, 1992, p46).
- Second major development was Self Government. The Canadian Government was willing to tolerate a wider range of self-governing structures combining municipal, provincial, and federal jurisdictions, 'but not if it means yielding the ultimate sovereignty of the Crown and of Canada' (Fleras, Elliott, 1992, p48).
- Although recently the Government accepted the idea that Aboriginal peoples (a) are separate peoples, (b) possess a threatened culture and society that requires massive government intervention for survival, (c) need special measures to bring about renewal, and (d) depend upon central authorities and legal obligations to ensure Aboriginal progress as self-determining people, there has been little appreciable gain with respect to Aboriginal empowerment. The courts repeatedly uphold Aboriginal and land rights, but Ottawa continues to maintain a 'trench warfare mentality' (Harold Cardinal, in Comeau and Satin, 1990; Cassidy, 1991) and to demand additional court cases to test the legality of federal obligations (Fleras, Elliott, 1992, pp52-53).
- While current policy and administrative initiatives for limited Aboriginal autonomy are more promising than their predecessors, real change will require greater sharing of power and resources, as well as a fundamental shift in the collective mind-set of central authorities. The cultural-assimilationist ethos that prevail in the 1970's is still evident; only its style has changed. It is reflected in efforts to (a) phase out separate institutional structures, (b) formally rationalise Aboriginal - government relations through land corporations and municipal governing structures, (c) transfer federal responsibility to the provinces, and (d) incorporate Aboriginal peoples into legal, administrative, and political structures of Canadian society.(Fleras, Elliott, 1992, p54).

Going overseas to find answers for the Australian situation is not a philosophy being

promoted by this paper. We can learn by the points outlined above, in some cases the words 'Australian Government' could replace 'Canadian Government'.

When setting strategies for economic empowerment, where should the negotiations be focused to ensure that Australia does not make the same mistake as Canada made in the 1980's. Canada's economic development focused on arresting the cycle of poverty, dependency, and abuse through provision of skills, tools, and resources which resulted in the spending of billions of dollars with very little change for the indigenous community.

In Australia accessing funds is usually associated with incorporating Aboriginal peoples into legal, administrative, and political structures. Aboriginal and Torres Strait Islander people will need to consider the issue of Government promoting structures that are aligned with western- colonial culture. Western-Colonial structures will always promote the policies of the government/s of the day ensuring that the concept of recognising the Sovereign rights of the many Aboriginal nations that make up the diverse group of peoples is not on the agenda.

The practice of setting up Aboriginal and Torres Strait Islander organisations/ corporations within Western-Colonial structures that promote the policies of the government/s of the day, otherwise known as "Corporate Assimilation" is still being practiced in Australia while there is little recognition for the sovereign rights of the nations (eg. Bundjalung) within the total Australian Aboriginal nation.

The reality is that self determination and self management will never be achieved through Government controlled incorporated structures because they are not orientated towards real change, "the sharing of power and resources" with Aboriginal and Torres Strait Islander people.

The Question at the end of the day is - "Will Government and Industry agree to share power and resources with Aboriginal and Torres Strait Islander corporations? The answer is NO because Government funding will always ensure that the people are controlled within Government policy which promotes corporate assimilation.

But what of the catch cry of Politicians and Public Servants about "Self Management and Self Determination" ? When are we as Aboriginal & Torres Strait Islander people going to make entry into where Self Management & Self Determination really happens by having financial clout ? It does not happen around the policy making tables of Government Departments or waiting for good natured Australians to help us.

Getting serious about economic self determination starts by evaluating the types of Corporate structures that are being developed today. Many of the current structures forced on the community are aligned with western-colonial culture and are destined for failure. Developing the right Corporate structure is not going to give people total answer to achieving greater control but it is the first step to achieving economic self determination. Aboriginal and Torres Strait Islander people need to be given some direction about the corporate structures that are orientated to achieve self determination, and not advice that ensures our alignment with the agenda of Government which leads to Corporate Assimilation.

3.0 The Economic Direction of the Future

To gain any social, political, cultural and economic control we have to step away from being dependant upon Government funding cycles. There is no one economic answer for the future but there are a number of opportunities that will lead to a total economic approach for the future. Those opportunities can be found below.

Before outlining the opportunities, it is my personal observation that Aboriginal and Torres Strait Islander people in the political forum are leaders of social change for Australia. Our leaders have been far too conservative when negotiating our national/state economic aspirations. In relation to the political forum our people do not wait for approval from Government, but economically we look to Governments for consent (we are a people who wait for Government policies to change, we then wait for their approval and are thankful of the economic crumbs thrown our way). This conservative approach is closely linked to corporate assimilation and our dependence on Government funding cycles.

Many advocates have stated that the Aboriginal and Torres Strait Islander people have to break away from government funding. Where do we start? We start by using Native Title rights and social justice issues to bring Government and Industry leaders to the negotiation table on a range of economic opportunities - and not just employment and training opportunities.

The time is right for Aboriginal and Torres Strait Islander companies, organisations and individuals to start developing a diverse economic direction for the future.

3.1 Industry Development

Industry research is essential and there will be people in this forum who may have more expertise than myself in Industries such as pastoral, tourism, housing, mining, transport, fishing, cultural, financial etc... Industry strategies can assist in targeting national, regional and local opportunities for Aboriginal and Torres Strait Islander people.

In this paper I would like to refer to the Tourism industry in more detail to assist in outlining a picture.

In a booklet developed by ATSIC, The Business of Indigenous Tourism, it states;

"Tourism can provide a means for economic independence, business development, job and educational opportunities as well as the preservation of a unique culture. Sharing this culture with Australian and overseas visitors in a dignified and authentic way provides a vehicle to educate a wide range of people about the values, traditions, ceremonies, art, craft and dance of Aboriginal peoples and Torres Strait Islanders.

In 1994, Australia's tourism industry:

- *attracted 3.4 million visitors from overseas;*

- catered for 47.5 million trips within Australia by Australian residents;
- directly employed 500,000 people, and
- was worth around \$45 billion to Australia's economy

The National Centre for Studies in Travel and Tourism estimates that there are almost 500 Aboriginal and Torres Strait Islander tourism-related businesses in Australia, and 2, 500 Aboriginal peoples and Torres Strait Islanders employed in the tourism industry."

Industry Research

Like all industries the economic opportunities are very diverse and Aboriginal and Torres Strait Islander direct participation is limited. Industry research and participation needs to be broken into national/ international, regional and local strategies. Having research information is useless without industry representation and applications.

Industry Representation

At the moment some of the industry strategies are being developed internally in the public sector with the view of setting up an Aboriginal and Torres Strait Islander Tourism Industry Group with Aboriginal and Torres Strait Islander operators being a small minority of the Commission's Board and still no representative voice at the wider Industry Board level. Having this sort of structure is another form of Corporate Assimilation.

From those 500 Aboriginal and Torres Strait Islander tourism-based businesses, is there representation at the highest level of industry? Our people are represented on the promotional/ marketing material of the Tourism industry which is worth \$45 billion to Australia's economy. Why is it that the Aboriginal and Torres Strait Islander tourism-related businesses are not represented at the highest level? We need to be sitting at the same table as the Industry Board member being part of the decision making - a basic principle of achieving self determination.

The Aboriginal and Torres Strait Islander tourism-based businesses should approach the National/ State Industry Associations for representation. The industry body can only say NO then you come back next year and ask again.

Representative Research Support

Once achieving representation on Industry bodies, it is important to support each representative by feeding them national/ state/ regional Aboriginal and Torres Strait Islander economic aim and objectives. Later in this paper, reference is made to a Business Development Agency.

Industry Positioning

Making such suggestions of representation at the highest level, supporting those representatives with sound economic advice in relation to the Aboriginal and Torres Strait Islander tourism industry (aim and objectives of our industry) and being part of that industries network is usually seen as far too radical.

We need to use the Native Title stick or the Aboriginal and Torres Strait Islander marketing image or the future of tourism in Australia to position ourselves higher within industry and utilise their networks and resources to achieve our economic aspirations. This should be a strategy for all industries not only tourism.

It is important that "We have to stop being happy with the economic crumbs of industry."

Joint Ventures

The Aboriginal and Torres Strait Islander Commercial Development Corporation (CDC) has many examples of successful Aboriginal Corporations in joint venture with the CDC, the local Aboriginal and Torres Strait Islander community and non indigenous Corporations. The joint venture opportunity allows the Aboriginal and Torres Strait Islander community to share the financial burden and the business risk with companies that have industry credibility and experience within the chosen industry.

Experience has shown that Aboriginal and Torres Strait Islander Companies without industry knowledge, who employ Managers (who do not have any financial equity) for that experience do not have the same commitment as a full joint venture partner with a financial commitment to the project. When your joint venture partner has a financial commitment to company performance (profits) they will make sure that the business is operating for the benefits of all shareholders/ owners.

Future Native Title activities will result in Aboriginal and Torres Strait Islander people having business opportunities. Access to finance for any business is evaluated on the capacity to pay back loans and the company's expertise in relation to that industry. In many cases, not all, it is highly likely that the Aboriginal and Torres Strait Islander corporate entity will need to find a Joint Venture partner which has the industry experience to access finance.

It is smart business to ensure that joint venture partners bring expertise, access to finance and resources to any business project that the Aboriginal and Torres Strait Islander people are pursuing.

Skills Transfer

In previous papers, I have identified the issue of Skills Transfer or transfer of skills from the private sector in order to achieve effective management of our own affairs.

There is an increasing awareness within the Aboriginal community that the opportunities arising from the Native Title decision of the High Court will have to be managed effectively for the long term benefit of Aboriginal people. This will require a transfer of skills from the private sector, to achieve effective management of their own affairs. Transfer of skills goes beyond the attainment of employment targets and focuses on the choice between alternative options. It captures the concept of placing individuals, who may then choose to acquire skills in a particular industry/ie so that he/she can bring those skills back to his/her community in a variety of ways. ie individuals can choose to;(Williams, 1994, p 6)

- [1] Work within a particular industry and bring the industry resources to the community;
- [2] Bring acquired skills back to their community;
- [3] Utilise skills in developing a small business enterprise.

Many Aboriginal people who have an interest in business, and many have ideas on what they want to do and how they want to pursue their working aspirations, will need basic skill and educational assistance before they can proceed at their own pace. To meet these needs Departments will need to rethink policies and expectations which may not be oriented towards a skills transfer approach to training and education. The emphasis seems to be on looking for short quick successes to meet a short term focus, rather than on the longer term objective of skills acquisition and transfer.(loc cit)

Skills Transfer can be a two way learning process with the Aboriginal or Torres Strait Islander persons learning management skills and the non indigenous members of the business gaining a greater understanding of indigenous culture, a two way transfer of skills and information.(Williams, 1995, p10)

Small Business training is likely to be orientated towards skills transfer, mentoring, business networking and selective training program that focus upon management aspects of small business.(loc cit)

3.2 Small Business Development

Small business is acknowledged as a vital and significant sector of the Australian economy. Small business performance is recognised world wide to be key to national economic goals. (Small Business in Australia, 1995, p1).

The Australian Bureau of Statistics (ABS) has estimated that there is around 850,000 small private businesses in Australia in 1993-94, employing some 2.9 million people. Small business account for approximately 97% of all private businesses, and 51% of all private sector business employment (including self-employment). (Small Business in Australia, 1995, p1).

Generally, the distribution of small business operators across the state reflected the population distribution in February 1995. (Characteristics of Small Business, 1995, p3)

- 31% of business operator were in New South Wales.
- 25% in Victoria.
- 20% in Queensland.
- 11% in Western Australia.
- 8% in South Australia.
- 2.5% in Tasmania.
- 1.5% in the Australian Capital Territory.
- 1% in the Northern Territory.

Creating Small Business Opportunities

As small businesses allow for self employment, they have a greater potential to contribute to job creation and job retention opportunities compared to large business. Moreover, as is the case with Australia in general, the service sector will continue to provide growth opportunities for Aboriginal and Torres Strait Islander small business ventures, especially in the remote rural areas of Australia. Urban Aboriginal and Torres Strait Islander small businesses provide services and goods to rural Aboriginal and Torres Strait Islander customers. (Williams, 1994, p13)

International researchers are still to define the definition of a family small business and the influence culture has on small business management issues. These small business researchers are yet to come to terms with family/ community controlled indigenous small business enterprises and the impact of indigenous culture on small business. The Indigenous Small Business sector cannot be developed under similar guidelines to that of Western style small business enterprises because family/ community/ cultural issues are at the centre of making decisions, or are ingrained in the process of decision making. (Williams, 1995, p3)

However, in order to develop and sustain small business enterprises, small business must have access to finance and financial services in order to;

1. Establish and expand small business.
2. Reduce the transaction costs involved in obtaining finance.
3. Obtain accurate information to ensure financial charges and interest rates attached to small business loans reflect the risk and administration costs of servicing this category of loan,
4. Ensure financial policies and procedures emphasise financial record owners capability and industry risk factor rather than risk adversity and collateral,
5. Ensure effective training exists for small business operators in communicating with accountants and the management of financial institutions,
6. Conduct small business awareness programs for financial managers so they can properly evaluate small business risks.(Queensland Small Business Corporation, 1992, p7).

These factors are especially relevant to Aboriginal and Torres Strait Islander small business. Although there is an available supply of financial resources, access to such financial resources are restricted by policies and standards used by the majority of financial institutions. For example;

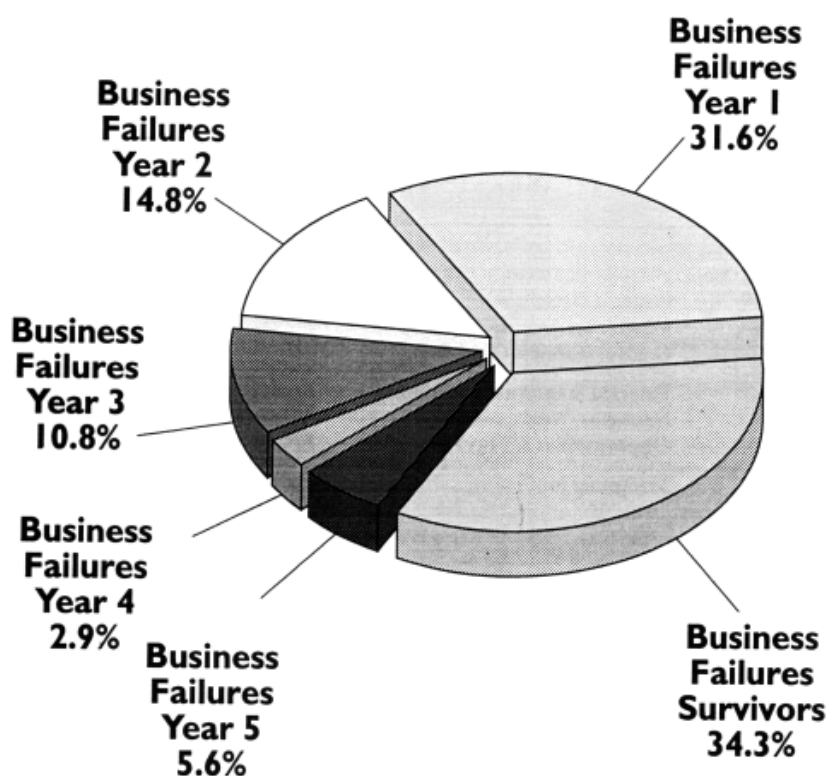
- [1] In many cases legislation in relation to Aboriginal and Torres Strait Islander assets have community ownership and as such are not recognised as suitable financial collateral;
- [2] There is a lack of financial infrastructure in remote communities to deal with large cash flows;
- [3] Managers of financial institutions categorise potential business opportunities for Aboriginal and Torres Strait Islander enterprises as high risk;
- [4] Managers of financial institutions are unaware of the potential business opportunities that exist in the Aboriginal and Torres Strait Islander market place. (Williams, 1995, p13)

Small Business Support

It is a well known fact that a large percentage of small businesses fail within the first 12 months of operation and it is likely that Aboriginal and Torres Strait Islander small businesses will be similar. Many of those business failures were due to the lack of business expertise, planning or lack of business advisory support during the early stages of setting up the business.

Chart A

PROPORTION OF BUSINESS FAILURES OVER 5 YEARS



Source: "A Longitudinal Analysis of the Characteristics and Performance of Small Business in Australia", Professor Alan Williams, University of Newcastle.

Chart A above, shows that only 34.3% of small businesses survive after five years and that 31.6% of small businesses fail in year 1. It is very important that the right support structure is developed to assist Aboriginal and Torres Strait Islander people in cultivating business concepts and bring them to fruition.

When developing policies and procedures for allocating financial resources to assist in the development of Aboriginal and Torres Strait Islander small business the following issues need to be addressed;

- [1] The scope of the definition of small business;
- [2] The type of Support Structures required;
- [3] Availability of Support Structures that consider the special cultural needs of small business;
- [4] Support Structures that provide assistance in business awareness, business planning and business management;
- [5] The use of a mentor system to assist new business in the early years of development;
- [6] The advantages to be gained from a national approach to Aboriginal and Torres Strait Islander small business development (Williams, May 1993).

If this is the case, the development of the small business sector within the Aboriginal and Torres Strait Islander economy is essential because of the number of Aboriginal and Torres Strait Islander people located in the rural and remote areas of Australia. Small business development in remote areas is likely to play a significant role in the local regional economic development for both community and individual based enterprises (Williams, 1995, p1).

Aboriginal and Torres Strait Islander Small Business Sector

The small business sector should also play a significant role for Aboriginal and Torres Strait Islander individuals/ communities achieving greater control over their lives but the realities are that there is no indigenous small business sector to boast such a significant contribution to the Aboriginal and Torres Strait Islander/ Australian economy. (loc cit)

The Aboriginal and Torres Strait Islander economic contribution in certain regions of Australia is significant due to the amount of government funding and Aboriginal and Torres Strait Islander organisational activity in providing services to the community. Industries such as the cultural, tourism and rural industries are likely to be a very significant part of Aboriginal and Torres Strait Islander people participating in small business activities. Currently many Aboriginal and Torres Strait Islander people in remote and rural regions are unemployed and are unlikely to find employment, this is usually where the population percentages are large and the welfare benefits/ organisation service funding make a significant economic contribution to the regions. (loc cit)

True economic control, self determination and self management for the Aboriginal and Torres Strait Islander community especially in the rural and remote regions of Australia is in the development of an Aboriginal and Torres Strait Islander small business sector. This strategy would be part of the total national/ regional economic plan and would address the Aboriginal and Torres Strait Islander small business sector by giving it the political, structural and financial support needed. (Williams, 1994, p)

3.3 Superannuation and Funds Management

There have been major changes in the financial market since I worked for National Mutual Funds Management in the late 1980's when the major Insurance companies dominated the total landscape of that market. The market has become more competitive with the introduction of industry superannuation funds, bank superannuation funds and independent fund manager.

This area of business has become highly specialised and regulated in relation to managing superannuation funds (the legal obligations of the trustees of superannuation funds) the Insurance and Superannuation Commission (ISC) and separately the legal obligations and qualifications of fund managers under the Australian Securities Commission (ASC).

Before writing this paper I approached Superannuation Packaging Australia Pty Ltd, an independent firm of professional consulting and administering in the area of self managed superannuation funds, to offer some information about Self Managed Superannuation Funds. The information that I was given was quite detailed and this paper will give an overview of that information. Superannuation and Funds Management advise should come from professionals within the Industry at all times.

Self Managed Superannuation Funds

As a national group of corporations, organisations and individuals the future benefits of deciding to eventually managing our own superannuation funds is enormous.

During the initial stages of setting up such a fund it would be highly likely that the funds would be managed by life offices such as AMP, Norwich, National Mutual etc.. That would be the decision of the Trustees who are responsible for the administration of the fund which includes determining where the monies of the fund are invested.

What the Fund and Trustee can do

Fund and trustee are governed by trust deed, trust law and respective Government legislation. Funds received are invested for the "**SOLE PURPOSE**" of accumulating retirement benefits for the members.

Setting up the Fund

Trust deeds are lodged for stamping with the Office of State Revenue and an application for tax file number and ISC Notification are lodged with the Australian Taxation Office (ATO) and ISC respectively.

It is important at this stage to consider what trust structure is most beneficial for the membership and acceptable to the ATO and ISC.

Day to Day Running of the Fund

Once the Fund is established, it can accept contributions from members and/or the members' employer, subject to maximum limits. The fund is also able to accept rollovers from other superannuation funds, whether self managed or managed by a life office, eg AMP, Norwich, National Mutual or Legal & General.

- (a) It is the duty of the trustees to invest fund monies to provide maximum return for members, based upon investment objectives, strategy and policy of the fund after risk factor and a diversification of the investment portfolio.
- (b) All income derived from investments **must** be deposited into the fund's bank account and details be fully recorded.
- (c) All payments should be made from the fund's cheque account and relevant invoices and/or receipts retained.

Other Issues that are central to Operating a Self Managed Allocated Pension

- Annual Administrative obligations of Trustees.
- Lump Sum Payment or Allocated Pension.
- Death of a Pension Recipient.
- Tax free Deductible Amounts.
- Rebate Percentage.
- Superannuation Fund Asset Protection.

Pooling of Funds

The message which I would like to leave you with is to start considering the benefits of Aboriginal and Torres Strait Islander companies, organisations and individuals of pooling our superannuation funds and our investment funds.

To achieve this the major organisations such as ATSIC, Torres Strait Islander Authority, ATSICDC, Indigenous Land Corporation (ILC), Aboriginal Hostels Limited, NSW Aboriginal Land Council Network, Northern Territory Land Councils, Western Australian Land Councils and all other Aboriginal and Torres Strait Islander organisations and businesses throughout Australia, need to pool their superannuation and investment funds.

We have to put aside our political differences and pool our superannuation and fund management into one fund. The money will be identified separately because of the obligation of the Trustees under superannuation to accumulate retirement benefits for members and a responsibility to the organisations/ corporations that invest their funds to get return on that investment.

The future benefits for our people could be; a percentage of the funds could be directly invested in our own business projects, having a noticeable presence in the financial market and ensuring those fund management and superannuation companies that are managing our money to create employment and training opportunities for Aboriginal and Torres Strait Islander people within the financial

industry. Building for the future must start somewhere.

3.4 Credit Unions

My understanding of credit unions is that they meet the need for finance for their members. They are cooperative non profit organisations who return their surpluses to their members in the form of better interest rates on savings and loans and have lower fees and charges than other forms of financial institutions.

They also provide funds to disadvantaged groups, social commitment to projects and provide financial counselling to their members (Peninsula Post, 30/9/93:13).

In response to the current economic climate there appears to be a trend towards major Australian banks and other financial institutions locating financial services in major township centres. This trend is likely to increase in the future. This trend comes at a time when the Aboriginal and Torres Strait Islander people are developing enterprises and support structures to manage and control our own assets and affairs. (Williams, Nov. 1993 p 9)

We should not wait for the banks to withdraw their services from our community, it is time that the Aboriginal and Torres Strait Islander community moved towards developing our own financial structure to service the financial needs of the members. (loc cit)

Grameen Philosophy

Muhammad Yunus developed The Grameen - Type Credit Scheme. The methodology that he adopted was to approach people and ask them how they could improve their lives. He was informed that they required a little capital but they had no collateral (Mahadevan,1993:108).

The plan that Yunus devised in response to this need, was to encourage potential borrowers to organise themselves into groups, (friends from same village) who could encourage each other to honour their debts. Groups would be required to meet once a week and attendance was compulsory. The Group decided on the size of the loan each member should get. After the loan was repaid a member could obtain another, but if one member of the group defaulted, no other member of the group could obtain any further credit. Loans would be discharged in equal weekly instalments over a whole year. Saving was mandatory. Five percent (5%) of every loan would be withheld by the bank and placed into a special fund. All group members could borrow from this fund on terms set by the group (loc cit).

Grameen's record has been excellent. Today it has lent over \$9.2 million to more than 19,000 borrowers and repayments rates are 100% (ibid,109)

Aboriginal and Torres Strait Islander people are very family and community orientated. The Grameen philosophy could have a role to play in group loans.

Aboriginal & Torres Strait Islander Credit Unions

There are a number of Aboriginal organisations discussing the setting up of a Credit Unions, a positive step forward indeed.

The first step to developing any Aboriginal and Torres Strait Islander Credit Unions is access to training and identifying the needs of its possible members. The methodology that Grameen adopted was to approach the people and ask them how they could improve their lives.

Before committing the organisations resources to develop a Credit Union it is important that the community understands that;

- (a) Successful Credit Unions are those with members that save, and
- (b) Have members who pay back their Credit Union loans.

If our people are not interested in saving or paying back loans - the Credit Union option is unlikely to be successful.

Access to Finance

Over the years people have highlighted the need for Credit Unions and a Black Bank. What is known is that the Aboriginal and Torres Strait Islander community has very little access to financial institutions. The question to pose here is 'How do we improve that access ?'.

At present, I do not have an answer to the above issue but there is no doubt that self determination and economic development is closely associated with the issue of access to finance.

3.5 National Procurement Board

The National Procurement Board (NPB) was launched in December 1994. The Board was established by the Commonwealth Government to provide independent advice to Ministers on purchasing policies and procedures, to play a key role in ensuring that procurement reforms are carried out, and establish a closer policy link between government purchasing and industry development.

The combined expenditure on goods and services by Commonwealth government agencies exceeds \$8 billion annually, and may be as high as \$12 billion. Together, the Commonwealth Government, State Governments and local governments spend over \$30 billion each year - over 3 per cent of GDP.

The National Procurement Board, Report 1995, states (p3).

The Board is empowered by the Commonwealth Government to monitor and advise on the extent to which reforms to government purchasing deliver better outcomes to agencies and provide business dealing for Australian and New Zealand industry. The Board's specific functions include:

- providing advise to Ministers on purchasing policies and procedures;
- providing advise on the development and dissemination of purchasing statistics and on the development and implementation of electronic commerce;
- monitoring and reviewing and advising Ministers on a wide range of purchasing matters, including:
 - the costs of tendering for both government and industry,
 - access of small to medium sized enterprises to government business,
 - the application of whole-of-life costing in government purchasing,
 - compliance with the requirement to use the Government's common use contract arrangements,
 - the effectiveness of purchasing training;
- reporting annually on these and other purchasing matters to the Ministers;
and
- making recommendations on matters to be referred to the Auditor-General.

What strategies should be set for Aboriginal and Torres Strait Islander business representative groups to ensure that Aboriginal and Torres Strait Islander organisations and businesses are able to successfully win at least 2 per cent of contracts nationally, or a higher percentage in line with the Aboriginal and Torres Strait Islander population in certain regions ? Commonwealth and State Aboriginal and Torres Strait Islander agencies such as ATSIC, State Aboriginal and Islander agencies should be contracting to Aboriginal and Torres Strait Islander organisations and businesses to exceed the 2 per cent mark. Emphasis should always be focussed upon receiving a quality service and Aboriginal and Torres Strait Islander organisations and businesses need to be advised on reasons for not winning contracts and how to improve the service they offer.

The combined expenditure on goods and services by Commonwealth government agencies exceeds \$8 billion annually, and may be as high as \$12 billion. Together, the Commonwealth Government, State Governments and local governments spend over \$30 billion each year. The winning of government's contracts is an essential part of the "Black Economy".

3.6 Black Pages Concept

The Black Pages concept was raised at the 1993 & 1995 National Aboriginal Indigenous Business & Economic Development Conferences. The Aboriginal and Torres Strait Islander business community expressed the need for the development of a database which could list the Aboriginal and Torres Strait Islander Industry.

The following recommendations were made on pages 8 & 9 of the National Indigenous Business and Economic Council (NIBEC) - Directional Plan 1995 - 2000, by Terry Kapeen & Associates, November 1995, Brisbane.

"The Black Pages" - Business Directory of Indigenous Businesses.

Recommendation 14 - Legal Entity of "The Black Pages

That in respect to the Legal Entity "The Black Pages" takes it is recommended that:-

A unit trust with a corporate trustee the Directors of which would be appointed by the initial NIBEC Steering Committee (Kapeen, 1995, p50).

Recommendation 15:

That the services of the Industrial Supplies Office (ISO) be engaged to assist NIBEC in the development of a submission to Government for funding to establish "The Black Pages" as a separate legal entity. The final budget for the establishment and operation of "The Black Pages" be determined as part of the ISO consultancy(Kapeen, 1995, p50)..

Recommendation 16

That NIBEC consider applying for funding of \$100,000 to engage the services of the ISO in the establishment of "The Black Pages" submission (Kapeen, 1995, p50).

The Kapeen & Associates consultancy has evaluated whether the "The Black Pages" concept should be similar to that of Yellow Pages listings or the ISO concept.

Recommendation 15, supported the ISO which assists in the procurement and project management to maximise the opportunities of local industry. ISO has a unique network across Australia and New Zealand to effectively access a national register of industry capabilities. In response to a request for information ISO will.

- Search for competitive producers;
- Evaluate their capacity to meet the requirements;
- Work with organisations to enhance their receptivity to local producers, provide information on procurement requirements while maintaining confidentiality;
- assist suppliers to interpret the quality and technical requirements in the acquisition process;
- Identify local companies suitable for offsets work; (Kapeen, 1995, p48).

The Black Pages would be developed in two stages;

- (1) The building of the Database. ISO to develop within their national database the Aboriginal & Torres Strait Islander Industry which should include the capabilities of our businesses, organisations, media, arts and crafts operators, etc..
- (2) The formation of a Black Pages Company. The role of this company is to access information from the ISO and negotiate business opportunities for the consolidation of directory information on a costs basis.

The ISO and the Black Pages Company would have formal mutual relationship for the exchange of information. The ISO usually updates each industry on a three year basis unless individual organisations/ businesses make contact to regularly update the ISO database information.

The economic benefits of developing a database of the Aboriginal and Torres Strait Islander industry capacity (Black Pages) and combine that capacity with the requirement for Governments to contract at least 2% of services and material to the Aboriginal and Torres Strait Islander industry is enormous.

3.7 Government Asset Sales

Commonwealth and State Governments have been selling off assets which have included Banks, Airlines, Electricity facilities, Defence facilities, Properties, Land and many other assets. Has the Aboriginal and Torres Strait Islander community presented Government with a proposal to receive or partly receive the assets for sale. Economic development includes gaining assets well below the market value.

If such a submission was presented to Commonwealth and State Governments;

- Which organisation/ corporation would prepare the submission?
- Which organisation/ corporation would hold the asset for the benefit of all Aboriginal and Torres Strait Islander people?

When the Commonwealth Bank was sold, a submission should have been presented for a percentage of the sale to be given towards building an economic base for Aboriginal and Torres Strait Islander people.

4.0 Business Development Agency

The closest Corporation that the Aboriginal and Torres Strait Islander community have to a Business Development Agency is the Aboriginal and Torres Strait Islander Commercial Development Corporation (CDC). The CDC can be congratulated on building expertise in Joint Ventures but the Development role of the CDC has never been exercised.

There is a need to have a National Aboriginal and Torres Strait Islander business development agency that is not filled with public sector employees who are directed to work to policy. They will never set a strategy to assist in building corporate structures that recognises the status of sovereign rights of separate peoples within Australia's indigenous people.

Being one of the members of the National Indigenous Business & Economic Council (NIBEC) trying to develop the dream of having a Small Business voice for Aboriginal and Torres Strait Islander people has highlighted two key issues.

- (1) We just do not have enough individual and community enterprises to make a strong Indigenous Business Council.
- (2) Government has supported the running of a national economic conference every second year but has placed many barriers before this group (for what reasons I am not sure) so that an ongoing business voice could be formed .

The Aboriginal and Torres Strait Islander community need practical not theoretical research on;

- Corporate business structure;
- Target Industries in relation to the participation and representation of Aboriginal and Torres Strait Islander operators/ stakeholders within the specific industries;
- Develop a blueprint for Joint Venture projects;
- Small Business advisory role;
- Pool Superannuation and Fund Management monies;
- Access to Financial Institutions;
- Developing our own Financial Institutions;
- Maintain Government Asset Sales negotiation position;
- Develop an Aboriginal and Torres Strait Islander industry position in the National Procurement Board.

The role of the Business Development Agency is to assist, not control Aboriginal and Torres Strait Islander business activity, assist in developing a negotiating position, structures and access to resources by already operating organisations/ corporations so as to continue building an economic base for the future.

5.0 Future Direction

People may think that the message that I have given in this paper is too simple. In my business or any business you set goals that are achievable, keep your competitors guessing and keep it simple.

Within the next five years, we should be able to :

- Evaluate and recommend culturally appropriate corporate business structure; (will be an ongoing process)
- Gain representative positions on key Industry bodies for Aboriginal and Torres Strait Islander operators/ stakeholders within the specific industries;
- Continue developing Joint Venture projects;
- Assist Small Business activity with access to quality advise;
- Set up a Nationally Managed Superannuation and Fund Management recognised by the Aboriginal and Torres Strait Islander corporations/organisations/ individuals;
- Gain greater access to Financial Institutions;
- Develop our own Credit Union were appropriate;
- Have a position to present to Government on future Asset Sales;
- Develop the Black Pages Company and have the National Procurement Board agree to monitoring, reviewing and advising Minister on the percentage of contracts that Aboriginal and Torres Strait Islander enterprises/ organisations are currently winning.
- Develop of an authenticity label (Indigenous Made) for our arts and crafts industry.

Achieving the above points would surely set the Aboriginal and Torres Strait Islander economy, the Black Economy, on the financial map of Australia.

6.0 Conclusion.

Building an economic base for the future has never been seen as a priority within the Aboriginal Affair portfolio. The impact of a \$400 million cutback over two years to the Aboriginal and Torres Strait Islander portfolio's of social, cultural and economic programs to a people who are already disadvantaged will be enormous.

What is the level of priority do we give building an economic base? Much of the work and the organisation/ businesses activity that has been developed over the last 9 years could vanish. The Aboriginal and Torres Strait Islander community have to get smarter and not be so closely attached to the apron strings of Government funding cycles.

The Aboriginal and Torres Strait Islander community need to diversify our approach to economic development by evaluating the Corporate structures that our organisation/ businesses are built upon and re-evaluate the economic goals that we have set for ourselves for the future.

Does that vision include Industry Development, Corporate Partnerships, Small Business Development, the pooling of Superannuation and Funds Management money, Credit Unions (access to finance), the Black Pages concept for the procurement of Government contracts, future Government Asset Sales and the crucial role that a Aboriginal and Torres Strait Islander Business Development Agency could have in the future development of the Black Economy ?

When are we as Aboriginal & Torres Strait Islander people going to make entry into where Self Management & Self Determination really happens, by having financial clout ? Well the answer certainly does not happen around the policy making tables of Government Departments or waiting for good natured Australians to help us.

"The reality is that our future is tied to our cultural integrity, native title rights and pure business cunning."

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