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The role of vocational education and training in Indigenous enterprise and community development

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The role of vocational education and training in Indigenous enterprise and community development

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Publisher's note

At the time of this research, the Aboriginal and Torres Strait Islander Commission (ATSIC) was still in operation. In March 2005, the Commission was abolished.

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The Indigenous steering committee comprised the following individuals:

- Tony Dreise: Executive Director, Department of Aboriginal and Torres Strait Islander Policy, Queensland (previously Aboriginal Programs Unit, New South Wales Department of Education and Training)
- Darcel Moyle: Indigenous Education Officer, Australian Education Union (previously Manager, Indigenous Studies Product Development Unit, Tropical North Queensland TAFE)
- Jason Field: Jumbunna Centre, University of Technology, Sydney
- Max Lenoy: Lecturer, Kurongkurl Katitjin School of Indigenous Australian Studies, Edith Cowan University, Western Australia.

Key messages

- ✧ Support for learning in Indigenous business must be sensitive to location. Remote areas offer a significant challenge.
- ✧ Learning through Indigenous business is most effective where learning is tied to earning; the content is customised; it is parallel to real work; and it is applied through employment in commercial businesses.
- ✧ Businesses operated primarily for social and community benefits are not ideal training grounds for Indigenous people who wish to learn how to run a commercial business.

Executive summary

Introduction

Aboriginal and Torres Strait Islander people in Australia are, on average, subject to very high unemployment, low average wages and relative exclusion from paid employment and commercial enterprise. The question as to whether, and in what ways, Indigenous Australians are learning through, and being engaged in enterprise generally, and in business in particular, is the basis of this report.

This research brings together new and emerging perspectives of Indigenous community and enterprise development and learning at either end of the remote–urban continuum in Australia. It explores the implications for learning through and from Indigenous enterprises. The research combines perspectives and findings from other studies on Indigenous experiences at either end of the demographic and commercial enterprise spectrum, in particular, from remote Indigenous communities in north-western Australia, to Indigenous people in major capital cities in south-eastern Australia.

There has been a growing recognition that program effectiveness, including education and training program effectiveness, can be enhanced by acknowledging and taking into account that Indigenous experience differs by location. Previous research has claimed that insufficient attention has been given to the diversity of Indigenous people's reality, that is, to its spatial specificity, or to recognising the importance of paid and unpaid work which people are already doing in their own communities. This report also argues that location does matter.

If an Indigenous Australian is born in a geographically remote Indigenous community, the opportunities for formal education and training and profitable enterprise or employment within that community are most limited. Although enterprise opportunities might be most feasible culturally in remote communities, other considerations make conventional viability and sustainability of community businesses questionable in these environments.

New data identified in this report expand assumptions on the relationship between business service inaccessibility and economic independence at the geographically remote extremities. There is strong evidence that the combined effect of service inaccessibility of Indigenous people in remote areas and the 'metro-centrism' of service 'delivery' are at least two of the major barriers experienced by Indigenous people in conducting business enterprises.

The purpose of this study

This research integrates and builds on perspectives from existing literature and is underpinned by reference to a number of contemporary and emerging policy perspectives on Indigenous enterprise and learning. The project was advised by an Indigenous steering committee.

The project primarily involved an analysis of the extensive post-1990 literature on learning-related aspects of Indigenous enterprise and small business development, synthesised with new interview data and findings from field research undertaken by the authors in capital cities in south-eastern Australia and remote communities in Northern Territory and Western Australia. It is inclusive of

all main areas of Indigenous enterprise (land, community, cultural, commercial). The field research was conducted via observation and recorded interviews. Further research included document research and telephone interviews.

In essence, the researchers investigated the extent to which vocational education and training (VET) and VET resources about business are (or are not) responsive to the difficult, unique and diverse requirements of Indigenous learners in both urban and remote contexts in Australia. The key questions asked by this project are:

- ✧ Where is Indigenous business happening?
- ✧ What is working?
- ✧ What is not?
- ✧ What can be done to move ahead?

Indigenous business

In an examination of Indigenous business it is important to acknowledge that many Indigenous businesses are small businesses in Indigenous community contexts and are often unlike mainstream businesses. In particular, they are more likely:

- ✧ to have their origins and connections in non-commercial or subsidised community-based activities and ventures (for example, community stores and services, the Community Development Employment Program and Aboriginal cooperatives)
- ✧ to have some history of non-Indigenous management or financial control and be community-owned rather than owner-operated
- ✧ to emphasise community usefulness and community employment rather than simply profit on capital.

By virtue of being much more likely to be socioeconomically disadvantaged and without inherited wealth, even Indigenous people with a good product and a means for marketing it, have far less capacity to access the capital required to establish a business than do many prospective non-Indigenous business owners. In remote communities in particular, the limited opportunity for individual asset ownership is a major barrier to securing business capital.

Findings

The most important finding from this research is that support for learning in Indigenous business differs by context, and must therefore be sensitive to Indigenous location. The problems associated with conducting Indigenous businesses in a non-Indigenous business world are profound in both urban and remote areas. Moreover, the Indigenous world view, situations and solutions differ significantly by context. The challenge is that potential benefits of Indigenous business are greatest in areas where business services are most limited, that is, in the most geographically remote areas.

It is concluded that models for profitable and sustainable Indigenous business development which also facilitate Indigenous community development are of particular importance, but they are under-developed in many remote community contexts. This is due to a lack of accessibility to business services, commercial labour markets, commercial business models and sites, and lack of incentives for learning about and particularly *through* Indigenous business—as stressed in the report's title.

Another important finding identified in this project are the tensions that exist between, on one hand, the often unrealistic expectations of wide benefits for communities involved in Indigenous business, and on the other hand, the limited rewards for particular individuals with responsibilities

for those businesses. These tensions are exacerbated when businesses which are not profitable in an economic sense are supported, promoted and staffed as if they were profitable.

Businesses and employment schemes operated primarily for their social and community benefit can be justified on a number of grounds. However, they are seldom commercial businesses and are not ideal training grounds for Indigenous people working in, operating, developing or mentoring commercial businesses. There is evidence from this research that operating Indigenous quasi-businesses primarily through non-Indigenous managers can exacerbate situations of Indigenous welfare dependency, particularly in the most remote and socioeconomically disadvantaged locations.

The project has also shown that learning through Indigenous business is most effective where that learning is tied to earning, customised to the context, developed parallel to real work and applied in practice through employment in businesses that are commercial. Indigenous community business is often a springboard for, but not always a suitable or sufficient learning environment or preparation for, truly commercial business and the development of independent Indigenous entrepreneurs or widely marketable business employment skills.

Finally, there is evidence that learning *through* business is critical. Funding priority might be given to appropriate, in-community training and supporting resources. In some cases this training will involve familiarisation with the 'fundamental' economic issues that non-Indigenous Australians take for granted. In other cases it will mean developing resources that do not focus on white, urban models, but instead tell the stories of Aboriginal entrepreneurs. In some instances, training and resources may be in a traditional language. If training cannot be flexible in its content and delivery, it cannot be responsive.

Context for Indigenous business

Scene setting

Aboriginal and Torres Strait Islander people in Australia are, on average, subject to very high unemployment, low average wages and relative exclusion from paid employment and commercial enterprise. The question of whether, and in what ways, Indigenous Australians are learning through, and being engaged in enterprise generally, and in business in particular, forms the basis of this research report.

It is widely recognised that 'Indigenous people experience substantial economic disadvantage in the areas of wealth, employment and income by comparison with other Australians' (Council for Aboriginal Reconciliation 2000a). The Indigenous youth population is rapidly increasing and there is relatively new evidence of extreme inequity between Indigenous people in remote and urban areas in Australia as well as in regions and cities (Commonwealth Grants Commission 2001). Comprehensive previous reviews of the school-to-work transition of Indigenous Australians have confirmed that 'Indigenous youth continue to experience considerable disadvantage at each stage of the transition from school to work (Long, Frigo & Batten 1998), and that rurality contributes to this disadvantage. In spite of 'very substantial improvements in Indigenous education and training in Australia since the 1970s and 1980s' (Robinson & Bamblett 1998, p.20), the removal of some forms of educational inequality has not necessarily eliminated many forms of economic inequality. There is a particular mismatch between Indigenous population distribution on one hand, and economic activity, employment in commercial enterprise and natural labour markets on the other.

Sutton (2001) has argued that as a consequence of recent policy changes:

> … the new levels of unemployment, new freedoms from authoritarian control, new concentrations of populations formerly dispersed, new accessibility of drugs, new alcohol purchasing power, new 'sit-down money' for the unemployed have not been matched with measures to assist people through the crises of occupation, discipline, motivation, conflict management and community trauma … (Sutton 2001, p.7)

Sutton presents evidence that these changes have 'reached crescendo, especially in the remoter regions'. Some Indigenous leaders have argued that many remote communities are now in crisis and experiencing social dissolution. Pearson (2000, p.20) has suggested that 'it is passive welfare that has caused such dissolution'.

For all of the above reasons, there has been increasing emphasis by governments and Indigenous organisations in identifying opportunities for Indigenous commercial enterprises and employment. There is a realisation that learning about and from Indigenous commercial enterprise can and should play an increasingly important role in Indigenous community development and that welfare support should play a lesser role.

By way of example, the Aboriginal and Torres Strait Islander Commercial Development Corporation[1] vision:

[1] Renamed Indigenous Business Australia 2001.

> … is of a strong Aboriginal and Torres Strait Islander business presence actively participating in mainstream economic activities within the Australian business community as a means of achieving greater economic self-sufficiency and well being for our peoples.
>
> (Aboriginal and Torres Strait Islander Commercial Development Corporation 1998, p.1)

While there are positive initiatives, Taylor and Altman suggest that, on the basis of population and economic forecasting:

> … it is unlikely that the raft of reforms introduced by the government … will alone improve opportunities for Indigenous people. Indeed, there is a distinct possibility that in relative terms many of these reforms will exacerbate an already unacceptable level of Indigenous disadvantage. (Taylor & Altman 1997, pp.1–2)

Pearson (2000, p.83) bases a strategy for the recovery of Indigenous communities on the building of local economies and meaningful participation of community members in the market economy. He argues for sweeping reform to funding and governance structures, but, at the same time, new social compacts among Aboriginal community members at individual, family and community levels. In Pearson's view, 'real' gains rest with the abolition of the 'gammon'[2] economy that exists in communities where passive welfare dependence and substance abuse, unless resolved, will 'undermine all efforts toward social recovery' (p.24).

This research brings together new and emerging perspectives of Indigenous community and enterprise development and learning at either end of the remote–urban continuum in Australia. It explores the particular implications for learning through and from Indigenous enterprises at an important time in Indigenous policy development. It combines perspectives and findings from research into Indigenous experience at either end of the demographic and commercial enterprise spectrum, in particular, from remote Indigenous communities in north-western Australia and Indigenous people in major capital cities in south-eastern Australia.

While the current research *leads* to findings in relation to the role of Indigenous enterprise education and training, it seeks to evaluate their appropriateness rather than to assume their importance. Indigenous policy and practice is littered with government initiatives which jump from a single problem to a single (and sometimes failed) action and solution. Indigenous education and enterprise policy and practice is no exception. In the current area of inquiry Boughton (1998, p.1) argued that there has been too much emphasis in Indigenous educational and development policy on human capital theory and economic rationalism.

There has certainly been a growing realisation during the 1990s in Australia that, while education and training *can* stimulate Indigenous employment and enhance the environment for commercial development, they are not *the* solution in isolation. There is an assumption, as Boughton (1998, p.28) argued, '… that it is up to Aboriginal peoples to fit into the restructured economy … through acquiring more vocational education and training', a situation which, in most cases '… would require people to move off their own country in even greater numbers'.

There has been a growing recognition that program effectiveness, including education and training program effectiveness, can be enhanced by acknowledging that Indigenous experience differs by location. For example, Boughton (1998, p.28) argued that insufficient attention has been given to 'the diversity of indigenous peoples' reality, or to its locational specificity', or to recognising the importance of paid and unpaid work which people are already doing in their own communities. This report argues that, while it is not possible to improve opportunities for Indigenous business without thinking and acting holistically with full knowledge of the wider policy context and environment, location does matter.

[2] 'Gammon' means humbug or deception as used in Aboriginal English (Oxford 1997, p.544).

The purpose of this study

This research integrates and builds on perspectives from existing literature including previous research by Flamsteed (1999), Flamsteed and Field (1999) and Golding (2000). The research is underpinned by reference to a number of contemporary and emerging policy perspectives on Indigenous enterprise and learning. It incorporates new data, insights and field research by Flamsteed in northern and Western Australian remote Indigenous communities, and by Golding in capital cities in south-eastern Australia.

Research questions

In essence, the researchers investigated the extent to which vocational education and training (VET) and VET resources about business are (or are not) responsive to the difficult, unique and diverse requirements of Indigenous learners in both urban and remote contexts in Australia. The key questions asked were:

- What is 'enterprise' in a range of Indigenous contexts, from remote traditional community to urban? How is this affected by an Indigenous 'world view'?
- How does business development factor in Indigenous community development planning?
- How does business function in an Indigenous community? For example, is business expected to promote and support the interests and needs of the community as a whole, or of other groups, such as family or clan groups?
- What is the profile of Indigenous learners engaged in community business development in remote and urban contexts?
- How have training resources in Indigenous business development (and also their delivery) responded to the particular requirements of Indigenous learners for:
  - content and learners with low literacy and numeracy levels
  - incorporation of elements of economic literacy that recognise the lack of awareness, particularly among remote community dwellers, of the function of the profit-based 'business' systems and its requirements
  - cultural content (recognising, for example, that white, urban role models may have limited relevance to Indigenous learners living in remote communities)
  - delivery methods (recognising, for example, the cultural restrictions that may limit the ways in which Indigenous learners can interact in a class environment)
  - types of flexible delivery options
  - funding models?
- What has succeeded in Indigenous business development training? Does information technology have a role to play in facilitating delivery of appropriate business development training?
- What have Indigenous community leaders identified as issues in community business development and the training required to facilitate successful business establishment and function, for example, the issue of welfare dependency?

Definitions

It is difficult to review the existing body of literature about Indigenous learning and business, including literature about learning in Indigenous business, without first being clear about some key definitions and their implications for VET and enterprise policy.

Mainstream

Where the term 'mainstream' is used in this report, it refers to the dominant culture, that of non-Indigenous society in Australia. Indigenous communities, as Boughton (1998, p.11) argued, have

very different value systems from those of the dominant society. While Indigenous people need access to mainstream options in VET and in enterprise, there are strong arguments for recognition that:

> … the disadvantage that Aboriginal people experience in the labour market and the economy can never be overcome by attempting to duplicate the urban-based mainstream Australian economic and social structure in Aboriginal communities. (Boughton 1998, p.30)

Also, Kemmis observed in a Western Australian context:

> To the extent that systems and institutions focus on the 'mainstream', they may continue to set up categories which exclude, rather than include, Aboriginal people, communities and culture, and give rise to the suspicion that the day-to-day treatment they receive from education systems and institutions is inequitable, not just different. (Kemmis 1998, p.2)

Learning

Indigenous education research reveals the tendency for responses to Indigenous education and training to be determined by reference to mainstream pedagogical models and outcomes. The term 'learning' is used in preference to teaching, education and training in this report because it presupposes Aboriginal and Torres Strait Islander agency in the learning process rather a benign response to the delivery and acceptance of universal, mainstream knowledge. The use of the term 'Indigenous learning' is consistent with government support of the centrality of Aboriginal community control and ownership of whatever Indigenous learning is deemed necessary by Aboriginal communities and businesses. It also is consistent with Indigenous peoples preferences (for example, *Partners in a learning culture*, Aboriginal and Torres Strait Islander Peoples' Training and Advisory Council 1999).

The term 'learning through' is preferred in the paper's title rather than 'learning about', since the evidence collected for this research confirms the relative importance of learning through doing for many Indigenous workers and learners.

Business

'Business' and 'enterprise' are terms that refer to ownership and operation of commercial ventures. While the terms are used interchangeably in mainstream contexts to refer to financial and commercial activity and transactions, the term 'business' is generally preferred in this report because of its broader meaning in many Indigenous contexts.

The term 'business' has also been widely appropriated within Aboriginal and Torres Strait Islander contexts to refer to traditional lore and ritual (Dixon, Ramson & Thomas 1990, p.212).

The authors of *Djama and VET* (1998) used *djama*, a Yolngu word for work:

> … to avoid conceptual slippage between 'work' as meaningfully constructed by Aboriginal communities and 'work' as meaningfully constructed within the [national vocational education and training system] and reflecting the cultural construction of work in the contemporary Western vocational and economic context.

Use of the term *djama* in that report included not only economically productive 'business' as defined in Western terms, but also contemporary Indigenous business that included 'community sustaining activities (market gardening, cattle husbandry, tourism, land management and health and nutrition delivery)'. In effect, the term *djama* embraces a '… number of productive activities that are embedded in Aboriginal community business and functioning' (*Djama and VET* 1998, p.55). The term is a reminder that Indigenous business has underpinning values that are not necessarily part of what is normally considered as mainstream or Western business.

In contemporary Australia, Indigenous business covers a wide spectrum, from Aboriginal community business entities such as administering corporations to Indigenous 'small business' with fewer than 20 employees. While large private sector companies and their peak organisations have an important role

to play in Indigenous employment strategies (Council for Aboriginal Reconciliation 2000a, p.4), there are very few opportunities for Indigenous people or communities to engage as independent owners in enterprises where they own most if not all of the operating capital, employ more than 20 people and make most of the principal business decisions. For this reason there is an emphasis in this report on the small end of the Indigenous business spectrum.

The Indigenous small business definition adopted in this report is similar to that adopted in *Learning about Indigenous small business* (Golding 2000), based on the Australian Bureau of Statistics (1997, p.99) small business definition.

> A business is regarded as small: if it is independently owned and operated; it is closely controlled by the owners who own most, if not all of the operating capital; and if the principal decision making functions rest with the owners. (Australian Bureau of Statistics 1997, p.99)

Most Indigenous small businesses, like mainstream small businesses, are on the *micro* end of small: 80% of all small businesses by the Australian Bureau of Statistics (1997) definition have fewer than five employees and more than half do not employ other people. Nevertheless one-person Indigenous businesses have played a relatively small part in Indigenous self-employment. The Council for Aboriginal Reconciliation noted that in 1996 self-employed Indigenous people comprised only 3.2% of all employed Indigenous people compared with 8.4% for non-Indigenous people (Council for Aboriginal Reconciliation 2000a, p.2).

Community

The term 'community' is widely used in Indigenous education, training and enterprise contexts, and more widely in Indigenous research literature, as part of recognition of its apparent value to Aboriginal and Torres Strait Islander people. However, use of the term is not without its problems. *Djama and VET* (1998) provides evidence that the term 'community' tended to be imposed on Aboriginal ways of organisation during the 1970s to enable the Commonwealth Department of Aboriginal Affairs to deliver welfare services efficiently.

Djama and VET further argued that:

> The packaging of Aboriginal kin (families, clans and language groups) into 'communities' has enabled service providers to construct a mythical target demographic on to which a whole raft of other Western social concepts and constructs can be added. (Djama and VET 1998, p.25)

There is ample evidence from the interviews that use and imposition of the term 'community' in Indigenous community enterprise is subject to somewhat different problems in urban and remote contexts. In both cases, as *Djama and VET* pointed out:

> When Indigenous 'communities' are manipulated to receive services modelled on Western structures which conflict with indigenous family and kinship structures, disempowerment of the Aboriginal people concerned is often the outcome. (Djama and VET 1998, p.26)

Social capital

The term 'social capital' refers to a set of attributes associated with relationships between individuals and social groups, in particular, networks, trust, reciprocity, collaboration and shared norms. Because of its emphasis on the value of ongoing relationships between individuals and groups, social capital theory is seen as having some applicability to lifelong learning in Indigenous and community contexts.

Further, the authors of *Djama and VET* (1998, p.64) argued: 'locally grown' Indigenous enterprises are more likely to be sustainable over long periods of time in remote communities, because they are embedded in community business as meaningful and worthwhile activities. The advantage of social capital theory as it applies to such Indigenous businesses is that it overtly values Aboriginal and Torres Strait Islander social and cultural relationships in addition to their commercial profitability.

Finally, social capital theory has the potential to recast Indigenous people other than as dependent clients within deficiency-based models. Kretzmann and McKnight note the danger of deficiency and delivery models which can lead individuals and communities:

> … to believe that their wellbeing depends on being a client. They begin to see themselves as people with special needs that can only be met by an outsider. They become consumers of services, with no incentive to be producers. (Kretzmann & McKnight 1993, p.5)

Pearson's (2000) perspective in social capital terms would be that such a welfare economy, as it is defined and addressed in some 'disadvantaged' Indigenous contexts and communities, leads to economic and social marginalisation and breakdown in trust at a range of levels. It effectively tells people it is acceptable to abandon two of the most important community development requirements: responsibility and reciprocation.

Metro-centrism

The term 'remote', as Boughton argued:

> … implies remote from, and what is the place from which these other places are remote? To people who live in them, they are at the centre not the periphery. We call them remote because they are remote from the urban-based centres of non-Aboriginal power and development. (Boughton 1998, p.22)

While economic, social and cultural remoteness can be experienced by social groups, including Indigenous people within cities (see Commonwealth Grants Commission 2001), remoteness in wider social discourses is a city-based concept.

The recently developed Accessibility and Remoteness Index of Australia (1999), while less overtly capital city-based, is nonetheless dependent on a reasonably valid metro-centric[3] assumption that there is increasing inaccessibility to goods and services as one moves away from population centres in Australia with fewer than 5000 people. This significant decrease in service accessibility (for example, in education, training, employment) with increasing remoteness is borne out in the Australian Bureau of Statistics (ABS 1995*)* National Aboriginal and Torres Strait Islander Survey.

Despite these known differences by location, many national Indigenous policies assume 'one size fits all'. This is despite the very different range of issues for Indigenous people between the larger cities (where the biggest *numbers* of Indigenous Australians live) and the remote 'communities' (where the highest *concentration* of Indigenous Australians live).

While the issue of location is widely recognised in policies for non-Indigenous rural, regional and remote Australians, there is evidence of an increase in metro-centrism in remote service provision. In the last decade there has been substantial withdrawal of person-based, 'on the ground' services and assistance in regional, rural and remote areas (Central Murray Area Consultative Committee 2001).

Indigenous location and disadvantage

Remoteness, accessibility and Indigenous enterprise

While remoteness and Indigenous economic disadvantage have been strongly linked qualitatively in the past, it has, until very recently, not been easy to quantitatively correlate Indigenous Australian disadvantage (on a number of measures, including employment, education and level of outside support) with objective measures of location, accessibility and remoteness. Four related

[3] A term adopted by Butler and Lawrence (1996) in their study of VET for people in rural and remote communities.

developments since 1999 have brought Indigenous disadvantage by location, and its implications for Indigenous enterprise, into sharper relief. Those developments are:

- ✧ the creation of an objective measure of Australian accessibility and remoteness (Accessibility and Remoteness Index of Australia 1999)
- ✧ the creation of an Experimental Indigenous Socio-Economic Disadvantage Index (Australian Bureau of Statistics 2000)
- ✧ research into accessibility to services in non-metropolitan Australia, including to Indigenous Australians living beyond reach of (that is, living more than 80 km from) basic services (Haberkorn & Bamford 2000)
- ✧ new data from a detailed, national analysis of funding to Australian Indigenous communities as it relates to Indigenous socio-economic disadvantage (Commonwealth Grants Commission 2001).

Remoteness and accessibility are important factors for individuals and communities across Australia in terms of enterprise viability. Particular factors important to mainstream business are access to clients, commercial markets and business services. Remoteness and accessibility are also important factors in people's decisions about where they choose to work and live. Accessibility to post-compulsory education, training and employment, as well as to large and diverse natural labour markets as potential employees and small business owners, are important factors which tend to draw most young people towards cities in Australia. Whether or not these factors apply equally or differentially to Indigenous people, and whether there are qualitative differences between remote Indigenous enterprise and urban Indigenous enterprise, are less clear and comprise several of the foci of the current analysis.

The lack of a useful tool for succinctly encapsulating remoteness, accessibility and disadvantage has been an historic problem limiting answers to such questions. The broad and somewhat arbitrary three-category (remote, rural, and metropolitan) classification of remoteness (Department of Primary Industries and Energy 1994) has recently been superseded by a more defensible and sensitive Accessibility and Remoteness Index of Australia (1999) based on a more precise, twelve-point, analogue scale. This index takes particular account of distance to populated locations of increasing size, on the valid assumption that population size tends to correlate with accessibility to services.

Indigenous inequity in remote locations

The Commonwealth Grants Commission Inquiry into Indigenous funding (2001, pp.408–9) developed an Experimental Index of Indigenous Socio-Economic Disadvantage.[4] This index has been linked to the Accessibility and Remoteness Index to clearly show that, in general:

> … the Indigenous areas in the relatively least disadvantaged category are in accessible areas and those in the relatively most disadvantaged category are in the most remote areas.
>
> (Commonwealth Grants Commission 2001, p.408)

The particular exceptions are Indigenous areas and suburbs within major cites such as Blacktown and Redfern (in Sydney), Inala (in Brisbane) and Swan (in Perth).

Data on this striking relationship between the Accessibility and Remoteness Index and the Experimental Indigenous Socio-Economic Disadvantage Index quartiles (drawn from Commonwealth Grants Commission 2001, p.409, table 9) are summarised in table 1.

[4] The index was based on data from the 1996 census, 1994 National Aboriginal and Torres Strait Islander Survey and National Perinatal Data (Australian Bureau of Statistics 2000).

Table 1: Distribution of Indigenous population by Accessibility and Remoteness Index of Australia (ARIA) and socioeconomic disadvantage, by percentage

	ARIA ranges					
	Highly accessible	Accessible	Moderately accessible	Remote	Very remote	**Totals**
Least disadvantaged	22.8	4.2	0.6	0.1	0.1	**27.8**
Less disadvantaged	17.8	8.7	2.4	2.3	0.3	**31.4**
More disadvantaged	3.8	6.2	6.0	3.7	3.9	**23.6**
Most disadvantaged	0.0	0.4	1.6	1.5	13.7	**17.2**
Totals	**44.4**	**19.4**	**10.6**	**7.6**	**18.0**	**100.0**

Note: ARIA = The Accessibility and Remoteness Index of Australia

Further analysis of the data on the 18% of Indigenous Australians in the 'very remote' column and the 44% in the 'very accessible' column' in table 1 demonstrates that:

- ✧ About three-quarters (76%) of all Indigenous people living in remote areas are in the 'most disadvantaged' category.
- ✧ About half (51.4%) of all Indigenous people living in highly accessible areas are in the 'least disadvantaged' category.

Further analysis of the 'most advantaged' and 'least advantaged' rows in table 1 shows that:

- ✧ 80% of the most disadvantaged Indigenous people live in very remote areas.
- ✧ 82% of the least disadvantaged Indigenous people live in highly accessible areas.

While these data may come as little surprise to many informed observers, they highlight a marked inequity within Indigenous Australia by location.

The Commonwealth Grants Commission report further identified these strong positive associations between high Indigenous disadvantage and:

- ✧ low income (less than $15 600 a year [p.409])
- ✧ the percentage of Indigenous people aged over 15 who never went to school (p.412)
- ✧ the percentage of people not employed (p.413)
- ✧ the percentage of people employed as labourers (p.413)
- ✧ the percentage of households living in improvised dwellings (p.413).

In summary, but not surprisingly, high socioeconomic disadvantage as measured by the Commonwealth Grants Commission (2001) Index and extreme remoteness as measured by the Accessibility and Remoteness Index of Australia are tightly correlated for Indigenous Australians and positively associated with low income, high unemployment and limited access to school education.

One obvious limitation of linking these indexes is that cultural disadvantage is not accounted for. The Commonwealth Grants Commission 2001 (p.422) noted that while '… it is often argued that cultural disadvantage is higher in the urban and city areas because of possible loss of land, language and culture in general', there is a negative correlation between the proportion of Indigenous people who *do not* speak an Aboriginal or Torres Strait Islander language and high socioeconomic disadvantage.

Accessibility to services that support Indigenous enterprises

The Accessibility and Remoteness Index of Australia (1999) has been shown to be particularly useful in theorising about Indigenous relative disadvantage. It is also highly relevant to theorising about Indigenous enterprise, since involvement in natural labour markets (as distinct from externally supported labour markets such as the Community Development Employment Program) and

individual income from commercial enterprises (as distinct from community income or individual welfare support), are more likely where commercial enterprises and the support services necessary for those enterprises (telecommunications, banks, commercial services, training) are more accessible.

In terms of *basic need* and *discretionary want* scenarios identified that open, commercial Indigenous enterprise is only possible where basic services (water, power, transport) and infrastructure are available to attract and sustain business and to attract customers (including tourists) and workers. There is strong evidence from new research that these basic services are much less likely to be available to enterprises, Indigenous or otherwise, in the remotest Indigenous communities.

Haberkorn and Bamford's (2000) investigation of accessibility to services in non-metropolitan Australia, combined with the Accessibility and Remoteness Index of Australia construct, and data on relative Indigenous disadvantage (Commonwealth Grants Commission 2001) provide new evidence which highlight the particular, objective and extreme disadvantage Indigenous people and communities face in accessing basic services necessary to live, let alone conduct business enterprises, in areas of Australia with high remoteness index values.

Most Indigenous homeland communities are small and relatively inaccessible in the remoteness index range 'very remote' (9.08–12). Many might be described in economic terms as 'thin markets'. Most have very limited accessibility to goods and services, with associated high freight costs and cost of imported basic goods (fuel, food). Many are difficult to define in conventional terms as 'natural labour markets' since most skilled recruitment is from outside. With permit systems in place, remoteness is often exacerbated by restrictions on entry of non-Indigenous people as potential enterprise clients for many Indigenous communities. Indeed some of these restrictions have been put in place to deliberately limit commercial import of some goods (such as alcohol) into communities.

Many small and remote Indigenous communities in homelands lack services necessary to attract and support tourism or to provide alternative commercial opportunities for outside enterprises. Most small businesses in remote Indigenous communities, particularly those businesses away from the major tourist routes, rely either on providing goods and basic services to local Indigenous clients, or on the export of primary goods (stock, minerals), or on cultural artefacts and art work (paintings, fabrics, ceramics).

In order to further demonstrate the extent of this inaccessibility to Indigenous people and businesses in particular, data have been extracted from a Bureau of Rural Science report, *Servicing regional Australia* by Haberkorn and Bamford (2000) That report somewhat arbitrarily (but usefully) defined 'accessibility' to a service as living within 80 km of that service. The term 'accessibility' is used in this definitional sense in the discussion which follows.

The graph in figure 1 plots the proportion of non-Indigenous Australians relatively inaccessible (living in a community more than 80 km) from a range of basic services. Line 1 shows that the more basic the service, the more likely it is that non-Indigenous Australians will be accessible to that service.

Line 2 plots the ratio of Indigenous inaccessibility to non-Indigenous inaccessibility (taken from line 1); for example, line 1 shows that 9.2% of non-Indigenous Australians live more than 80 km from a university. By contrast, 38.3% of Indigenous people live more than 80 km from a university, that is, Indigenous people are 4.2 times more likely to be inaccessible to a university.

It is striking that, when a range of *other*, more basic education, health and government services are added to line 2, it becomes apparent that the more basic the service type, the more likely it is that non-Indigenous people *will* have access, but the more likely Indigenous people *will not* have access. For example, in the case of accessibility to basic services offered by schools, post offices, general medical practitioners and pharmacies, Indigenous Australians are more than 30 times as likely as non-Indigenous Australians to be inaccessible. Indeed, the more basic the nature of the service, the higher the ratio of Indigenous to non-Indigenous inaccessibility.

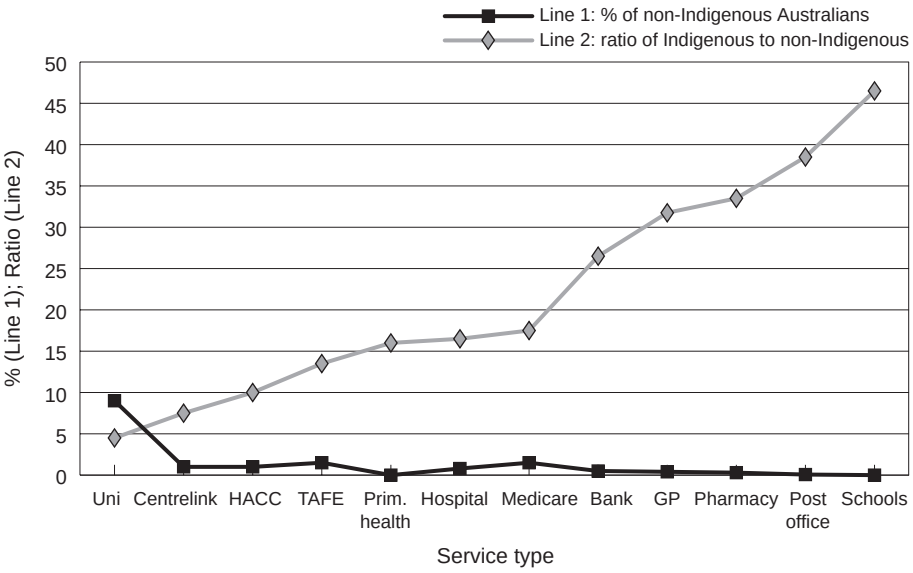
Figure 1 provides evidence of relative inaccessibility to basic services of remotely located Indigenous people and communities in Australia. The data:

- ✧ provide clear, objective evidence of current (on) accessibility to basic services
- ✧ provide a strong argument for moving away from cultural deficit theories about Indigenous people being somehow 'inherently disadvantaged', towards theories which identify inequitable service provision and metro-centrism as being critical issues which adversely impact on opportunities for Indigenous economic sustainability
- ✧ provide strong evidence that remote non-Indigenous Australian communities (Line 1) have comparatively (and objectively better) access to basic services in order to attract and retain non-Indigenous people and enterprises to remote areas
- ✧ have important implications for policies for national, state and territory Indigenous service provision, including education and training service provision
- ✧ have major implications for Indigenous business facilitation policies.

The situation identified by figure 1 can be illustrated qualitatively by considering existing, recent, and historic subsidies and services considered essential to attract non-Indigenous people to 'the outback' to do business, sometimes, ironically, as service providers in Indigenous communities. These incentives range from the 'Flying Doctor Service' and 'School of the Air', to 'remote area' taxation allowances, freight and accommodation subsidies and more recently telecommunications and media services.

There is a strong argument, in terms of equity, that the barriers experienced by remote Indigenous people to achieving economic independence, and also ways of overcoming those barriers, are tied up with service inaccessibility. This argument underpins much of the subsequent paper.

Figure 1: Comparison of inaccessibility to basic services for Indigenous and non-Indigenous inaccessibility (defined as 80+ km from a service)



Key: Line 1 plots the proportional percentage of non-Indigenous Australians living more than 80 km from a range of services in Australia; Line 2 plots the ratio of Indigenous to non-Indigenous Australians living more than 80 km from each service.

Source: Data derived from Haberkorn and Bamford (2000, using 2000 service data and 1996 census data).

The 'gammon' economy of welfare and service provision

Evidence of inefficiencies in service provision to remote Indigenous communities can be found in the well-documented record of substantial financial outlays by both state and federal agencies and the arguable ineffectiveness of their application and distribution. Fitzgerald's Cape York Justice

Study (2001, p.50) estimated that some $73 million in state funds alone were directed annually to the remote communities of Cape York and their 7000 Indigenous residents. Even more, Fitzgerald estimated, was allocated annually from federal and other sources. Whatever its source, the diversion of a proportion of these public funds to what he termed 'ineffective decision making processes and administration' inevitably reduced responsiveness to community service and community development requirements (Fitzgerald 2001, p.53). Fitzgerald further noted that:

> … the constant creation of new organisations, structures and programs also multiplies the time, effort and cost each community must expend in seeking funds and reduces the funds available to other programs which are often treated as failures without having had a chance to succeed. When large sums of public money are unsuccessfully spent in dealing with social problems, any suggestion of waste quickly erodes political commitment based on mainstream support. (Fitzgerald 2001, p.53)

As an example, Balkanu Cape York Development Corporation (2001, p.10) identified 32 state, federal and related agencies which directly deliver services to the region's Indigenous residents (the estimate does not include the number of federal and state agencies known also to indirectly deliver services). Yet there was limited or no access to services critical to the development of healthy, economically sustainable communities. These included appropriate education, adequate housing, wet season road access, affordable telecommunications, credit and business start-up support (p.13).

The service was indeed 'delivered': without skills transfer, coordination between agencies or meaningful community engagement. The lack of community engagement contributes, Balkanu asserted (2001, pp.11–12), to the passive welfare culture that has permeated the Cape communities for at least a generation and, by denying reciprocity, also denies participation in the outside economy. Fitzgerald also referred to the exclusion of local participation by 'rigid, bureaucratic structures and processes' (2001, p.51) which 'confirmed preconceptions' about community members' 'inferiority'. The complexity and cost of service delivery arrangements had major consequences for communities:

> Informal exclusion of the people in the communities from participating in the resolution of their social problems is as objectionable and damaging as formal exclusion. For most, complexity is as inaccessible as rigidity. As exclusion is tacitly accepted, responsibility is avoided and opportunities for individual development are lost … One consequence of the complexity is to delay action which must be taken to solve the problems in the communities, allowing the problems to become further entrenched and to damage more lives. Another consequence is to drain the energy and erode the morale of both the people in the communities and the public officials who are sent to work there, many of whom are unsuitable, poorly trained and inadequately resourced. (Fitzgerald 2001, p.53)

What Pearson (2000) described as the 'passive welfare culture' of Cape York communities has resulted in—and upholds—the disintegration of social relationships (Pearson 2000, p.30). There is evidence that this, in turn, has distorted cultural traditions, once firmly based on a principle of reciprocity, and replaced them with exploitative behaviour.

> It is wrong to see the system that prevails in our communities as embodying mutual expectation and obligation because the mutuality is only occurring between people who are engaged in exploitation. Whilst the relationships between adults drinking might involve mutual obligation—I am obliged to use my CDEP wage to buy grog, Bill is obliged to use his children's Family Allowance Supplement for the same reason— in fact these are the only obligations that are honoured. Obligations to children, wives, parents, grandparents—those not part of the drinking coterie or gambling circle—are ignored. (Pearson 2000, p.31)

In such an environment Pearson argues that the 'real' economy of traditional Aboriginal society, where work meant survival, could not persist; the 'gammon', (p.21) welfare economy with which it was replaced thrived and severe dysfunction (p.15) in Aboriginal communities grew. Unless the critical relationship between the social problems faced by community members and their economic

circumstances is addressed—chiefly by Aboriginal people participating in the mainstream economy—Pearson posits the remote communities of Cape York cannot survive.

> The relationship between government and the community, and government and the individual, is perpetuated and recreated in all of the internal relationships of our society. The principles upon which money circulates within the community carry with them all of the inherent values of the original passive welfare provisioning by government.
>
> (Pearson 2000, p.31)

The remote-to-urban continuum in Indigenous business

The concept of Indigenous enterprise generally, and Indigenous business and 'small business' in particular, will now be explored across the continuum in Australia of remote contexts at one extreme, and metropolitan contexts at the other. This report does not attempt (or purport) to cover this full range of Indigenous enterprise experiences. Rather, it examines some Indigenous enterprises towards the extreme ends of the remote-to-urban continuum in order to identify similar or different issues from these two extremes.

Table 2 summarises some possible differences and similarities for Indigenous small businesses at the two extremes.

The index is also particularly useful for identifying the relative accessibility to Indigenous people and businesses or services in and around some larger inland cities and major towns which have a relatively elevated proportion of Indigenous people, a high socioeconomic disadvantage index and low labour force participation. An examination of the Commonwealth Grants Commission data (2001, table 13, p.415) shows that Aboriginal and Torres Strait Islander Commission (ATSIC) regions in the 'more' and 'most' disadvantaged areas include those which take in the cities and towns of Mount Isa, Alice Springs, Kalgoorlie, Broome, Kununurra, Port Augusta and Katherine. Each of these large service centres stands out on a national accessibility index map as 'islands' of relative accessibility to goods and services but with very remote and inaccessible hinterlands. All such regions have less than one-third of the potential labour force employed and more than one-third of those employed in labourer jobs.

In terms of the polarities in table 2, businesses in these larger cities and towns with very remote hinterlands have some (but not all) of the characteristics of metropolitan Indigenous businesses. Such businesses might be relatively well placed to service the remote, and arguably disadvantaged, Indigenous communities in their remote hinterlands.

Table 2: Some possible characteristics of Indigenous business at the extreme ends of the remote-to-metropolitan continuum

Comparison criteria	Location	
	Remote (high ARIA)	Metropolitan (low ARIA)
Business opportunity	Indigenous land, knowledge, cultural product, natural resource, local community	Indigenous skills, product or service
Business strength	Location, cultural authenticity	Different product or service; large potential market
Market	Local, monopoly, thin, niche	Specialised, crowded
Client	Local, Indigenous or tourist	Diverse, educated, discerning, non-Indigenous
Indigenous benefit	Local employment and income; cultural pride	Local employment and income; cultural pride
Barriers	Expertise, capital, marketing	Competitiveness, product quality
Rationale	Employment, empowerment	Independence
Success criteria	Appropriate service, sustainability	Profit
Success factors	Community support and patronage	Personal characteristics, Entrepreneurial vision and capital

Note: ARIA = The Accessibility and Remoteness Index of Australia

Review of assumptions

Before proceeding, it is useful to reflect on some of the cultural assumptions made in relation to disadvantage and remoteness and to consider possible, appropriate, research-based education and training policy responses.

… about disadvantage, remoteness and education and training policy responses

Arguments about Indigenous disadvantage in VET have tended to assume educational deficit and lead to responses that involve mainly catch-up and pre-vocational programs (Teasdale & Teasdale 1996). Boughton (1998) concludes a comprehensive review of policy settings and research on the educational needs associated with Indigenous development with the observation that Aboriginal poverty:

> … is due not to peoples' deficits in so called 'human capital' but due to the lack of public and private sector support for Indigenous forms of economic and social organisation. Education and training programs should therefore be provided to communities to enable those of their members who wish to do so to raise their living standards in line with their own communities' development aspirations rather than always expecting people to move off their country into 'mainstream' urban-based private and public labour markets. (Boughton 1998, p.1)

Boughton (1998, p.19) argued that central governments create programs and set measurable targets that are imposed 'top down', with goals and performance measures, without regard to actual aspirations of local communities. A study of VET in remote Indigenous communities (Catts & Gelade 2002) observed that '… virtually every initiative in VET has been the result of white fella suggestion rather than local request'. Further, they argued that:

> If VET is about providing Indigenous people with the skills to get a job, then the training needs to be aligned to the jobs that are, or can be made, available … For, if the rhetoric of a narrow competencies definition of VET is pursued, an inherently assimilationist policy becomes visible at the base of current delivery of VET to Indigenous communities.
>
> (Catts & Gelade 2002)

Parallel to the present research, Gelade et al. (2004) concluded that locality and context play an important role in determining the types of learners involved with VET and their aspirations. They also identify relationships between increasing accessibility on one hand, and opportunity and choice of work and VET on the other. Of particular interest to and triangulated with the current research are Gelade et al.'s (2004) observations that urban, regional[5] and remote contexts are qualitatively different learning and working environments for Indigenous people, and that the provision of accredited VET programs becomes most problematic in the most remote communities.

They independently observed a similar paradox to that observed in the current study; that is, while Indigenous employment opportunities outside the Community Development Employment Program become more critical the further Indigenous people are from population centres, the nature of appropriate vocational learning and the likelihood of conventionally defined 'vocational' outcomes from VET in employment or enterprise in the remoter areas become more problematic. Urban and regional Aboriginal people in Gelade et al.'s (2004) study were more likely, by virtue of their location, to have prior experience with (roles and work) mainstream contexts than remote Indigenous people. Preparedness to move to paid work decreased with increasing remoteness.

Fitzgerald also observed in Cape York communities the lack of relevance of conventionally defined education or training to 'the only lifestyle which appears to be available' (2001, p.55). Fitzgerald linked this lack of relevance to the creation of the 'artificial constructs' of Cape York Aboriginal communities—communal land, supplied by mainstream services—assumed to be:

[5] Gelade et al. (2004) combine rural and regional localities in their study to 'regional'.

> … sufficient to meet Indigenous needs and that the communities would indefinitely depend on financial support from public funds, at least unless and until some unexpected economic development occurred despite community ownership of land. (Fitzgerald 2001, p.51)

But the prospects were seen by Fitzgerald to be barren for communities existing to serve social and cultural needs, yet ignoring the imperative for social change to allow meaningful participation in the mainstream economy (p.54).

Flamsteed (1999) found that many remote communities experienced training delivered more as a response to the requirements or agendas of the training providers rather than to their clients. In many cases little effort was made to consult with communities prior to the funding or delivery of training programs; for example, to identify ways in which they could respond to the objectives of community strategies, or, practically, to work efficiently with community schedules. 'In many instances there was a view that training was happening for training's sake' (Flamsteed 1999, p.12).

Trudgen (2000) posits that, while there is a view among non-Indigenous education providers and the broader community that any education is better than none, the negative impact of ineffective education can be far-reaching. It has left, in his observation, the Yolngu of north-east Arnhem Land confused about the modern world 'and even about the nature of knowledge itself' (2000, p.124). Trudgen argues that this occurs principally because educators do not, or are unable to, recognise the need to attain a level of understanding of Yolngu language, culture and world view. Without this, in communities where there are extremely low levels of English literacy and lack of depth of knowledge of English concepts and terms, education can work negatively to create a sense of inferiority or lack of intelligence. To illustrate this theme, Trudgen writes that:

> In Arnhem Land today, ninety-five per cent of Yolngu have no understanding of terms like democracy, citizen, state, republic, referendum, atmosphere, environment, hire-purchase, credit, tax, grant, superannuation, insurance, production, trade, constitution, community, council, proposal, prosecute, defence, guilty, germs, bacteria, virus, scabies, pneumonia, tumour or antibiotics … Yolngu come to believe that the meaning of these 'secret' English terms is beyond their ability to comprehend. Indeed, whole subject areas of dominant culture knowledge do not make sense to Yolngu. (Trudgen 2000, pp.125–6)

Trudgen observes that Yolngu believed dominant culture knowledge was superior and unattainable, in fact had a 'mystical' quality (p.129), and drew a direct relationship between a Yolngu self-perception of inferiority and lack of intelligence with problems such as alcohol and substance abuse. Some Yolngu also came to devalue their traditional knowledge as unnecessary and antiquated (pp.126–7).

Gelade at al. (2002) found, in the remote Indigenous communities they studied on the other side of the continent, little aspiration to continue VET learning and 'no compelling social necessity for learners to train to find employment'. Boughton, writing from a primarily central Australian perspective (1998, p.23) also highlighted the need to recognise that some 'unemployed' Aboriginal people are doing important work 'caring for country'. He suggested that the national Indigenous VET strategy should be '…to provide Indigenous people with the education and training they need in order to be able to raise their living standards *on their own lands and in their own communities'* (Boughton 1998, p.24: [emphasis in original]) rather than in 'rural towns and large urban centres … where most of the VET systems have concentrated their infrastructure; and from there into paid employment *off their communities*' (p.24).

Boughton (p.22) nevertheless observed that the small number of areas[6] where Aboriginal people tend to be concentrated are often where economies are most 'underdeveloped', often because these places are small and do not have any significant 'industries' or 'employers'. Further, he observed that the full-time wage and salary positions 'are concentrated almost entirely in public and

[6] Boughton cites 1991 data that show that, of 877 local government areas, only 52 had Indigenous populations greater than 1000.

community service delivery agencies' (p.25), which Boughton noted were held primarily by non-Aboriginal residents in remote areas.

In such very remote, mainly Indigenous contexts, it should not come as a surprise, as the *Desert schools* report (1996, p.16, cited in McRae et al. 2000, pp.145–6) notes that:

> The Australian version of formal education as it presently exists does not seem to be overtly valued in many Aboriginal communities … especially … where the conventional range of job prospects and further educational and training opportunities seem inaccessible. We need to remind ourselves that our 'mainstream' education system principally prepares students for urban living, for employment and for further studies, and consequently may appear irrelevant to those who cannot see these options in their own foreseeable futures.
>
> (Desert Schools 1996, p.16, cited in McRae et al. 2000, pp.145–6)

It is therefore reasonable to assume that part of the solution will lie in directing more education resources to the implementation of meaningful vocational education and training strategies in remote schools. It is a matter of concern that, in some community schools, such fundamental vocational preparation is not occurring. According to one Indigenous community member and former community administrator in a remote community, vocational planning often did not occur at home, and young community members' participation in training, if it occurred, frequently was passive and the training imposed from outside the community. There was a perceived need:

> First of all educate the schools, make the students aware because [some of the] parents are too far gone … you can't teach them the value of education. The kids, you can try and teach them something. It's not coming from home, therefore … these remote schools have got to put some vocational strategies in place, to say: if you go on CDEP [Community Development Employment Program] you get this much money per fortnight, if you get Year 10 level you might get a job and get this much money, if you get Year 12 you'll get a job or you'll go to university and you'll get this much money. (Indigenous former community administrator)

… about rhetoric, reality and community

Both *Djama and VET* (1998, p.23) and Catts & Gelade (2002) identified major gaps between rhetoric and reality in VET. The *Djama and VET* research concluded that while '… uncritical application of mainstream VET policies asserts considerable influence over VET delivery in remote Aboriginal communities', its influence is '… often unhelpful and actually gets in the way of achieving the sorts of outcomes that the policies espouse'.

It is sensible not only to consider whether the positive outcomes from a hypothetically successful Indigenous enterprise project accrue to the participants, the funding body or to the community, but also whether the consequences of possible subsequent commercial failure are matched by these benefits.

… about research

Research in Indigenous enterprise, as with mainstream enterprise research, is often muddied with normative (should) statements and assumptions driven by government policies. Further problems can be created by partial public data sets and Indigenous cynicism about research, particularly research driven or written by non-Indigenous researchers.[7]

The Commonwealth Grants Commission (2001, pp.385–98) recognised a number of deficiencies in existing public data on Indigenous people. In the 1996 census, for example, more people did not respond to the question on Indigenous status than people who actually identified as Indigenous (p.386). The Commonwealth Grants Commission (2001) noted that 'consistently

[7] The current researchers are not Indigenous.

identifying Indigenous people in administrative data is very difficult, even in basic collections such as births and deaths'.

The ability of public data sets to measure the scope of Indigenous business is similarly difficult. A number of businesses with Indigenous owners and workers operate without fanfare in mainstream contexts. Indigenous organisations, as Boughton (1998, p.26) pointed out, 'have been wary of making themselves the subject of non-Indigenous research agendas'. Given that Indigenous people are arguably the most researched disadvantaged group in Australia, there is a widespread and justifiable cynicism about the usefulness and applicability of mainstream research by non-Indigenous researchers to Indigenous contexts. There is a sense that Indigenous communities are endlessly researched, but that the research findings and recommendations are typically shelved and rarely implemented. In one remote Northern Territory community the state training authority representative counted 58 visits in 1998 by representatives of training providers or education agencies, purporting to be seeking information about communities' learning requirements (Flamsteed 1999, p.12) although Flamsteed noted little discernible change as a consequence.

Metro-centric accessibility

Australia is one of the most highly urbanised countries in the world. Nearly two-thirds (64%) of Australians live in capital cities (ABS 1997). This highly urban concentration of population is exacerbated by a further tight population concentration in the coastal fringe between south-east Queensland and Adelaide. The consequence is a highly city-centred or metro-centric view of service accessibility. Programs are typically delivered from the urban centre towards, but often not effectively reaching, the remote extremities. This city-centred tendency to 'service from the centre', called metro-centrism by Butler and Lawrence (1996) has implications also for business service accessibility.

The new data identified earlier in this report provide strong evidence (Commonwealth Grants Commission 2001) that the combined effect of service inaccessibility of Indigenous people in remote areas and the metro-centrism of service 'delivery' are at least two of the major barriers experienced by Indigenous people in achieving economic independence.

Even a cursory examination of mainstream business facilitation, training and education programs, and services reveals they are heavily metro-centric. Recent research has confirmed '… a concern amongst government service providers and also businesses that much government assistance is policy driven and has little or no effect apart from production of web materials and brochures in Government departments' (Central Murray Area Consultative Committee 2001). It is arguable whether such materials have a measurable impact at 'ground level' for individual business operators.

Local service accessibility at ground level is an important issue in non-metropolitan Australia generally. Indigenous business facilitation, training and education programs and services are typically 'add ons' to mainstream programs. Opportunities are particularly limited for Indigenous people in remote communities to achieve economic independence while they remain inaccessible to the business services regarded as basic by other Australians. An examination of the already identified barriers to achieving economic independence (education, employment, business and capital management and cultural intolerance [Council for Aboriginal Reconciliation 2000a, p.3]) confirms that each of these barriers can be directly or indirectly related to poor service accessibility.

Markets: Thin or thick and volatile

It is important in researching Indigenous enterprise opportunities to recognise the market limitations as well as opportunities in both remote and urban contexts.

Research in small and remote communities (for example, Centre for Research and Learning in Regional Australia 2000; Kilpatrick 2000; Golding & Rogers 2001) confirms that opportunities for enterprise and employment are qualitatively different between remote and urban locations. As town size decreases and remoteness increases, markets generally become thinner, enterprises become smaller and non-Community Development Employment Program employment becomes less likely.

People living in small and remote communities have fewest options, not only for education and training for their children, but also for the lifelong learning that has become critical for all adults to gain in order to remain in employment in rapidly changing enterprises.

In order to remain competitive, small businesses in small and remote towns have become leaner and their workforce has become more feminised and multi-skilled. Farmers, retailers and service providers have been forced, within more competitive, globalised markets, to reskill, be more enterprising, to travel out of town to work and to value-add locally. There have been few new opportunities for Indigenous people in these new businesses.

The few small business enterprises in remote areas where Indigenous people may have a natural and locational 'market edge', such as in local, culture or land-based industries (art and craft, cultural tourism), have tended to be volatile and subject to fluctuation in visitor whims, seasonal trends and to fierce competition. While some of these situations create niche enterprise opportunities, there has been an understandable resistance in many Indigenous communities to 'sell off' aspects of culture in situations where law, history and culture remain intimately connected. Service industries catering for tourists have required a workforce with characteristics and service skills that have not always been readily available in smaller Indigenous communities.

In the majority of small and remote Indigenous communities away from the 'tourist trail', most non-Community Development Employment Program employment for Aboriginal and Torres Strait Islander people has been as salaried employees in government and community services. The largest enterprises (and potential employers) in remote areas have tended to be mining ventures. Unless mining companies have a long-term commitment to local training and employment, the majority of skilled workers have tended to be non-Indigenous and recruited in.

In larger cities where markets are 'thicker', the opportunities are less clear for Indigenous people and the competition is even fiercer. In cities Aboriginal people have typically lost land, language and many aspects of culture that might have been 'marketable' or available as business equity. Most Aboriginal people who are employed outside government positions are working as employees in lower-level, mainstream workplaces rather than in Indigenous businesses. They are also less likely as 'communities' to argue a case for 'black business' capital.

Hierarchy of Indigenous business resources

A reflection on Indigenous enterprise in Australia suggests four conceptually different Indigenous enterprise types (Golding 2000).

- Indigenous *land-based* enterprises such as cattle station and mining ventures assume land ownership and the skills to manage the land-based resource.
- Indigenous *culture-based* enterprises such as those involving art, craft and dance assume cultural capital.
- Many Indigenous enterprises have as their focus, Indigenous people's *human and community service* needs, such as health, education and welfare providers. These are often considered to be the only really sustainable forms of professional and para-professional employment for Indigenous communities.
- Some Indigenous private enterprises are essentially *mainstream,* but may have some Indigenous application in services and goods distribution systems (for example, accounting, law, information technology, retailing).

The available research literature and Indigenous employment data suggest that, within this Indigenous enterprise typology, there is a continuum of opportunities from Indigenous community-based business opportunities based around land and culture, to mainstream opportunities available in larger urban cities. There is evidence to suggest that Indigenous land-based and culture-based enterprises, while more likely to be technically feasible in smaller Indigenous communities, are less

likely to provide profitable, well-paid, stable sustainable work than human and community service-based or mainstream private industry employment opportunities.

In terms of human capital theory, the higher one's formal level education, the more likely one is to obtain paid employment outside a small community in private mainstream enterprises. By contrast, the lower one's level of education, the less likely one is to independently work and move outside a traditional family or cultural context.

Reasonably high levels of formal education and training (human capital) are also necessary for human and community service employment, where national 'industry standards' and wage rates are reasonably prescriptive. If the training is 'mainstream', the options for work are inevitably wider. However, if one trains as an Indigenous health or education worker, it is more likely that the training will limit one's vocational choices.

By contrast, while land and culture-based enterprises provide more opportunities for local employment with fewer prescriptive industry standards, both presuppose access to non-Indigenous markets and reasonable levels of marketing and management experience. In both land and culture-based enterprises, the primary client or market is likely to be non-Indigenous.

The main industry area where reasonable employment opportunities exist in both urban and rural Indigenous contexts is therefore not in private enterprise but in government and community employment, in health, education and human services, an assumption supported by national Indigenous education and employment data which show that the majority of TAFE and higher education activity is located in these areas, as well as in business services, regardless of location.

In summary, if an Indigenous Australian is born in a remote Indigenous community, the opportunities for formal training and profitable Indigenous enterprise or employment within that community are most limited. Although enterprise opportunities might be most feasible culturally in remote communities, another set of considerations makes conventional viability and sustainability of community businesses questionable.

In the largest cities the reverse is true. For Indigenous Australians born in cities, the opportunities for formal training and profitable mainstream business or employment within that city are more likely, but opportunities for Indigenous culture or land-based enterprises are relatively limited in terms of community viability.

Indigenous business

Location and cultural context

In an examination of Indigenous business it is important to keep in mind that many Indigenous businesses are small businesses in Indigenous community contexts and are often unlike mainstream businesses. In particular, they are more likely:

- ✧ to have their origins and connections in non-commercial or subsidised community-based activities and ventures
- ✧ to have some history of non-Indigenous management or financial control and be community-owned rather than owner-operated
- ✧ to emphasise community utility and community employment rather than simply profit on capital (Golding 2000, p.7).

At the other end of the extreme are the partnership agreements between large resource companies, government and Aboriginal communities. The most substantial literature on conducting business with Indigenous communities in the past decade is located in the publication entitled *Doing business with Aboriginal communities* (AIC undated). It contains 63 substantial papers of several hundred pages. The papers were presented to *Doing business with Aboriginal communities* conferences between 1994 and 1998. In the published volume, the papers are organised according to nine themes. They are: employment and training; cultural awareness; case studies; legal perspectives; negotiation and agreement; joint ventures and business partnerships; big picture; international perspectives; and compensation.

Most of the papers originate from or relate to mining companies doing business and entering into partnerships with and between governments, remote Aboriginal communities, and Land Councils. This area of business is much more complex than one body doing 'commercial business' in or with another because of the associated social compact and a sense of compensation associated with agreement for the commercial exploitation of Aboriginal land. Altman (1998 in AIC undated) referred to the 'ongoing and highly stylised exchange relationships' between governments, mining companies and Aboriginal traditional owners'. Pearson (2000, p.90) questioned whether any real benefit accrues to communities from capital associated with such resource-based partnerships, which he compares to a 'resource' of passive welfare. In Pearson's view, landowners access the benefit of royalties without performing any work in return. Pearson observed that communities involved in such partnerships typically have little to show for the cash benefit when it is distributed among individuals and families, rather than being invested for longer-term community benefit.

Altman (1998) noted that the main industries involved in such relationships are not 'new' industries, since 'the options for doing business primarily remain mining, tourism, pastoralism, cultural manufacturing, commercial harvesting and commercial fishing'. While government involvement in and encouragement of these initiatives has been based on a need to improve Indigenous socioeconomic status, Indigenous communities themselves have been 'seeking greater engagement with the wider economy and society and looking to convert their asset base, be it financial or cultural, to community well-being'. Notably, most of these areas, except tourism, are areas where national employment growth has been flattest in the inter-census period to 1996. There

should be serious consideration about encouraging Indigenous people into such areas of small business and employment without considering this reality.

Altman (1998) also pointed out that, in the late 1990s, these partnerships were developed in a federal policy context of cost savings in Indigenous affairs and a commitment to privatisation and the free market. Ironically, as Altman suggested (pp.3–4), while mainstream industry policy is moving into other areas to divest or withdraw government support, there is renewed support for Indigenous business. This, Altman attributes to evidence of market distortion (particularly bias in provision of business finance from the private sector) and market failure (for example, due to extreme locational disadvantage).

This final point about locational disadvantage and its effect on small business opportunity should not be underestimated. In business, location is critical. As identified earlier in the paper, in terms of business location, many Indigenous Australians are greatly disadvantaged whether in remote or urban communities.

At one extreme, around one-third (30%) of Australian Indigenous people currently live in homelands (ABS 1995, p.9), often as a consequence of cultural, traditional and family attachment to land. In many remote communities, the main business operators and entrepreneurs have been non-Indigenous people who have been much more mobile and with much less ongoing commitment to the wellbeing of the communities they are located in.

In a number of cases, non-Indigenous businesses in remote areas have been able to operate across a number of communities for most of the imported commodities (commodities brought into the community, such as fuel). The only 'resources' people in many remote communities have to trade on, value-add to and base their business equity on (if they happen to have achieved land or resource rights) are their land and cultural resources, including their art and crafts. Pearson (2000) identified imported commodities and services, including transport as a significant business opportunity for Cape York communities. While noting the need for careful analysis of opportunities and training in management to avoid failures similar to those of Cape York, Pearson considered Indigenous exploitation of the import market as a first step toward developing stronger local economies in Cape York.

> Our ability to develop community and regional enterprises that keep resources within our community and which circulate resources within our community—will be a key component to moving our society to living under real economy principles. (Pearson 2000, p.89)

At the other extreme, one in four (24.6%) Aboriginal and Torres Strait Islander people in Australia (ABS 1995, p.9) do not recognise a homeland, partly as a consequence of deliberate dispossession of land and successive stolen generations. Another 45% of Aboriginal people *do* recognise a homeland but are not now living there, having lost much of the spiritual, cultural as well as the business value of links with land, clan, culture, language, and family. One in ten Indigenous Australians live in urban Sydney, the majority in public housing areas in outer suburbs where opportunities for work, and particularly for new Indigenous small businesses, are most difficult.

By virtue of being much more likely to be socioeconomically disadvantaged and without inherited wealth, even Indigenous people with a good product and a means for marketing it, have far less capacity to access the equity capital required to establish a business than do many prospective non-Indigenous business owners. In remote communities in particular, the limited opportunity for individual asset ownership is a major barrier to securing business capital.

And yet the social benefits of asset ownership could be considerable, and the reduction of a reliance on welfare may in part be dependent on it, as Fitzgerald (2001, p.55) concluded. McDonnell and Westbury (2001, pp.26–7) blamed a lack of banking services and the resultant lack of savings for community members' inability to acquire assets. Other barriers to credit include lack of a credit record or the lack of technical literacy to access telephone or internet banking services, or, for those with those skills and literacies, the high cost of access. Remote informants for this research reported

that limited English dissuaded those less confident from initiating contact with a bank via telephone. In many communities, small numbers of literate people with higher levels of education manage bank accounts for large numbers of people with low literacy and numeracy.

McDonnell and Westbury also found that the limited information banks had on Indigenous businesses and borrowers, and banks' unfamiliarity with them, was another barrier to credit. For example, there were limited protocols for dealing with lack of proof of identity, which affects a number of remote Indigenous people. Few Indigenous bank employees possessed the language or cultural understanding and few bank staff in McDonnell and Westbury's study had completed cross-cultural training (2001, p.27). Of particular concern was banks' reported unwillingness to consider credit applications from Indigenous customers despite having lengthy employment records, including with Community Development Employment Programs.

In McDonnell and Westbury's study, Indigenous people were often found to be redirected away from applying for loan-based finance and towards using credit cards. Indigenous people objected to this practice as it presented difficulties in terms of managing repayments with a relatively high rate of interest while on a low income (2001, p.27).

While the Aboriginal and Torres Strait Islander Commission made start-up funding available to those who could demonstrate the viability of a business idea, many informants for this research sought the credibility, and mainstream endorsement, of bank finance. According to Balkanu Cape York Development Corporation, micro-credit programs including Bangladesh's Grameen Bank and Arnhem Land's Traditional Credit Union have endorsed the credit-worthiness of low-income earners:

> The Traditional Credit Union (TCU) … has demonstrated that CDEP participants have capacity to repay loans. Since its inception in 1995 it has lent over $800,000 worth of loans, with a maximum of $5,000 per loan. Approximately 70% of loans are paid off in advance and there have been only two defaulted loans. TCU is an Aboriginal owned and operated enterprise and retains a staff which is over 80% local Aboriginal residents.
>
> (Balkanu Cape York Development Corporation 2001, p.33)

Balkanu was negotiating with the Traditional Credit Union to provide its services to Cape York communities. Other institutions, including the Cairns Penny Bank and Bank of Bendigo Community Bank, had also been approached.

The literature on the link between Indigenous education and employment

There is an extensive literature on the link between Indigenous education and employment. There are arguments in some of this literature that Indigenous business enterprise facilitation leads to Indigenous employment.

A paper to the Aboriginal and Torres Strait Islander Commission subsequent to the review of the Aboriginal Education Development Policy in 1994 (Aboriginal and Torres Strait Islander Commission 1994) outlined three government programs implemented to assist employment for Aboriginal and Torres Strait Islander communities and organisations. These included the Community Development Employment Program, Regional and Community Planning as well as the Business Funding Scheme.

The Community Development Employment Program, introduced in 1977 in response by some remote communities for alternatives to unemployment benefits, had by 2000 proliferated to include urban cities and enterprises with the goal of improving community economies. The Business Funding Scheme was operating in 1994 (Aboriginal and Torres Strait Islander Commission 1994). The Aboriginal Education Development Program review report in 1994 included the objective of 'achieving equity for Indigenous Australians in employment, education, income and independence on welfare', consistent with the Aboriginal Education Development Program policy of economic empowerment. The 54 recommendations did not include the term 'business', but did include

suggestions for developing a sustainable community economic base, creating enterprises within Community Development Employment Programs and facilitating secondment arrangements into private industry. These initiatives remained central in efforts to improve Indigenous employment through the 1990s.

The remote area perspective

Because of the significant differences already identified between opportunities for Indigenous employment and business opportunities in remote and urban areas in Australia, remote and urban business perspectives are examined separately. This section looks at business from a remote area perspective. A later section looks specifically at urban, capital city-based business.

Ownership, management and control issues

Given that most existing Indigenous businesses in remote areas are small, it is clear that incentives to create potential new businesses within remote communities should take account of Indigenous small business experiences.

Evidence from interviews conducted in remote contexts in many existing Indigenous small businesses confirms that the notion of the 'independence' of ownership and operation is often, in reality, a falsehood, despite the contractual ownership of the Indigenous community members through community organisations. Enterprises such as community art centres, community corporations or community stores, while independently and community-owned in one sense, are normally managed by non-Indigenous employees.

In many remote Indigenous business contexts, the voice of the owners, through the governing community council or art centre council for example, is limited by the level of education of the council members.

> … they don't fully understand how a corporation is run … I don't believe ATSIC [Aboriginal and Torres Strait Islander Commission] has the right to say five councillors have the responsibility to run an organisation when they can't understand a budget.
>
> (Non-Indigenous community administrator)

In some remote communities, the majority of members have not known a time when community assets were not managed—properly or improperly—by a non-Indigenous visitor. Coupled with limited education, this has led, in many cases, to a lack of expectation and aspiration among Indigenous community members to roles of community leadership.

> The art centre has been operating with one white staff or two white staff for so long … and the focus has been on making money. It's an established business with its own momentum and people are used to not having much to do with it apart from doing canvasses.
>
> (Non-Indigenous community art centre coordinator)

Knowledge, power and relationships

While a commercial enterprise, in a superficial sense, operates in an 'open market', it is also governed by a wide range of rules and regulations. These rules, designed to protect a range of stakeholders, including business proprietors in a less than open market, can be seen from a remote Indigenous community perspective as part of the bureaucracy, and perhaps obstructive, bewildering and disempowering.

What appears to complicate Indigenous business in remote communities is that Aboriginal people, as *Djama and VET* (1996, pp.83–4, volume 1) discusses, tend to 'have a perception of partnership as involving personal relationship development'. Particular problems are created where there is a mismatch between this idea of partnerships as personal relationships and '… organisations which believe policies and procedures take the place of relationships between parties'.

As for other areas of human endeavour, knowledge is power, and power can corrupt. A gap between knowledge of the business rules and regulations by Indigenous community owners and skilled, often non-Indigenous, outsiders can provide an ideal context for corrupt practices. As the Aboriginal and Torres Strait Islander Commission Chairman noted:

> … there are people who are seen to have the skills, often non-Indigenous people, and are seen to be more acceptable to the bureaucracy as people having the standards to be able to manage some of these communities. And unfortunately they have disappointed and breached the trust of Aboriginal communities. (Clark 2002)

It is widely recognised that Indigenous communities need locally owned enterprises. However, as a Northern Territory federal politician observed recently, this development should not be at any cost.

> Many [Aboriginal communities] have … sought to develop enterprises. They have no interest in being passive welfare recipients, but their efforts have been impeded by political interference and bureaucratic ineptitude. Others have suffered at the hands of many crooks, spivs and misfits who have ripped off communities through corrupt behaviour, maladministration or just plain stupidity. (Snowdon 2002, p.15)

There is evidence that corruption within some community administrations and enterprises, such as community stores, has gone unchecked for months, and even years. In some cases, corrupt individuals who have been forced to leave one community have been appointed within months to a similar position in another community. One Aboriginal and Torres Strait Islander Commission commissioner identified communities he believed would collapse unless action was taken to eradicate such corruption. Attempts to raise the profile of these instances of corruption, and to address them, had failed.

> [Corrupt managers] will go into a community and fleece it to the degree where the community is totally crippled. If the present trend is allowed to continue, you are going to have communities that are not going to be able to recover in any shape or form and gain back their powers to govern their own lives … You are dealing with people who have had their powers of governance undermined, in some cases stripped away from them completely. It is not the same as it is in mainstream society. (Koori Mail 2002, pp.1–2)

In an interview an Aboriginal and Torres Strait Islander Commission commissioner blamed the lack of screening of outside candidates for management positions within communities. In one example:

> A community owned a significant asset. The white [community] advisor and three regional councillors conspired to take out a loan from the bank against this asset to the tune of [several hundred thousand dollars]. They brought the money back into the community's account and immediately gave themselves a four-way loan. The community is now finding it very difficult to have that loan paid off. Most people in the community don't even know what that amount of money coming monthly out of their account back to the bank is all about … This [community advisor] is now working in another Aboriginal community.
>
> (Aboriginal and Torres Strait Islander Commission commissioner)

Role of agencies

The disempowering reality for many members of remote Aboriginal communities is that, when it comes to identifying, reporting, or addressing situations of corruption or inappropriate management, the regulatory agencies that exist to support corporations, including Aboriginal organisations, deal and communicate in a language and using knowledge and concepts which many community members have no experience of.

Interviews in remote communities revealed an overwhelming sense of powerlessness when it came to addressing deficits in community management. In many interviews it was reported that responses to problems, such as an incident of corruption, only occurred when a situation reached crisis point: even then the response was often local and no penalty resulted. There may be a number of reasons

for this. Some people interviewed said that they lacked the confidence to approach a regulating or law enforcement agency without some knowledgeable person to 'talk up' on their behalf. In other cases, people were unsure of and concerned about the implications of reporting incidents such as inappropriate management.

In the experience of many remote communities, it would seem that no single agency has been prepared to take responsibility for the implementation of long-term education or information communication strategies to address this deficit. Initiatives have often been ad hoc. When those adults who have limited education and low levels of literacy and numeracy attempt to engage with such agencies, the experience can be confusing, embarrassing and inconclusive.

Knowing and learning through responsibility

In many remote communities the principal enterprises are the community corporations responsible for the store, administration and in some cases, other community businesses, such as pastoral operations. The significant knowledge gap in relation to commercial and legal responsibilities among the community members who are directors creates a vulnerability that can result in a business manager, or an external staff member, taking over the running of the organisation.

> The directors simply lose control. In some communities you have the situation where they have a store committee or directors who aren't under the control of the community council chief executive officer or there's no reporting function back to them and people are basically taken advantage of and it's very difficult to step inside the ring and adjudicate. I find it difficult for an external body to adjudicate it. So many Indigenous [directors of corporations] are not aware of their obligations and have little cultural experience [of them].
>
> (Officer, state government agency)

A community member who managed a remote Indigenous community council said when directors or councillors did not understand their responsibilities or their rights, they were vulnerable to bullying by others who were more knowledgeable. In her experience, agencies or service providers who approached the governing community council for a decision, expected—and often got—significant decisions 'on the spot'. This assumption was so widespread that some community agencies, for example, health agencies, sent their staff to attend closed council meetings, which were held outside in a bough shelter because there was no appropriate meeting space.

> I didn't think that was fair to be engaging in that kind of practice, not fair on the community at all. These people would turn up to council meetings and there was pressure on the council to make decisions that were favourable towards these people. Some people would hang around till they got the decision they wanted.
>
> (Former chief executive officer, Aboriginal community management association)

A state agency officer reported as 'common', inappropriate payments to directors who understood neither their directorial responsibilities nor the full implication of receiving such payments. The officer described one remote community's experience in which wages of non-Indigenous staff members totalled 25% of annual turnover and the store manager maintained the support of a powerful community store director through the payment of bribes. In such situations, the officer said, there would 'always be problems' unless an external advisor were appointed to the board of directors.

An Aboriginal and Torres Strait Islander Commission reform program in the early 1990s included a policy to have 'grassroots' representation on elected regional councils. In many communities those members elected were elders, many of whom could not read or write. In the Warmun community people agreed to run a team of elders with a younger, educated community member to interpret for them. The strategy was effective.

> They understood that they made the decisions but [the younger member] interpreted for them and explained what was said … Otherwise if they were in there by themselves they wouldn't understand anything. (Warmun community member)

A decade later, there remains extensive evidence of low literacy and numeracy levels among members of community councils, corporation boards and store committees—those responsible for community business decision-making. But there has been little recognition of the immediate need for formalisation of a system of interpretation or facilitation, or for the implementation of long-term management or directorial education programs. And in the experience of many remote communities, the resource of educated members is thinly spread across a broad range of responsibilities.

> People have got education, but some of them [only] to a certain level. There's very few able to get the administrator's and co-ordinator's jobs. People are coming in from outside, whether they are Aboriginal or non-Aboriginal, to get those jobs. The people who are qualified have already got jobs. Their plate is full. They're working with medical services, TAFE, schools. What's left are people with not so very high academic skills.
>
> (Indigenous administrator, community corporation)

There is evidence of a need for a national policy response which, according to one Northern Territory Aboriginal and Torres Strait Islander Commission commissioner, must come in the first instance from the Aboriginal and Torres Strait Islander Commission itself. The commissioner, a central Australian member, said the commission was too 'narrow-focused' on program delivery and should change its direction to become more policy- and advocacy-driven. Further, the commission required greater legislated responsibility for holding other agencies accountable for the delivery of their services.

> It's time agencies like ATSIC, education and training, health and employment, any agency that delivers a program to Aboriginal communities—we have to sit down and have a hard, good look at ourselves as to our service delivery on the ground to the people … if we don't get the governance structure of these communities, the way that they want to govern themselves, right, then nothing's ever going to work with our service delivery.
>
> (Aboriginal and Torres Strait Islander Commission commissioner)

The commissioner said communities were frustrated by the Aboriginal and Torres Strait Islander Commission's lack of a national education strategy and the absence of a coordinated approach between the commission and other agencies in the delivery of services in communities. The perceived 'crisis' of Aboriginal affairs would not be addressed until adult literacy and numeracy levels were improved and a national education strategy targeted management, financial, directorial and corporate governance knowledge deficits.

> There is not a black way or a white way of delivering education, but there is the right way so that we get a standard of education that is normal all over the country … there is no continuous training or education for these people to upgrade their knowledge. In Aboriginal communities it is a continuous flow of agencies coming in, week to week, with different money, seeding money—$10 000 here, $5000 there—that they know is not going to make any difference to the lives of Aboriginal people in remote communities. You know there's going to be no outcomes. (Aboriginal and Torres Strait Islander Commission commissioner)

Alien management, governance and structures

> Communities are a [white fella] structure that are formed under a colonial system … all of the structures we have in place in Indigenous communities are [ineffective] because [they're] alien. What we're talking about is what people know as a part of their cultural value system … what's the point of setting up a system if it's not the way you think?
>
> (Indigenous community leader, MLA, Western Australia)

Langton (2002, p.7) has described as 'the unfinished business of Australia's nationhood', formal recognition of the ancient jurisdictions of Aboriginal law. While most Aboriginal community leaders promote the need to understand and work confidently within European management and administration structures, there is growing recognition that maintenance of traditional Aboriginal processes of social organisation and management have a far-reaching impact on individual motivations and are critical to that of their communities. Martin and Sibosado (1999) see Western

systems of election of officers of a management structure and the creation of constitutions as further oppressing community members:

> … by alienating them from their traditional methods and processes of convening meetings and decision making … Traditional decision-making methods have been in place for thousands of years to deal with the unique issues and concerns of Aboriginal Australians. They are dismissed [by non-Indigenous community members] as nonsense and structures of division imposed on our community. If they want to be funded, they will conform.
>
> (Martin & Sibosado 1999, p.7)

Martin and Sibosado claim that the system denied Indigenous participation by denying access to information, proceedings or the management of policies which concerned Aboriginal people (p.8).

Trudgen (2000, p.56) refers to the 'crisis in living' that occurred in Arnhem Land's Yolngu communities when the power traditionally held by elders was conferred on community councils by the foreign process of secret ballot elections. Many Arnhem Land communities recalled village councils from the mission era, whose structures, while imposed, allowed attendance by the elders of each community clan (Trudgen 2000, p.55). Yet with the introduction of the ballot-elected council system in the 1970s, the European-style constitutions did not recognise the position of community clans, or the critical role of the family in decision-making processes. Communities attempting to reflect traditional law and traditionally selected political leaders within the new council structures were challenged by government officers who rejected the attempts as unconstitutional (Trudgen 2000, p.56).

There are significant implications for enterprises in a remote community context where success is defined by the imposition of a Western business management system. An Aboriginal woman who administered one community for several years implemented Western management processes to improve the efficiency of the corporation. While the new processes achieved a better business outcome, she said she now recognised there were limited benefits to the community when members did not embrace the foreign processes.

> Naturally it went down very well with people like Aboriginal and Torres Strait Islander Commission—that's the system they know. [But] I was always conscious of the fact: is there the support from within the community, is there understanding and appreciation for that system, which I didn't see there was. It was in conflict—I can see it's still in conflict with the way that people prefer to manage. (Indigenous former community administrator)

This community leader believed motivation for community involvement can occur only when the dominant need for survival is met. While need exists in remote communities, community involvement will remain limited.

> For most people in the community it's their basic needs that are most important … need for shelter, need for food, security, very basic needs. In community management you're talking so much business … at a level that wasn't important to people because what was important to them was much more basic. And those needs were not being adequately met. They would want to be there for other things like culture because that's what they relate to … But a lot of the other stuff that's at a very high level: political, legal, it's very, very complicated for people to come to grips with and to make decisions about … people are being faced with issues, concepts that are just so foreign to them, especially a lot of the old people with limited English. (Indigenous former community administrator)

Further, the community management structures that sustained and motivated community involvement were those that recognised the primary authority of the family in decision-making. Democratically elected councils clashed with people's experience of growing up in family units and most people did not recognise their council as their primary community authority. In the comment following, the community leader speculated that the movement of people to outstations on their homelands (traditional lands) was partly motivated by the opportunity to live in an environment where personal relations and conflict resolution processes were recognised and respected.

> That's where I see good decisions are made: people feel empowered. They don't have fear in making decisions when they're making decisions out of that family unit. The hierarchy of whose responsibility that is, who talks up for that and that, who's got the knowledge, that's known already. This Western system that forces decision-making, causes a lot of problems.
>
> (Indigenous former community administrator)

Fitzgerald (2001, p.51) similarly observed the 'disinterest based on futility and lost self-esteem' that reflected the disempowerment of Cape York community members in community groups constructed by non-Aboriginal authorities. Many community members passively delegated responsibility to others, often to a larger, dominant clan. Trudgen (2000) blamed this 'loss of control' as the major reason for a massive shift over many decades in community attitudes and observed that this ultimately impacts on Indigenous attitudes to education:

> Many Yolngu are just giving up. Apathy and general social disintegration abound. Where Yolngu once enjoyed full employment and were highly interested in contemporary education, chronic unemployment and disillusionment with education are now typical, as high truancy rates indicate. There is no longer a rush to send young people away for training and Balanda [white fella] education because it has amounted to nothing. (Trudgen 2000, p.59)

Whose business is a community business?

The role played by an Aboriginal community has proved critical to the success, or otherwise, of Indigenous enterprises in some remote locations. There is an obvious advantage when a community 'owns' and supports a venture. But when this support is not forthcoming, the reasons are often overlooked and can involve assumptions made about the nature of a 'community business'. As a regional Aboriginal and Torres Strait Islander Commission Councillor observed:

> One of the dilemmas that have always existed on remote communities is the sort of socialistic view of enterprise where everything belongs to the community. In a capitalistic country like Australia it's a slight aberration of what the capitalistic philosophy is.
>
> (Aboriginal and Torres Strait Islander Commission regional councillor)

Fitzgerald (2001) described the concept of community in the remote Indigenous contexts he examined in north Queensland as 'fallacious', noting its 'historical foundations in the missionary practice of co-locating disparate and often dissimilar groups from different areas to a place which well-meaning white people considered suitable' (2001, p.51). Fitzgerald concluded that the assumption on which communities were created—that disparate groups would choose assimilation, or be forced to assimilate—had grown over time into an assumption of Indigenous 'cultural homogeneity devoid of contradictions or conflict'. This also naively assumed an absence of self-interest or ambition in enterprise and ignored the traditions and laws related to the central role of the family (p.51).

> That community of different family groups is not homogenous by any means. This Western idea that you bring people together and it forms a community: it doesn't. Physically they're all living in one place, but with any sense of community I've always understood that you have pretty good relations and co-operation and togetherness between members of that community, but it's not the case. It seems like the community is only there for the provision of services … health, education services, administrative services … or CDEP, somewhere where they get their mail or have assistance. It would seem to me that's the way that people use it. (Indigenous former community administrator)

That a 'whole of community' benefit goal exists as the primary driver for Indigenous community enterprise is frequently accepted by government funding/subsidy agencies as a basis for enterprise establishment—and sometimes assumed as a valid basis for regional strategy. Further, the primary importance of the family and the opportunity this invites for conflict in unnatural management structures is also often ignored. There is evidence from this study that the dominant cultural influence in remote locations has been a significant factor in the nomination of whole-of-

community benefits for enterprises, resulting in, at times, lack of support for individual or family-based enterprises.

> There is a concept of community that infiltrates these things and it is a perverse concept of community. It's an enforced concept of community. We get very little support for micro enterprises or small-scale things in communities because it's always perceived to be community-owned. Not the least of that confusion comes from community councils themselves. We have a number of cases in Cape York where our efforts at supporting small, micro, mini businesses or the development of wealth is dramatically opposed by the whitefellas in council—the council staff … who are adamant that any money made in the community will be made by the council.
>
> (Spokesperson, Balkanu Cape York Development Corporation)

It would appear that, from a dominant cultural perspective, a community's advocacy for employment or education opportunities or sustainable enterprise is interpreted to imply its support for equal distribution of the proceeds of such initiatives. Yet the reality of any Indigenous community is the same as that of the non-Indigenous community: while people support whole-of-community goals, their first priority is usually with their own and their family's needs. The differentiating factor in remote Indigenous communities is that many of those who promote enterprise as a tool for community sustainability are the Indigenous community leaders who also advocate and work for the resolution of significant social and infrastructural problems, such as employment and health, for which state and federal government agencies have arguably failed to provide.

The lack of evidence supporting the success of the whole-of-community enterprise model has prompted a re-examination by some community members of community-based commercial models. Pearson (2000), for example, is critical of the government approach to community service delivery, based on what he disparagingly calls a 'proto-communist' (2000, p.47) model of common interest and the common good.

> Of course Aboriginal communities are nothing like this in reality and probably never have been. Individuals and families within Cape York communities interact with a great deal of independence. We are not simple communitarians: individual independence and autonomy play a big part in our society. (Pearson 2000, p.47)

Pearson argues that reformed leadership and the promotion of positive social values can address such attitudes from within a 'de-welfarised and realistic economic framework'. One initiative of the Balkanu Cape York Development Corporation, the 'family income management project', began with families in order to recreate the social and economic relationships that once existed in Aboriginal communities. The project set out to teach and support families in issues of financial management, in resource pooling and, ultimately to improve access to credit. Martin (2001), taking a different stance, has questioned whether Pearson's or Balkanu's negative assessment of welfare is shared by all Aboriginal people, 'grounded as it is, in no small part, on an ideological construct of the moral worth of the productive individual within the market economy' (p.6).

Evidence from the current research provides evidence supporting an Indigenous community enterprise model which does not eschew profit-based goals, yet aspires to others, some as priorities, at the same time. Ultimately, many enterprises that have succeeded in remote communities, as in mainstream businesses, have been those driven by the equivalent of an individual, a family group or a clan group. In some cases, Community Development Employment Program management is allocated on a family or clan group basis. While profit on capital is often not a goal in itself (some community members referred in interviews to an obligation to give money to extended family members as a significant deterrent), employment for family members and financial return to support family members are considered legitimate business goals.

At Galiwin'ku community in north-east Arnhem Land, community leaders based a community development strategy on clan, or family management principles to supply internal markets and reskill some of the island's 1800 residents. The clan management proposal initially met with

resistance from non-Indigenous governance and agency representatives within and outside the community. The business plan stated, in its 'vision for the future', that:

> Strong leadership will see our community of the future as growing, prosperous and driven by new-found community pride flowing from community involvement in revitalisation.

The plan, which allocated management of up to eight Community Development Employment Programs to family or clan groups, proposed expansion of each of the programs (which included a brickwork, market garden and fishing venture) to a modest level of profitability as one method of limiting welfare dependence. Few community members possessed management skills; many were not literate. The community therefore developed management education resources, after partnering with an education provider and financial advisors, in order to address skills shortages and mentor the financial planning process.

Some enterprises are managed on a community basis, but with the primary goal of financial security and service delivery for family groups or individual community members. In one West Australian community, the constitution of a profitable artists' cooperative stated that the centre should provide, as a priority, maximum financial return in commission to its artists to help alleviate the extreme poverty in the community. In 2000–01 the centre paid out $850 000 of a turnover of $1.2 million in artists' commissions. These funds were spread across 350 different artists, but a large percentage was paid to a small group of top artists. With few exceptions, the artists gave much of their money away to family members.

The same art centre also performed a range of whole-of-community goals by performing as a form of community support or service centre: assisting with funeral ceremonies and other cultural activities, transporting artists on bush trips, supporting community elders in the maintenance of certain cultural practices and teaching cultural practices to younger community members. The centre also operated as a bank for artists who withdraw the proceeds of their work as they needed them. This model, of a community enterprise with extended responsibilities, has been noted in several different communities.

Family relationships, obligation, responsibility and enterprise

Those who participate successfully in enterprises in remote contexts frequently do so because they have been able to manage particular cultural obligations. These include the expectation that wealth should be shared with family members. In some cases this expectation is deliberately exploited by the business owner to benefit family members. In remote regions where family members often live in close proximity to each other, this issue may be one of the most significant impediments to Indigenous participation in community enterprise.

One remote community administrator observed that, in her experience, potential family pressures dissuaded many community members from taking responsible roles in community structures being managed by non-Indigenous outsiders.

> I've spoken to one councillor and five other community members about how we [the non-Indigenous administrators] are supposed to work ourselves out of a job, to train people up to take over from us: bookkeeper, essential services officer, mechanic, CDEP officer, administrator. That's the whole theory of us working out here, to train people up to take over their own corporations. And they said to me, no, we will never want to do that, and I've asked why and they've said because it's too much responsibility … They don't like having to stand up and say no. (Non-Indigenous administrator, West Australian community)

In some cases, family relationships and obligation to family will prevent a community member from taking action to improve an untenable situation, such as a poorly managed community facility with which a family member is involved. During observation and interview, community members often referred to the lack of power to 'talk up', or speak authoritatively, to challenge family members on one's own behalf, or on behalf of another. Informants noted that non-Indigenous people in

positions of power would sometimes exploit such situations. Many Indigenous community members recognised that education played a critical role.

> Sometimes some [non-Indigenous people] work around their problems: they'll put an Aboriginal person in the middle and that Aboriginal person is talking up for them and it's always like they [the non-Indigenous person] are giving them things, whatever they need, whatever they ask for and that person thinks that [the Aboriginal person] always talk up for him or her. That causes problems in the community. That's why people can't really say anything because they know there'll be arguments in the community. And we won't be able to tell him [the store manager] what we think about the shop.
>
> (Indigenous community member)

There is a significant body of evidence supporting the critical relationship between education and community members' ability to manage issues of conflict, including those involving family relationships. While the following specific incident is the experience of one remote community, the elements of this case study have been observed, and reported by other community members, in different combinations in a number of different remote locations.

Family relationships and community management issues—a case study

A remote community store, established under the *Aboriginal Councils and Associations Act*, provided the 200 residents with the only local source of food and supplies. The non-Indigenous store manager ignored community members' requests to address unsatisfactory management issues and community members were unsuccessful in their attempts to determine the nature of the manager's contract, including his salary. Inquiries with the Office of the Registrar of Aboriginal Corporations required an interpreter and revealed two options: to request an audit from the office to identify and address management problems and risk the store being closed permanently, or to sack the store manager. The latter proved impossible as the manager supplied a vehicle and weekly income for an Indigenous community member who intimidated those who attempted to criticise the manager. This man's family relationships were extensive; the majority of the community would not challenge him for fear of bad relations. The Aboriginal and Torres Strait Islander Commission regional council representatives failed to respond to the situation, despite approaches by several community members. When the manager left the community (of his own will) he took financial records and cheque books, and left an estimated debt of several hundred thousand dollars. No attempt was made to locate the man or investigate the situation. According to a state government agency's report into the situation:

> The store's performance is dependent on the competence and integrity of the management and the diligence and level of understanding of the company directors and other bodies responsible for monitoring the store's performance … The problems that have occurred recently are because of a lack of understanding of the roles and responsibilities by the various bodies and individuals and a lack of knowledge of retail business amongst the officers of the company. (Report of state government agency to community administrator)

The severe poverty of many remote Indigenous communities increases tensions between family members when one member has an independent source of income. Observations and interviews have revealed that those people who are employed will often refuse to carry cash, or even operate a bank account other than a credit card facility, to avoid being asked for money. In one case, a young female teacher attempted to resign from her job because she was constantly asked for money. Those who do have a source of income other than Centrelink, Abstudy or the Community Development Employment Program often assume responsibility for financially supporting an extended family. But in many cases, community members stated a preference for income support because they did not want to be pressured by others for money.

A remote area art centre coordinator said that even if sufficient human and funding resources were available to train local people to work in the centre, in her experience, people would remain reluctant to take on roles of responsibility.

> The biggest thing is family issues: they have to give money to family. So they don't want anything to do with money because it puts them under enormous social pressures and obligation; you can't say 'no' to certain members of your family and you would always have a bias to your family as well. There's no one who could fulfil being totally fair, so they've always said they would only ever employ a whitefella to do it because it would be too difficult with the family obligations. (Non-Indigenous art centre coordinator, Western Australia)

One cultural tourism operator with a successful Indigenous business made the difficult choice to move the family away from their country, family and cultural obligations in favour of a financially sound future for their children. Speaking from the new location, the Indigenous operator observed that:

> Even when [we're] not working, we try to say, 'We're a business', so not have any other people in the car, in the way of family. We don't get this problem [here] but when I go back [home] people go 'Could you give me a lift?' … We've got to say 'No' because the consequences could ruin our business. (Indigenous tourism operator)

A former tourism operator, Aboriginal community elder and now state government advisor who had established successful businesses, including fencing, painting and tourism, said the myriad problems associated with Indigenous family relationships were the major impediments to Indigenous enterprise succeeding.

> You've got people saying they want a cut of what you make, but they don't want to work for it. We still find that, even though they're not direct: you know they're there. Once you're an Aborigine, what's yours belongs to them and they're very hard to get out of that … somewhere you have to stop. (Indigenous government advisor)

Indigenous involvement in the remote community economy

Mainstream programs for enterprises are typically premised on the idea that exclusion from enterprise is individual. There is evidence from the current study that enterprise training programs will not succeed in remote communities until policies are more responsive to and address the impact of Indigenous experiences and history on motivation and self-esteem. The two case studies that follow illustrate the relationship between self-esteem, community motivation and business confidence in remote Indigenous communities.

Community motivation—a case study

One remote community member, a 24-year-old mother of three and principal's assistant, had diploma-level administration qualifications and was responsible for a range of administrative roles, including school financial records. She was also responsible for a range of tasks on behalf of other members of her community, including school–community liaison, bank account management, liaison with government agencies, the establishment of a new youth centre and, as a member of the store committee, attempting to reform the store's operation. The young woman gained the confidence to attempt tertiary study, she said, because she had a supportive manager and on-the-job experience. Her experience emphasises the importance of in-community educator and mentor support, and highlights the success of learning relationships that are trusted because they are stable.

The woman believed that a community member's sense of self-worth was central to their motivation to attempt participation in enterprises such as an administrating the corporation or store, or to starting new enterprises. She also identified a direct relationship between self-esteem and the attempts of the past several years at Reconciliation initiatives: in this case, a local Reconciliation ceremony in 1998 which she said had exerted a significant impact on her, and her fellow community members' sense of self-worth and their relationships with local non-Indigenous people.

On and around National Sorry Day in May 1998 the Indigenous and non-Indigenous people of the remote region participated in a ceremony of healing in memory of the local people killed in a massacre early last century. Non-Indigenous participants said they were sorry for what had happened.

Three years later the woman referred to the event as a turning point in her life, and also the lives of both old and young people in her community. But while she made a direct link between knowing that that there was compassion for what had happened, and her peoples' confidence to attempt responsibility for their community enterprises, she noted that Reconciliation must be more than a 'one-off' event if it is to have long-term impact, particularly among older members of communities.

> Most of the time Aboriginal people feel like they can't do anything. They need someone else to tell them that they can do it. They think that Kartiya [non-Indigenous] people know more than they do and they've been educated more … [Reconciliation] needs to keep going so it makes them understand. After that [Reconciliation ceremony] I could see in the old people a little bit of change. People feel confident to talk up for their rights, but they need more encouragement from people like us to keep reminding them that this is our community. It's about time we should be doing things for ourselves and not always getting Kartiyas to do things for us. (Indigenous community member)

Business confidence—a case study

The operators of a successful remote Indigenous tourism business cited self-esteem as a major reason why few Indigenous business aspirants would attempt to make their business idea a reality. For many people, previous experiences of rejection—by Indigenous, as well as non-Indigenous colleagues, family or stakeholders—discouraged even the discussion of a business idea.

> Sometimes some of the people I work with, they come to me and say 'I spoke to so-and-so about a business idea and they said it's never going to work' and I get really angry. I think you should allow people to say what they want to say and refer them to other people and then after a while, you work out whether they are genuine or not. And sometimes they [people] think they don't have the skills, because they're lacking in one thing, mainly the bookkeeping. When we went into business, none of our families had ever thought that they could ever get into business: we had no money, they had no money, we had always been broke. Just poor people, but we thought we'd take a risk and do it. (Indigenous tourism operator)

Another successful Indigenous businessman believed that the sensitivity with which a business aspirant is managed—by Indigenous as well as non-Indigenous agencies—was particularly important:

> [The business aspirant may be] … thinking I might be making a fool of myself. Self-esteem. Then he comes forward when his time's right. They're frightened. Some of them have got good ideas. They'll have that idea maybe five years before they'll approach you. And that's where I'm educating our mob, how to talk to people in the bush—I tell them all the time, don't go there and say this thing won't work and that's it. When you talk to people, listen to what they tell you first and if you think that thing [business] is no good then pick something very close to what they want and say 'What about this idea?'. Give them options. If you say 'No, this is not going to work' he'll never come back to anybody.
>
> (Indigenous business operator)

Differences in language and world view in remote communities

There is increasing acceptance that a two-way cultural knowledge barrier exists between Indigenous and non-Indigenous Australians. Not surprisingly, this means that education or training programs for Indigenous learners—particularly those delivered in remote communities—or for the educators who travel into those communities, are rarely effective. Trudgen (2000, p.120) asserts that non-Indigenous education has failed the Yolngu of Arnhem Land. He recognises the critical factors associated with this failure as being lack of intercultural education and Indigenous language skills among non-Indigenous teachers. Trudgen argued that:

> If Yolngu were to receive education and training in their own language, taught through their world view and with knowledge built on their pre-existing cultural knowledge base, they would more than competently learn and understand … because these elementary things do not occur in contemporary education and training centres, Yolngu education is in an

> appalling state. The disastrous failure of communication around elements of language, world view and cultural knowledge base is matched by the failure of Balanda [non-Indigenous] education. (Trudgen 2000, p.120)

There is evidence that language and world view are two cultural knowledge barriers that present formidable obstacles to the success of education programs in business and also the development of business models promoted by non-Indigenous business operators.

A linguist with decades of experience working with remote Indigenous communities and their languages indicated, in interview, that meaningful participation in western business systems was not possible without high-level English, itself unlikely to be achieved without living outside an Aboriginal community for a period. The existence in the Kimberley of *Kriol*—an Aboriginal language derived from contact with English, using some English words but with different meanings—and from the English dialect Aboriginal English, created false impressions of understanding. In such an environment, many community members did not recognise the need to differentiate between Kriol, Aboriginal English and 'standard English'.

> Kriol is so like English that people think they're talking English: as long as people think they're talking English they're not going to learn standard English. The ones coming in from outside who are trying to communicate, they're talking in two languages even though they think they're not. If they go to Balgo and people talk Kukatja, there's no question, this is another language, we have to get an interpreter—we can't communicate. But if they come in and they're talking Kriol then they think 'I'll just muddle along'. They can't get English while they live in those little communities. They can get it to a point, but until they go outside and live in an English environment I don't think they'll ever have that full power … to be able to talk to business people. They've got to have a high level of English. (Linguist)

Langton (2002, p.5) noted that these differences in world view should not be construed—as is often the case—as simply different ways of doing things, an interpretation which is particularly pertinent to the business context.

> Where the foundations of English conceptions like property are highly rationalistic, Aboriginal conceptions eschew categorisation and are indicative of a highly nuanced and different way of understanding the worldliness of a human being. As such, a comparison of such conceptions becomes not simply a comparison of ways of owning and possessing, but a cross-cultural comparison of ways of relating to the world at large for what are ostensibly economic purposes. (Langton 2000, p.5)

One organisation observed the impact on non-Indigenous business professionals working for the first time on secondment in Cape York Aboriginal communities:

> Outsiders learn a very brief introduction to the complexities of the Aboriginal social structure. They don't pick up much except that they are completely ignorant. They recognise that it is more foreign than they could ever have expected.
>
> (Spokesman, Balkanu Cape York Development Corporation)

Another obstacle to the success of business and also the implementation of business education programs stems from both a lack of commitment to financial wealth, and to its pursuit. As one Indigenous consultant cited in Flamsteed (1999) commented:

> Peoples' sense of their priorities will always take precedence over the pursuit of profit. People want money but the acquisition of profit is largely foreign (like it is for much of the Indigenous community). (Indigenous consultant cited in Flamsteed 1999, p.5)

According to another informant, a lack of expectation of wealth, or the ability to achieve wealth, had fuelled complacency among many community members about remaining on Community Development Employment Program wages. Greater income was not seen as sufficient incentive for some people to engage in the wider world of learning and earning.

> After a while if they don't feel like working any more, you can offer more pay, but they'll say 'We're not interested; we just want to take the time off'. It's that Western notion of having education and training, one job or a number of jobs but you work from 9 to 5, you own your own house, you own your own car.
>
> (Aboriginal and Torres Strait Islander Commission councillor)

It is understandable that when faced with the Community Development Employment Program options in some communities—often the only opportunities for employment or business development—there is limited motivation for increased participation. The Aboriginal and Torres Strait Islander Commission informant believed that a lack of imagination and inflexibility of organisational thinking had resulted in the development of Community Development Employment Program projects that failed to inspire workers, particularly youth. Too often projects driven by local Indigenous organisations were focused on public works.

> We give out $1 million or so a year in Aboriginal and Torres Strait Islander Commission funding and you could pull out a batch of applications, go through the files on applications received 10 years before, pull out those applications, probably couldn't tell the difference. They're the same sort of things: front-end loaders and graders, cement mixers and tractors, you name it. Things we have funded over and over in places like this that haven't seemed to have gone anywhere. (Aboriginal and Torres Strait Islander Commission councillor)

Some initiatives break new ground in contexts beyond remote communities. For example, under its Cape York Regional Economic Development Strategy, Balkanu endorsed the establishment of a regional Community Development Employment Program in Mackay, Queensland, for the motivation it offered participants to move 'beyond the constraints of their immediate geographical location and the sometimes menial activities assigned within communities, without jeopardising their Community Development Employment Program entitlement' (Balkanu Cape York Development Corporation 2001, p.35). The program offered participants work opportunities in the region beyond their communities and created opportunities for work with mainstream employers, for whom there was financial incentive in the payroll subsidy of a Community Development Employment Program wage.

> The potential applications for regional CDEP schemes for Cape York are numerous, and include the development of competitive regional businesses such as a housing construction enterprise or a road construction enterprise. Advantages to CDEP participants, other than increasing their income and obtaining a 'real' job, include the possibility of travelling outside the confines of their local community, developing new skills and being exposed to new paradigms of work. (Balkanu Cape York Development Corporation 2001, p.35)

The capital city perspective

Interviews for this section of the report about Indigenous business in large cities were conducted with mainly Indigenous informants involved in Indigenous business and business facilitation in three major south-eastern Australian capital cities. The intention was to tease out the similarities and differences between business and cultural environments quite different from those outlined and illustrated above in remote settings.

This section illustrates the very different opportunities for urban learning through and being involved in Indigenous business. Because all city interviews were conducted in Victoria, New South Wales and the Australian Capital Territory, the term *Koori* is used since this is used to refer to Aboriginal and Torres Strait Islander peoples in south-eastern mainland Australia.

This section is divided into two main sub-sections. On one hand, there are organisations such as the Aboriginal and Torres Strait Islander Commission and a range of programs and initiatives located in capital cities that deal mainly with business assistance and facilitation for metropolitan Kooris operating mainly small businesses in those cities. On the other hand, there are a number of

organisations serving the needs of Indigenous business across Australia whose briefs are national. While remote from many of the Indigenous community businesses and large resource-based enterprises they seek to serve, several organisations are deliberately located in capital cities close to the hub of national financial or government activity.

Business assistance and facilitation for metropolitan Koori people

Aboriginal and Torres Strait Islander Commission business facilitation

In 2000 the Aboriginal and Torres Strait Islander Commission operated a network of offices and 'customer lending and support services' which included offices in all state capital cities and Darwin in the Northern Territory. These facilities provided '… free help to 1. Develop you [sic] business idea; 2. Get training on how to manage and operate a business; 3. Grow your existing business' (Aboriginal and Torres Strait Islander Commission undated, section 6, book 2, p.5).

Assistance is available to new or ongoing businesses. Evidence from interviews with Aboriginal and Torres Strait Islander Commission officers in capital cities confirms that '99%' of assistance through this organisation is to individuals or partnerships rather than to organisations. In order to qualify for assistance, an applicant or the owner of a business has to present a certificate of Aboriginality[8] endorsed by an Aboriginal organisation. One Aboriginal and Torres Strait Islander Commission informant in a capital city estimated that 'around 90%' of funding goes to individuals in business partnerships where one partner is Indigenous and the other is non-Indigenous. As one Aboriginal and Torres Strait Islander Commission business facilitation officer observed, 'You wouldn't know it was an Indigenous business from the outside. Once you've got funding you've crossed the line into normal, mainstream commercial business'.

While state offices in south-eastern Australia provide support for the Business Development Program, they have little to do with the Indigenous Small Business Fund.[9] One Aboriginal and Torres Strait Islander Commission officer interviewed in a capital city noted that he had not processed an Indigenous Small Business Fund application for two years. Another interviewee suggested that an alternative source of funding, the Department of Employment, Workplace Relations and Small Business, is perceived as a 'last resort' for Koori business. He suggested that in capital cities:

> Too many people are trying to do the same thing. I get a bit cynical about new programs. The clients get confused an it's inefficient. I'd roll IBA [Indigenous Business Australia], ATSIC and Indigenous Land Corporations all under one roof. It's not accessible or client friendly.
>
> (City-based Aboriginal and Torres Strait Islander Commission officer)

One city-based Aboriginal and Torres Strait Islander Commission officer was particularly critical of the Aboriginal and Torres Strait Islander Commission's tendency in the past to fund non-commercial, quasi-businesses.

> I see the consequences of setting up people to fail. It's unethical to set up people from marginalised backgrounds in an area like small business where it's so hard to succeed. We have to be harsher about what we fund and see through the ones we do fund. Most Community Development Employment Programs are never going anywhere and aren't businesses because they are not commercially viable. None of the four banks will fund start-up businesses because of risk, and we shouldn't either. Hardly any arts and crafts businesses make money. (City-based Aboriginal and Torres Strait Islander Commission officer)

[8] Aboriginality is a tripartite definition based on genetic descent, identification and acceptance as Aboriginal.

[9] The Indigenous Small Business Fund (managed by Department of Employment, Workplace Relations and Small Business through the Aboriginal and Torres Strait Islander Commission) provides Indigenous organisations with funding for projects which identify and facilitate Indigenous business opportunities. Eligibility for funding ($5000 to $100 000) from the ISBF is restricted to recognised and incorporated Aboriginal or Torres Strait Islander organisations. The relevance of the fund to urban contexts is therefore very limited.

This criticism was reinforced in urban contexts several times by other informants. While Melbourne and Sydney in particular were seen as having enormous potential in Indigenous art and performance businesses respectively, there was seen, in the arts area, to be:

> … a glut of middle-range stuff where most businesses place themselves. The real market is for the original, contemporary, fine art end of the market and also commissioned work. It has to be quality. You can't do rubbish.
>
> (City-based Aboriginal and Torres Strait Islander Commission officer)

One Aboriginal and Torres Strait Islander Commission informant was asked to identify the success factors and advice for Indigenous commercial businesses from the Aboriginal and Torres Strait Islander Commission's experience in urban business. In summary, the informant suggested that businesses need particular support with administrative advice and mentoring early on in the business cycle.

> Too many businesses grow too rapidly and forget the administrative side. We try and stress that the first one to two years are critical. People have to get and accept advice and be closely mentored. Taxation and BAS [business activity statement] are the harsh realit[ies] of commercial life. Mentoring is critical. A mentor needs three things: good rapport, transferable skills and a knowledge of the industry the business is in.
>
> Indigenous people lack confidence both to step into business and to take action 'mid-stream'. We find people need particular help with marketing and accounting. Post GST [goods and services tax] a lot of people are having cash flow problems and they fall over.
>
> (City-based Aboriginal and Torres Strait Islander Commission officer)

Limited Koori business experience in urban contexts

There is evidence from interviews with Koori business facilitators in capital cities of relatively limited exposure to business experience for most Indigenous people. As one interviewee noted, in general Koori people:

> … haven't grown up in families that have been business owners. So they haven't been part of that transfer of business ownership and knowledge through family lines. The marginalisation of Aboriginal people is underwritten by exclusion from all sorts of business and capitalism. It isn't a normative part of [Koori] people's development or day-to-day experience. So there's enormous entry barriers to business that have got to be crossed by Indigenous people because they don't have [that experience] through their existing social or family networks. [They] don't have the sorts of resources that other entrepreneurs may have. Or the sorts of experiences that are going to drive entrepreneurialism. (City-based Koori business facilitator)

Indigenous business motives in urban contexts

There is also evidence from the interviews that Koori business motives are often very different from non-Indigenous business motives. One interviewee identified two different reasons. While both groups are moving away from:

> … that welfare-state mentality to independence to create economic prosperity and wellbeing. Some are individual business people who establish businesses for themselves and families to create wealth. Others set up community businesses for cultural reasons: for employment and 'putting back' into the community. (City-based Koori business facilitator)

Referring to a recent study, another Koori informant teased out some of the tensions around Aboriginal business, community and profit. He noted that:

> A lot of Aboriginal entrepreneurs and people who were trying to get businesses going had a motivation that was centred around community, providing employment opportunities for young people. They basically saw it as a way of breaking out of poverty and also providing experiences for their youth and their children that were denied to them essentially because of their Aboriginality.

> So there was an enormous social conscience within the group that were becoming entrepreneurial and starting businesses. And [it was] expressed in all sorts of different ways. We saw it expressed in terms of the structure of businesses, where a lot of businesses were setting up with equity of the employees in the actual business, so there was a very flat structure and a very broad distribution of funds within businesses. And all sorts of aspects of businesses that we saw were unique and driven around the notion of community and social identity, more than driven by profit. (City-based Koori policy officer, state government)

On the other hand, another Koori business facilitator in a capital city suggested that most Indigenous business in capital cities was undertaken by Koori people conducting mainstream businesses. He estimated that 'around 90% of ATSIC-funded business don't identify as Koori businesses' and ventured that 'It's a big issue. We need to re-focus'.

The informant elaborated that, for many people, there was a distinction between Koori businesses and Koori business people in mainstream business. Indigenous or Koori business was generally seen as quite different from other business in that it had to take account of community issues as much as it did for profit. Several Indigenous informants talked about:

> … this push, particularly from a non-Indigenous perspective … to take [Aboriginal people] away from 'not for profit' into more of a big business-type approach. From an Indigenous perspective you've gotta be mindful of community issues. You've got family issues. It's about bringing some money across the table to support the family and all those sorts of things so there is conflict between the two approaches to business. (City-based Koori business facilitator)

Problems for urban businesses

There is evidence from the capital city interviews of a wide range of problems encountered by Indigenous business people working and doing business in urban environments. One Koori informant noted that Indigenous business people are:

> … walking into a world of prejudice and stereotypes which is so out of whack with the notion of Aboriginal people being successful entrepreneurs. They face additional barriers of creating confidence in people that they're doing business with. They had to walk into a world which is replete with stereotypes that created all sorts of problems for the business itself. In terms of its relationship with suppliers … credibility within marketing and gaining a profile within their industry sector, it's very difficult. (City-based Koori business manager)

There is evidence from Koori interviewees in urban settings that enterprises might be used more as a tool towards community development and not for profit as an end result. As one Koori business person elaborated, while:

> … individual businesses can … make money, you have to be careful that you don't just talk about business. I look at enterprise as an activity, which is directed toward some improvement in a community. So when we look at individual businesses, of course there are a lot of reasons why those businesses fail, [just as for] mainstream, everywhere. I think they are the same reasons. It might be that the person doesn't know how to run a business and we say, 'Oh, but that's unique to an Aboriginal person'. But that's not true is it? It's the same everywhere. So I think that we can get carried away a little bit with the differences between those businesses. Of course there are culturally based businesses which is another kind of prong or another area to the whole thing.
>
> I just see enterprise as an activity, which is directed towards some improvement in some individual or some community. I know that the business side is important, but I think that we get carried away with something like economic development and some people think that the way to achieve is by making money. Of course that's true, but I think we go over a step sometimes. We lob over that 'community development' side … and start going into the fully fledged business activity where there is still that early developmental stage that seems to be missed a lot. (City-based Koori business person)

Links back to non-metropolitan Indigenous communities were seen in some senses as making urban-based cultural business more difficult rather than easier.

> It's sometimes doubly difficult if you go into a [business] area that has a cultural connection, cultural connotations, whatever. It can to a degree be a disadvantage to you because you're not from a particular community and because you've then got all the cultural issues to deal with in terms of country, land and all that sort of stuff. (City-based Koori business person)

People running interpretive, culture-based businesses were seen by one Koori informant of running the risk of:

> … interpreting somebody else's information that is just not appropriate … particularly in [a capital city where] you've got strong community groups. If you wanted to branch out and establish yourself in business … It would sometimes be seen as a bit of a disadvantage because you can get locked out by a lot of those networks. (City-based Koori business facilitator)

The importance of specialised support for culture-based businesses was a theme that emerged from several interviews. A Koori business facilitator stressed the particular skills required in Indigenous arts, such as marketing, negotiation, pricing, copyright and knowledge about cultural integrity.

Several urban Koori interviewees referred to something of an inherent paradox, in that while Aboriginal people in a remote context would probably have more access to land, culture, language and place than urban Kooris:

> … there are also enormous and very good competitive advantages for Indigenous businesses [in capital cities], particularly around cultural tourism and eco-tourism. There's a product there and there's a whole level of recognition, particularly in inbound tourism markets, for that sort of experience and product. Remote communities might have land, they might have language, they might have ceremony, but we have [several] million people. [Capital cities have] the highest throughput of money spent in tourists in the country. [They are] major centres for culture so there are disadvantages and advantages.
>
> (City-based Koori business facilitator)

Another Koori interviewee involved in a city-based urban business network noted that:

> I am here in the city because this is where the best contacts are. I have people in the field and can get out, but it's an advantage being where the action is. It's important from here to form strategic networks with governments. In the longer term there is a need to move out and have a shop-front business centre removed from government. (City-based Koori business networker)

Barriers to appropriate learning through business in urban contexts

Several Koori informants were critical of the 'unrealistic expectations and inappropriate structures' and delivery styles for Indigenous vocational education and training, and also of the assumption that all remote or urban Aboriginal people could be serviced by generic solutions developed at either end of the continuum.

> There's almost nothing in the way of vocational education training that would lead to or support or enhance business activities that [are] either funded or delivered by either the Commonwealth or the state government. And there's two reasons for that. One is that they don't ask, so they take the generic model if you like. Remote, metropolitan and that's it, there's nothing in between. (City-based Koori vocational education and training manager)

The same interviewee stressed the critical need for community consultation prior to delivery.

> Delivery is mostly done without appropriate pre-delivery consultation with the actual community [they are designed for]. To top it off, they're almost inevitably delivered by people who, while they may have good intentions and aspirations regarding Indigenous people, very rarely have any good strong relationship to the actual recipients of the service. So the trail from the development of the pilot to the delivery becomes more and more fragmented and disconnected. (City-based Koori vocational education and training manager)

One Koori informant questioned whether sufficient attention is given to the motives and appropriateness of some government Indigenous enterprise programs, and asked:

> Why does government always come up with a program and then develop it before looking at the people they are undertaken for? Rather than asking, 'Does an individual, does that community have an incentive to undertake the enterprise?'. You have to go over that hurdle before you commence. Government traditionally has developed the program because government wants to be seen to be doing something. Therefore it 'plonks it in'.
>
> So often we talk about seeing somebody half dead in the gutter and saying, 'I'm starving'. 'Well, we haven't got any food but we've got two shiny bikes, you can have them. Do you want them or not?' And I think that's a kind of an attitude that government has traditionally taken. The program starts first and think that's a big difficulty. And how many communities where you start the yabby farms and these things, the incentive is not there to start with and what happens to the project? It fails. (City-based Koori business facilitator)

The inflexibility of urban technical and further education (TAFE) colleges was singled out for particular critical attention by some Koori informants. One Victorian-based Koori informant extended the 'shiny bike' analogy above when he noted that:

> TAFE institutes say, 'Well okay, this is what we've got to deliver'. And you've then got to fill the seats. You've gotta bring people to them. It's not really reflecting industry trends that are maybe emerging within a given community. There seems to be inadequate planning. It's like going, 'Okay. We've got one hundred hours to deliver in hospitality'. That's well and good but what can it lead to? It's sort of the next step. That sort of planning stuff, looking at 'What does the future hold for us?', doesn't take place … It's not really going anywhere sometimes and it's just to fill in the gaps and to get people into a program that sort of makes them feel good about themselves, but there's nothing that follows on after that to support [Koori people] to take them to that next stage. It's what I see in some of the training stuff that's been delivered over the past five to ten years.
>
> [One problem is] TAFEs are such large organisations. They have a two- to three-year lead-time in the development of programs. And they have almost no flexibility, particularly in relation to short-term training or industry or topic-specific training. So if a community comes up with a good idea, or it has someone in the community that's had a really good idea and wants to push it forward now, it's just simply not available. The other part of that is TAFE's unwillingness to engage directly with the communities.
>
> (City-based Koori business development manager)

Another Koori informant (in Victoria) considered that 'TAFE is not doing well at all. They don't have any really meaningful courses. I have problems with them. Their courses need to be more hands on'.

Fragmentation and duplication of Indigenous VET and support services and isolation

One Koori informant identified 'three major issues' preventing vocational education and business support services meeting the needs of Indigenous business: 'fragmentation, duplication and isolation'.

> In terms of *fragmentation*, you've got a system for delivering business support, which straddles from the provision of capital and loans and grants and infrastructure grants through to the provision of small business training and mentoring and other sorts of programs. Some are run by the private sector, some are run by state agencies, but it's an enormous variety of available sources of assistance that's not connected strategically.
>
> As a result of that fragmentation there's an enormous amount of *duplication* within the current system. You have Commonwealth and state and private sector agencies all trying to get into the business of providing business support but often overlapping … Because it's not

managed strategically between layers of government and the private sector, you end up with a very incomplete system.

Isolation is a real problem in that you have a lot of small programs that receive in their own right, lumps of funding from government to operate and drive. But because the resources are spread too thinly across too many small programs, and not strategically, they lose impetus in their own right. They never have enough bikkies in any one tin to make an effective nudge to actually drive entrepreneurialism and entrepreneurial culture within communities. The notion of a 'critical dose' if you like, in terms of a medical analogy … We never get enough resources under one banner and in one place to go for the level where you actually have an effective dose and have an effect. Everything is running well under the line.

(City-based Koori business development manager)

Most interviewees talked about urban service duplication, although it was understood that some organisations provided specialist services. While the Aboriginal and Torres Strait Islander Commission is seen (and used) mainly as an Indigenous business (and quasi-business) funding organisation, the Department of Employment, Workplace Relations and Small Business was seen more in its role as supporting (but not funding) private sector Indigenous employment. A range of other community-owned and managed organisations were recognised as 'supporting, providing mentoring and training and creating networks for Koori businesses'.

Some possible solutions to the barriers to Koori business

Several Koori interviewees were asked to focus on what they saw as solutions for *solving* current barriers to Koori business rather than on the barriers themselves. One Koori business person interviewed identified a trend for some Koori business people to move from community politics into business, in part, out of frustration. The interviewee proposed that part of the 'solution' might be more resources targeted to such new business entrants.

I see a lot of people who have established themselves in a business, who have either made it or are puddling along at their own pace and have come from a community background. So they've [previously] worked in their communities for quite some time and have got frustrated with the systems that they've worked under and frustrated with the community politics. [They've] seen a way … to lead their families and some of their community members out of whatever they're in at the time. (City-based Koori business person)

The same informant identified:

… this disparity in terms of the funding and the support systems that are out there. There seems to be high-level support for some of the social, emotional, welfare type programs … If we're serious about establishing an Indigenous business, entrepreneurs, there needs to be a lot more resources pooled into their sort of community.

Another Koori informant identified a need also for funding continuity.

Every single statement you see about business, bankruptcies, success, whatever in Australia, talks about the first three to five years as critical. But every single bit of Indigenous funding tends to run on a twelve months cycle. Maximum two years, and it's not enough. Because the minute people start to get into the nine–ten month structure and start thinking about funding for next year, there is no possibility of planning for success. There's only a possibility for planning for a short-term gain, and hanging on by your fingertips and possible failure.

(City-based Koori business person)

A non-Indigenous informant working in Koori business facilitation identified a need for 'a hard look at what kind of literacy and numeracy is required for business … in the business enterprise area'. The informant suggested a need for:

… examination of the whole concept of 'What is literacy and numeracy?' For business, particularly for small business and, 'How can it be delivered in a more appropriate way? Can it be delivered in a business? Can we train some small business people as we did in the 1980s

> and early 1990s?' The language stuff and the classes started closing down. Voluntary agencies started using ordinary women and men, retired people, to just have people in their home. And to talk to them until they got language, like new migrants. I think that there is really a role for business, that is white business or business that has its literacy and numeracy fields and functions clear. (City-based Koori business facilitator)

For other Koori business facilitation informants who work in government, some of the solutions were seen to lie in new conceptions of public service, in particular in:

> … the dynamics of planning and public policy. They [currently] tend to be driven from the top down. That has all sorts of implications in terms of the structure of government, its historic development, its fiefdoms, its departmental structures, its layers and levels. To get the outcome of integrated government, you have to turn everything on its head. You have to have a community-led agenda. Because at the moment, you distribute decision-making and you distribute vision and policy capacity all over the place between different agencies and departments. You're never going to have the coherency of purpose.
>
> We've gotta get back into public service. Us serving them instead of us doing things to them. That means having a conversation with your community and the community defining some direction and needs. And then the players, be they Commonwealth, state, local government, private or NGO [non-government organisation] sector, agreeing that the wisdom really resides in the community itself in terms of understanding its needs best. And its role, its function and its skill should be to flexibly respond in a sort of intelligent way. Where you're kind of a broader network, you understand that no one's higher and education's not going to solve Aboriginal affairs.
>
> We really require the mainstream to change the way it works: to change the culture of government institutions before we get the flow-on impacts in terms of a more productive environment in which to do deals, develop policy, work with community. Very tricky, there is a general move towards this sort of direction.
>
> I think that if we ever sort of escape the clutches of an economic rationalist paradigm, which has been quite toxic for government in many ways, and for the community in terms of accessing resources at low cost, then maybe the next type of thinking that we're gonna move onto is the notion of all sorts of integrated systems and triple-bottom-line thinking. And maybe once that really starts to bite in terms of decision-makers thinking, then you'll see some changes later on. (City-based Koori business facilitator employed by a state government)

A number of Koori and non-Indigenous informants talked about the need for new approaches to business literacy and numeracy outside a deficit model in TAFE.

> Often by the time it's needed or sought, the issue of shame or embarrassment is really high. Particularly in Indigenous men. The delivery context is such that they've got to actually front up and walk into a TAFE. And I think that that culturally appropriate delivery model is just not considered, either by other Indigenous people or within a home or in a private situation and it really needs to be. (City-based non-Indigenous TAFE manager)

One Koori informant stressed the need to concentrate less on Indigenous enterprise and more on Indigenous employment, pointing out that:

> … even in mainstream Australia, most people work 'as wage slaves' for other people's businesses. Indigenous enterprise development should therefore never be seen as a central panacea but rather as a symbolic indicator of Indigenous success.
>
> We're only ever talking in terms of small business, entrepreneurs, about five per cent of any given population at best. While enterprise development is not a marginal issue, it's not the centre of where Aboriginal community development will be promoted through. It is more important in a symbolic sense to have successful Indigenous business leaders. It is a very powerful tool for changing the minds of the broader community in terms of stereotypes. And

> we really need to invest in success, and large-scale success as well as medium and small-scale success. (City-based Koori employment manager)

A non-Indigenous business facilitator noted that most people learn to do business and get around problems through doing rather than formal learning about business.

> A lot of people have come through the 'school of hard knocks' as opposed to Harvard Business School. They carry their social consciences with them. When they walk into business, it's an enormous burden to carry for somebody trying to develop a business. And I think it's one of those issues which is strong within the field of Aboriginal Business Development that needs to be managed, and people need to be assisted with it.
>
> Because they're trying to get a social win as well as a business win and everything else. They can lose focus … on the sheer, brutal realities of business, and that can affect their viability and success. And so I think we have to support Indigenous entrepreneurs in a sort of cultural sense, in that it's okay to be bottom-line driven and it's normal to fail. There's an enormous failure rate within small business.
>
> The big lesson at the end of the day is that government is not really good at the business of helping business. Certainly not in terms of helping entrepreneurs. Entrepreneurs usually succeed despite adversity and they generally bulldoze things out of the way, they're fairly driven and focused individuals. They usually get around problems … and a lot of those problems can be created by government or by competition or banks or whatever else.
>
> (City-based non-Indigenous business facilitator)

The role of the big players in Indigenous business

Koori informants consulted in capital cities identified the need for larger capital sources to achieve the 'critical dose' referred to above by other urban informants. As one Koori business facilitator observed, 'It's only when you really get either CDC[10] or Indigenous Business Australia or the land acquisition fund … moving in large blocks of capital that you can actually get some significant outcomes'. As the interviewee observed:

> You're then starting with the big players with a decent capital base. Otherwise, there's a lot of 'catch up' to play all the way through. But it becomes enormously difficult for individuals that [sic] have an idea to get passionate about something, and think, 'Here's an opportunity. Here's something that I could do with my life'. They walk in the door to some arm of government for assistance. And it's that utter confusion and chaos which will ensue because I can meet part of your needs but I can't meet all of your needs. And I'm not even aware that there are other people out there that can meet your other needs, that you might want to go and talk to? Or you might want to go and speak to ATSIC. I can't tell you 'Here are a set of services and here is a set of available grant funds and here is the set of pathways. And here's where you are in the pathway here, and here is the forms of assistance that you should have a look at accessing.' We don't even have that mud map between the different sectors, between the different players to assist people travel those pathways effectively.
>
> (City-based Koori business facilitator)

The interviewee's comments were particularly pertinent in relation to VET and learning about Indigenous business.

> VET's a critical element of this broader enterprise development framework. And it's not functioning strategically either in terms of industry or in line with meeting customer needs effectively. It undermines the effectiveness of programs in this area.
>
> (City-based Koori business facilitator)

[10] The former Aboriginal and Torres Strait Islander Commercial Development Corporation (CDC) became Indigenous Business Australia in April 2001.

Serving the needs of Indigenous business across Australia

One Indigenous business facilitation organisation, Indigenous Business Australia, operates from a capital city but has most of its commercial ventures in non-metropolitan areas, including remote communities in Australia. This body was established by the Australian Parliament in April 2001 and incorporated the former Aboriginal and Torres Strait Islander Commercial Development Corporation.

Indigenous Business Australia differs from other Indigenous business facilitation support services and agencies in that it has a 'legal requirement to act commercially'. As an Indigenous Business Australia informant noted, ventures that may, on face value, appear attractive to a local community, but are not supported by a robust business case would not be considered acceptable for Indigenous Business Australia support.

Indigenous Business Australia was created out of a perceived need to 'rationalise existing programs', to allow the Aboriginal and Torres Strait Islander Commission to use Indigenous Business Australia or other organisations to deliver its commercial services, as well as to '… encourage a shift in culture surrounding Indigenous business support' and to 'help bring the public and private sector closer to an effective partnership'.

As an Indigenous Business Australia interviewee explained:

> IBA is a separate, individual statutory authority. We're a pure commercial organisation. We operate probably like no other commercial entity or any other government entity because we operate in the business sector. But ultimately the shareholder is still the government. What makes us unique is that we bring the community and industry together. We stay there [with equity in a business] for a period of time. But when we think the community is ready to move on, we sell down our equity to the community. If they can buy us out, that enables us to move onto another venture, another project. Our purpose basically is to facilitate, to bring people together. When they're ready, we move on. And the community takes the venture on. In other cases, the communities are relatively unsophisticated and therefore keep us in there to support them and keep the joint venture held together.
>
> (Indigenous Business Australia informant)

In 2001 Indigenous Business Australia was seen as taking '*the* major role in increasing opportunities for Indigenous Australians to participate in business'. Its predecessor's statement of purpose in 1998 was to:

> … stimulate the economic advancement of Aboriginal and Torres Strait Islander peoples through investing in sound commercial ventures and encouraging and supporting Indigenous participation.
>
> (Aboriginal and Torres Strait Islander Commercial Development Corporation 1998, p.6)

The operations of Indigenous Business Australia, while committed to Indigenous aims in its working principles (Indigenous Business Australia 2001), are directed to opportunities for large commercial partnerships. In the words of an Indigenous Business Australia informant:

> I think [IBA regards itself] probably as facilitators. We have chosen to operate in a market based on job venture deals. ATSIC, our major corporation, which receives annual amounts of funds, operates in the small business lending area. We're a statutory authority set up to facilitate Aboriginal participation in business. We aim largely for the immediate to larger end of town. We've chosen to operate in an area, which is mostly joint venturing, because we think that that offers more security, more support, more expertise. So our organisation identifies opportunities, listens to communities, looks at proposals as they come in from communities and we seek to determine how to finance Aboriginal involvement in a venture. How to bring the private sector and community together and how we can play an ongoing role in supporting that arrangement.

Asked how a joint venture actually works, the Indigenous Business Australia informant explained that:

> A typical joint venture might be 50 per cent Indigenous content and 50 per cent non-Indigenous content. The Aboriginal partners, which might include IBA, it might include the local Aboriginal community or the traditional owners, native title claimants, who ever may choose to go into business with a private sector operator for one reason or another. [IBA] undertakes a fairly substantial due diligence process to firstly assess whether the thing is commercial in nature. And then we give that advice to the community. If we're going to put our own money in, we'll obviously have to determine whether it's commercial, and what the potential benefits are in terms of returns on investment.
>
> (Indigenous Business Australia informant)

Asked to elaborate on why Indigenous businesses are important to the Indigenous community, the spokesperson ventured a personal view, although:

> … our corporation [IBA] also has a very similar view. Which is that unless we build an asset base, and unless we build some economic power, then we're forever reliant on government handouts and welfare dependent in terms of the programs that are available. What I've seen overseas is that Indigenous groups that do pursue an economic strategy, establish a stronger power base … We've indeed got examples of that around this country as well, where people perceive an opportunity to generate their own income and in the long term, to create the wealth that might flow from that. And use the benefits that flow from profits and businesses to go back into the social needs of the community. (Indigenous Business Australia informant)

The Indigenous Business Australia informant explained that while '… most of our business is done in the top end of the Territory, New South Wales, Western Australia and Queensland, [mainly because] there are easily identifiable groups of Aboriginal people there', doing Indigenous business in cities was difficult for a range of reasons:

> Due largely I think to the mainstream business sector not seeing Aboriginal people as potential investors and potential partners. Whereas in the more remote areas Aboriginal people are more visible. The private sector is now starting to come to terms with the reality of Native Title. [They're] now having to sit down and talk to Indigenous Australians.
>
> (Indigenous Business Australia informant)

While the Indigenous Business Australia informant agreed with the interviewer's proposition that the urban difficulties with Indigenous business may partly be because people in cities don't have access to land and capital, the informant elaborated that it is also because of mainstream perceptions:

> … that Aboriginal people are anti-development, not interested in business. [This] stereotyping unfortunately means that we miss out on opportunities. That's beginning to change and we're starting to get access now to some larger opportunities and reasonable deals partly because an organisation like [IBA] offers a professional approach to negotiation and then business becomes comfortable with that. Business needs to understand where [its partners] come from. We're basically saying that the business sector needs to come to terms with the reality that it's good business to do business with Aboriginal people.
>
> These days [big business is] starting to come to [IBA] more and more because they're seeing us as the means by which they can communicate. They often find it hard to make contact … they hit a barrage of lawyers and that frightens them. And [IBA is] out there actively selling ourselves as facilitators and brokers. It makes big business' life easier and better too if it relates to an Aboriginal community. More and more we will be functioning to bring the two together. (Indigenous Business Australia informant)

Asked to elaborate on the main areas of Indigenous Business Australia business partnerships, the Indigenous Business Australia informant explained:

> We operate in essentially three main areas. That's mining, tourism and we've now branched into property. 'Bricks and mortar' investments offer a bit more security than mining and

> tourism, which are subject to serious fluctuations. Essentially we will look at anything that offers opportunity at a local level depending on the nature of the proposal, the risk elements involved and the interest by the community.
>
> We look at anything million dollar buy-in price or more … Anything below that we tend to refer people to ATSIC, and their small loans program that they run. [IBA is] in that 'medium to bigger end'. A proposal could relate to a car dealership, an abattoir. It could be a mining proposal, a contracting proposal, a tourist venture, shopping centre building.
>
> (Indigenous Business Australia informant)

An Indigenous Business Australia explained what prevented Indigenous people working in or managing local Indigenous businesses or enterprises. Some of the factors were identified that work against Indigenous business. In the process, the informant provided some important insights consistent with findings elsewhere in this report.

> It's always possible to talk employment outcomes with employers for Indigenous Australians, and there have been some gains over the last five to six years in that area. And there are some increasing gains in Indigenous education. But our experience is that Aboriginal people still tend to congregate in 'comfort zones'. [They tend to] take employment within an Aboriginal organisation. They will go into a public sector organisation because there's usually larger numbers [of Indigenous people already there]. But when it comes to the private sector, they tend to stay away in droves. (Indigenous Business Australia informant)

Asked to elaborate on why this is so, the informant suggested that:

> … it's partly a lack of experience and involvement in the private sector. And partly because the private sector and the community really haven't come to terms with supporting each other at the moment. [IBA's] role is to acquire businesses and to be a part of business. We think that by ownership, or by partial ownership, that people take on a stronger interest in the development of that company. Therefore, [they will] take employment positions within it, therefore take stronger management positions and a much stronger interest.
>
> So we're looking at a win-win situation. If, for example, a mine wants to establish a local area, a miner will go and talk to the community and then offer jobs. We think that there's a better way of sitting down with the community and allowing the community to take some equity in the mine. To take an interest in the mine and … if you are employed, you are a part of something that you own.
>
> It's the profit, it's the interest in the overall project that we think makes a lot of difference to the success of the business in a local area. And you can translate that to tourism, mining, any real business. If the community is involved in it, rather than just sitting in the side as an observer and occasionally a person gets a job in it, they actually have an interest in the success of a company. (Indigenous Business Australia informant)

Asked to elaborate ways in which Indigenous people might learn the skills and values they need to work in managing businesses in which they have equity, the Indigenous Business Australia informant recognised it as a 'critical issue' and proposed two stages.

> We have a strong belief that the first 'building block' in terms of economic development is essentially education. We have to get better outcomes in terms of numbers of people participating in the education system right through to tertiary level. The second stage is that you can become involved in and develop your skills through employment, or just practical experience. That's where a number of people gain most of their real knowledge in the world—through practical experience. Involvement in the private sector is one area … people are focusing on. It's the way forward for Aboriginal people to gain the numbers of jobs that are needed to offer equity anywhere near the mainstream employment levels in the community. (Indigenous Business Australia informant)

The Indigenous Business Australia informant stressed that, in cases where a business is not deemed, after analysis, to be commercial, Indigenous Business Australia 'stays away from them'.

> Our act says that we must act commercially. So if it's not commercial, it's not for us. But there are other agencies that they can turn to. People can go to ATSIC, to the Department of Employment, Workplace Relations and Small Business, to state government authorities to get advice and assistance. The problem will always be financing the proposal. And the real options are usually only ATSIC. There's not much other money around for those sorts of businesses.
>
> When we go [outside cities] it's much easier to deal in a community context. The community grows a commercial entity which belongs to the community and therefore we're in business. We've got lots of opportunities that we look at within cities, but most of our business happens in the sort of rural, remote areas of the country. And in the cities there are still large numbers of established small Aboriginal businesses, but that's usually through ATSIC. One of the dilemmas for [IBA] in getting an individual to be a part, with us, in [a business in] say Sydney, Melbourne, Brisbane, is that they normally don't have any equity. It's very difficult for an individual to borrow a million dollars plus.
>
> It's easier for a large community to apply for ATSIC for a larger grant than it is for an individual to come along and say, 'Hey, I want to borrow a million dollars'. I mean, an individual just hasn't got much chance of that happening. It's usually easier to fund a group of people than it is an individual. (Indigenous Business Australia informant)

Having identified businesses as often being driven by individuals, the Indigenous Business Australia informant suggested that while Indigenous entrepreneurs are part of 'the answer' in the city area:

> It's finding those entrepreneurs and someone being prepared to back them in terms of the finance that's needed. That's the way the world works. It's entrepreneurs that are willing to have a go. Whereas 'community' means anybody and everybody, community usually means that an individual *within* the community is working on an almost a voluntary basis. But after a while they get worn out and tired and once they don't receive a reward for their substantial effort, they tend to fall away. Or go off on their own or do whatever. You see that very often particularly in Aboriginal communities.
>
> Other [Aboriginal entrepreneurs] have just made it on their own. They haven't necessarily worked in a community context. You don't see them and they're not high profile. They tend to be very busy in their businesses and are just getting on with the job
>
> (Indigenous Business Australia informant)

The Indigenous Business Australia informant provided insights into the tensions between people who are successful as individuals and in the community.

> One of the complexities, particularly for [Indigenous business people who] come from a very traditional community, is the concept of sharing and obligations back in their home community. A lot of tensions that occur … to break away and to be successful because there's always pressure from within the family to share and to give back, into the community. The notions of, 'Hey, hang on a minute, I've got large debts to service. I've got loans, I've got commitments that are substantial', are not fully understood or recognised.
>
> (Indigenous Business Australia informant)

Problems were seen to be created by the conceptual differences in business between profits and assets and also misunderstandings about the implications of loans.

> It's not an easy concept. [IBA] quite often finds that even with some of our Aboriginal partners, when incomes flow in we've gotta sort of say, 'Hey! Hang on a minute, before there's any distributions that can occur, we've got debts to pay now'. We've gotta pay off the banks. We've gotta pay for the goods and services that we buy before you can even think about profit taking. When you do profit take [sic], you've gotta think about what's around the corner, put a little bit aside for the 'down times' and those sorts of things.
>
> (Indigenous Business Australia informant)

An Indigenous Business Australia informant elaborated on the issue of Indigenous management, ownership employment and control.

> I've always said Aboriginal people should be able to buy the expertise that they need. But that is not an excuse to also sit back and not develop your own skill base. And there's too many examples around the country where Aboriginal people are not learning as part of it. And they're getting ripped off all the time by their advisors, their accountants, their whomever. [It] occurs so regularly it's quite annoying. Individuals within those communities have got to develop a sophistication to know when they're being given good advice and when they're being given bad advice. You may not know the intricate details of what an accountant is saying, but you need to understand what the bottom line is. If you don't understand, you're extremely vulnerable and that happens all the time in Aboriginal communities. Experts get employed and sometimes there is a limited comprehension of even English in the written form and sometimes the temptation [to be dishonest] gets too great.
>
> (Indigenous Business Australia informant)

Consistent with Indigenous education and training participation data, the Indigenous Business Australia informant confirmed that even in large venture capital projects:

> Accounting and business practice is a commerce area that Aboriginal people stay away from. But we're trying to encourage young people to start thinking about economics as an area where they should get involved. That's a skill that we need in the [Indigenous] community alongside doctors, lawyers and other skills. (Indigenous Business Australia informant)

Indigenous business facilitation in regional cities and towns

In between the remote and capital city extremes elaborated in the previous two major sections of the report, there is a range of business development assistance available for Aboriginal and Torres Strait Islander people in rural and regional areas in all states and territories, except Tasmania and the Australian Capital Territory, through the Aboriginal and Torres Strait Islander Commission non-metropolitan regional offices as well as mainstream Business Enterprise Centres.[11]

While this research was unable to cover the diverse range of rural and regional business opportunities, documentary evidence was collected to confirm that, in 2001, some assistance for Indigenous business outside capital cities was available:

- in New South Wales, through the Department of State and Regional Development in regional cities and towns
- in Victoria, through Indigenous-specific First Place Business Centres and First Australians Business in regional cities and towns
- in the Northern Territory, through one mainstream small business advisory centre. In addition Street, Ryan and Associates were recognised by Aboriginal and Torres Strait Islander Commission as a private business advisor to a number of Indigenous community businesses
- in Queensland, through a large number of mostly mainstream services in regional cities and towns, particularly through state development centres, regional business advisors and regional economic development corporations, but also through the Indigenous Business Development Scheme in four regional cities
- in South Australia, through regional development boards in several regional towns and cities
- in Western Australia, through regionally located Aboriginal economic development officers and Aboriginal Affairs Department offices as well as mainstream regional development commissions.

However, evidence collected from a small number of telephone interviews from regional cities in New South Wales and Victoria indicated that it is unusual for Koori people to seek or obtain business support from mainstream services.

[11] With the exception of Queensland: no Business Enterprise Centres were recognised by ATSIC in Queensland in 2001.

Some tensions

Tensions between Indigenous and mainstream business and enterprise

There is evidence in the previous sections and from interviews in both remote and urban contexts that non-Indigenous models of successful business and enterprise have tended to be closely associated with the aim of maximum profit and minimised cost, including lean and efficient employment. Indigenous businesses have rarely been developed along similar models and have therefore not always been successful as judged in non-Indigenous terms.

Many Indigenous enterprises are developed outside or in opposition to 'natural labour markets' where conventional ideas about linking labour, investment, expertise and capital (human and economic) are less likely to apply. Many Indigenous communities have developed in homelands where the attraction is more to land, language, family and culture and less to enterprise, employment and profitability. Arguably, many Indigenous communities which have developed *in situ* on a welfarist model have tended therefore to develop more of a welfare culture than an enterprise or business culture.

The Council for Aboriginal Reconciliation, in its *Achieving economic independence* paper noted that, while:

> Welfare programs are necessary in a civil society … they are neither the best nor the only solution for addressing disadvantage in health, housing, employment, education, law and justice. For many people, welfare programs have not resulted in independence from governments or self-reliance. (Council for Aboriginal Reconciliation 2000a, p.2)

This research illustrates and provides evidence of difficult tensions that exist between ideas of Indigenous business on one hand, and mainstream, 'world view' ideas about enterprise and business on the other. One possible conceptualisation of some of these tensions is illustrated in table 3.

The left side of the table incorporates Keefe's (1992, p.47) view that understanding Aboriginal and Torres Strait Islander responses to contemporary non-Indigenous hegemony in Australia requires an understanding of both *resistance to* non-Indigenous invasion, influence and cultural appropriation and *persistence of* Indigenous traditional culture. Non-Indigenous hegemony in mainstream business is met not only with Indigenous resistance to mainstream business and the development of businesses based on Aboriginal cultural traditions, but also to Indigenous businesses that, as some urban business interviews revealed, accommodate and are indistinguishable from mainstream business.

Indigenous enterprise and community employment policies tend to be responsible for moving people towards the left column, and mainstream enterprise and community employment pressures tend to be responsible for pushing towards the right column. Some Indigenous enterprise policies and programs, along with the businesses they tend to encourage and perpetuate, can fall in the 'grey' and ambiguous area between mainstream profitability and welfare.

The tensions illustrated in table 3 are somewhat similar to those identified in Golding (2001) for Indigenous tertiary graduates in Sydney. Indigenous businesses and enterprises tend to be sandwiched between Indigenous cultural resistance and persistence on one hand, and 'mainstream' accommodation on the other. The effects of these tensions are rarely articulated, recognised, understood or addressed by stakeholders, Indigenous community members, industries, employers, or factored into government program planning.

Table 3: Some tensions that may apply to Indigenous enterprises

Indigenous accommodation through enterprise	Mainstream accommodation through enterprise
Indigenous persistence and resistance	Accommodation to non-Indigenous enterprise hegemony
Indigenous 'business' and community 'work'	'World view' about business and enterprise
Indigenous enterprise and local community employment	Competition in world markets, globalisation and competition
Communities based on cultural identity and sense of place	Diverse natural labour markets, clients and employment markets
Desire for separate, dedicated Indigenous businesses	Desire to earn and work in mainstream business
Engagement in community-owned (but non-profitable and poorly paid) enterprises	Employment in better paid and more secure government and private sector jobs
Acknowledging communities' rights to cultural control over enterprises	Enforcing standard enterprise responsibilities without accommodating for cultural difference
Need for identified Indigenous employment positions and affirmative action	Need for equality, accountability and profitability in the workplace
Indigenous rights and responsibilities	Mainstream rights and responsibilities
Programs accommodating cultural difference	Mainstream business support programs
Largely social and community benefits and profits, widely shared with traditional owners	Profit to individuals or parties who supply economic capital
Responsibility to the Indigenous 'cause' and community	Responsibility for self, enterprise and family
Acknowledging the adverse and ongoing impact of loss of land and culture	Expectation to become role models in mainstream business contexts
Need for (but competition between) parallel Indigenous businesses, services and organisations	Acknowledging inefficiencies in thin markets and providing profitable mainstream services
Culture of community independence	Culture of individual opportunity and enterprise

Table 3 illustrates why, in several senses, Indigenous community enterprises and Indigenous business people often find themselves in tension (and under pressure from community, family, employers, suppliers of capital and governments) as a consequence of conflicting needs to resist, persist and also accommodate in non-Indigenous business contexts.

Some tensions between individual, community and commercial enterprise

The Oxford dictionary[12] definition of 'enterprise' is of an undertaking: especially a bold and difficult one. The commercial enterprise definition includes the notion of a company organised for profit as a primary aim. The roles, rewards and responsibilities associated with enterprises are typically for individuals (as enterprise owners, workers and shareholders). All play a key role in commercial enterprise generally.

The extent to which Indigenous enterprises are (or are not) motivated by and organised for commercial purposes for individuals or for communities varies considerably across businesses, by location and context.

It is instructive to examine this variability in a widely available guide to establishing an Indigenous business in order to examine some tensions in relation to Indigenous business motivation in particular, the assumptions behind the information contained in the guide, and whether the primary intention is for commercial purposes.

The Aboriginal and Torres Strait Islander Commission's *Business self assessment and information kit* (2000) places the emphasis on the individual as the business instigator. It approaches the issue of business enterprise on the assumption that three criteria need to be addressed: whether the individual is *ready* for business, whether the business proposal is *sound*, and whether people have access to the necessary *information.*

[12] *Oxford concise Australian dictionary* 2000, p.439.

The section on readiness for business (Aboriginal and Torres Strait Islander Commission 2000, pp.27–30) identifies eight different reasons for individuals going into business. It includes a discussion of the pros and cons of each reason as a *main* reason. The reasons are listed below as they appear in the Aboriginal and Torres Strait Islander Commission publication. They have been categorised below as either lifestyle choices (#) or for self, family or community (*):

- ✧ I'm currently unemployed and it will get me a job. #
- ✧ Working in my own business would be much more interesting than other jobs I could get. #
- ✧ I don't want to work for a boss. #
- ✧ To build a better future for myself or family. *
- ✧ To prove I can be a success. *
- ✧ To make money.
- ✧ To contribute to the community. *
- ✧ To work my own hours. #

The first three reasons and the final reason are essentially individual lifestyle choices. Two other are essentially about self, family or community. Only one reason is about making money.

It is of some interest that no account is taken at this early stage of the information process in relation to the state or personal finances and liabilities of the intending Indigenous business person, although these are considered later in the information guide.

Learning through Indigenous business

This chapter turns to the question of how Indigenous people become informed about business. The extent to which Aboriginal and Torres Strait Islander peoples are actually involved in business *education* is not known and is hard to estimate. What is known is that levels of Indigenous formal adult learning (as well as post-school qualification levels) have been highest in New South Wales and South Australia and lowest in Queensland and the Northern Territory (ABS 1995, p.35).

The main area of training for adult Indigenous people in the ABS (1995) Indigenous survey coincided with some of the areas of lowest growth (and male dominance) in the small business labour force (ABS 1997, p.100); that is, in transport, machinery operation and labouring. Plant and machine operators and drivers made up only a small proportion (7%) of small business operators in Australia in 1994.

Clerical and office training and general computing were the next most common fields of training for adult Indigenous people in 1994. These areas are female-dominated areas of small business. Indeed, female clerks comprised nearly four out of ten (38%) female small business operators in Australia in 1995 (ABS 1997, p.102).

The limited evidence from other national surveys suggests that some Indigenous women, at least, appear to be positioning themselves for employment in small business, although not necessarily in Indigenous small business.

Partners in a learning culture (Aboriginal and Torres Strait Islander Peoples' Training Advisory Council 1999) identified the importance of vocational education and training in providing the skills required to take advantage of economic and business opportunities. It also suggested that economic development itself can create jobs. It specifically identified the need for:

> Small business training programs for Indigenous people [to] be tailored to include self-paced, small business management courses, support networks and mentoring programs, delivered by training providers that specialise in working with Aboriginal and Torres Strait Islander people.
>
> (Aboriginal and Torres Strait Islander Peoples' Training Advisory Council 1999, p.29)

Learning and culture

Control over culture remains an important priority in Indigenous learning contexts. Learning through business is no exception as this section will tease out. McRae et al. noted that:

> Since the 1980s, ways of learning that may be specific and common to Aboriginal peoples, in concert with their basis—culturally-defined habits of discourse and personal interaction—have been a topic of debate. (McRae et al. 2000, p.143)

The response of education to culture, history, education, location

The need for developing and implementing an education and training strategy that is culturally sensitive, yet empowering to Indigenous learners, particularly in the remote context, continues to receive limited attention from policy-makers at nearly every level. Initiatives that are succeeding are often those which emerge at the local level, but lack of resources frequently results in ad hoc implementation. It would seem from the research undertaken for this report that the lack of

responsive policy at either state or federal level continues to bar Indigenous community members from what Hunter (1993) described as 'functional access to the benefits of wider society' (1993, p.50). The situation remains in 2002, as Hunter concluded in 1993, as 'an unresolved conflict'.

> Self determination implies the right to reject education based on an assimilationist, Eurocentric model, or to reject it entirely (easy enough to do in the Kimberley). Unfortunately, this also limits the development of skills allowing the individual to choose whether to move within the wider Australian society, or not. (Hunter 1993, p.50)

Literacy and numeracy levels in many remote communities are intimidating barriers for community learners and, frequently, for educators. Consultation with Indigenous community members has consistently resulted in support for education and training initiatives that are culturally sensitive and responsive to the necessary broad range of skills related to community enterprise management and development. According to Flamsteed (1999, p.11) the need for culturally appropriate initiatives have been extensively researched and documented yet, generally, have not been addressed. Remote, Indigenous communities continue to battle with white, urban models of education. In response, many learners lose trust and value for the learning environment, and leave.

The training generally regarded as effective in communities involves some component—and ideally all of the coursework—of face-to-face delivery. It is culturally appropriate. It is delivered by trainers who are either Indigenous, or experienced with and sensitive to Indigenous learners. It is truly flexible: it takes into consideration that family and cultural commitments may affect a community member's ability to adhere to rigid timetables (Flamsteed 1999, p.7).

Harris (1984, pp.77–90) identified a number of generalisable cultural patterns in Yolngu learning contexts (cited in McRae et al. 2000, pp.143–4) relevant to how business training might (and might not) be structured. Harris identified:

- ✧ learning through performance rather than practice in contrived settings
- ✧ the mastering of context-specific skills rather than abstract, generalisable principles
- ✧ learning through observation and imitation rather than through oral or written verbal instruction
- ✧ learning through personal trial and error as opposed to verbally mediated demonstrations
- ✧ an evident orientation towards people rather than tasks, information or systems.

This final point reinforces the data from Indigenous tertiary participation which confirm that relatively few Indigenous people have chosen to make accounting and information systems a vocational specialisation. By contrast, courses that lead to people-centred professions such as education and health have been most popular.

Indigenous ownership of education

The Northern Territory inquiry into Indigenous school education in 1999 found 'unequivocal evidence of deteriorating outcomes from an already unacceptably low base, linked to a range of issues, led primarily by poor attendance which has become an educational crisis' (Collins 2000, p.1). Its recommendations included the provision for, involvement in, and ownership of, education services by Aboriginal people for their children (p.1). In communities where formal and informal traditional Aboriginal education practices have been preserved, Trudgen (2000, p.123) observed successful learning and high attendance rates which, he asserted, were happening because teaching:

- ✧ occurs in traditional languages
- ✧ recognises Aboriginal communication styles
- ✧ recognises Aboriginal educational methodologies and ways of constructing knowledge
- ✧ uses 'scaffolding' methodologies.

Where such practices were not in place, Trudgen concluded that both Yolngu adults and children had withdrawn from the education system because it was no longer meaningful—a crisis in a society that has always valued knowledge:

> … almost more … than life itself. Traditionally Yolngu were prepared to pay much for information from other clans. Over the years they have also tried to obtain dominant culture knowledge wherever they could … Most Yolngu I know have spent many of their waking hours in a quest for learning. Their hunger for knowledge is insatiable. This is not what my culture led me to believe about these ancient scholars. (Trudgen 2000, pp.121–2)

Learning in a remote community

The learning available to business aspirants or to those seeking management skills in remote communities is limited and will often involve the learner, or their agent, seeking funding, or relying on the support of those such as employers, in order for them to participate. Generally available programs are most readily accessed in urban and regional locations, particularly by those with high school-level education.

The Commonwealth initiative, the New Enterprise Incentive Scheme (NEIS), is the major training initiative to address the learning needs of small business aspirants. This scheme promotes and supports the establishment of new businesses by providing training in the development of a business idea, and in management, to people receiving qualifying income support from Centrelink.

Approved New Enterprise Incentive Scheme training providers service different states. In Western Australia, one provider, Business Enterprise Centres (BEC) of Western Australia, services the entire state. Business Enterprise Centres representatives are not trainers, but act as support agents or facilitators for those participating in or attempting to establish their own businesses. The agents refer appropriate candidates to the home-based New Enterprise Incentive Scheme training program. Students receive a workbook and access to a website where they can chat with an online tutor and are supported where possible by the local facilitators.

This scheme provides limited opportunities in learning for Indigenous business aspirants with low literacy and numeracy, who otherwise 'wouldn't get to first base', in one agent's view, and would be referred to the Aboriginal and Torres Strait Islander Commission. The agent who was interviewed for the current research suggested 'It's up to ATSIC to do something about it; they usually do'. But if such referrals were successful, the agent would expect to see the Indigenous client return to participate in the New Enterprise Incentive Scheme appropriately prepared to complete the course. This had rarely happened. In 2001 the agent had a contractual obligation to fill a specific number of places with Indigenous participants but had not filled any.

The agent's expectation suggested 'success' in this situation should involve potentially lengthy training, including significant training in literacy and numeracy. This is supported by one Business Enterprise Centres agent who said the New Enterprise Incentive Scheme workbook would be 'heavy going … overwhelming actually' for a learner with low literacy and numeracy. 'We welcome the opportunity to work with Indigenous Australians', the agent said. 'We just don't get the opportunity.'

A federal government informant with some responsibility for the New Enterprise Incentive Scheme said this need for training *prior* to undertaking a New Enterprise Incentive Scheme course was widespread with disadvantaged clients across Australia.

> A person who requires some form of intensive support should get that before moving onto one of the more mainstream types of training programs. We're looking at this for NEIS, certainly for Indigenous people and for other disadvantaged clients, about how we can further develop this concept of a pathway. We're a couple of notches up from ad hoc, but we're certainly not far enough up: there should be some much more articulated pathways for people. If we have someone who is very disadvantaged for a variety of reasons, they have some fundamental needs before we can start talking about teaching then about [the] Business

> Activity Statement and the various other joys of running a business. NEIS-type training is a fair way along the pathway for many people.
>
> (Government informant, New Enterprise Incentive Scheme)

While this project has identified some attempts by the TAFE system to respond to the needs of Indigenous learners, in most remote communities TAFE is either not present or fails to recognise or accommodate the differences in Indigenous learning requirements. A TAFE informant suggested that the core of the problem lay in the system of TAFE funding, which is based on student attendance hours. It was seen to ignore the need for Indigenous students to study within a flexible system which allows for adherence to cultural obligations. In many areas, locally driven initiatives have attempted to address the reluctance of community students to leave their homes to study, but in general there is limited evidence of systemic recognition of this preference.

There is evidence from the current research that TAFE has failed to deliver an effective response to the needs of students with low literacy and numeracy. The TAFE informant said the system was attempting to address the needs of students for support and mentoring within their communities, but there is heavy reliance on the generosity of employers and their staff to provide these services. Workplace mentors are trained by TAFE, but employers allocate time and resources for the support role.

There is nevertheless evidence of creative and resourceful solutions developed by some TAFE lecturers in remote locations to adapt courses so that students with low literacy and numeracy can achieve enterprise learning goals. The training that is completed is often meaningful, according to community members who participate, but it is largely unaccredited because it fails to fulfil all of the TAFE course requirements. As one remote area TAFE lecturer explained in relation to a course of study in tourism:

> … if we don't concentrate so much on learning the literacy and look at a more hands-on approach, we're in a better position to get through the learning outcomes. A learning outcome is Introduction to the Tourism Industry and we discuss—rather than writing or reading—different elements of the tourism industry. We'll get, say, videos on the Getaway program or other tourism-related videos and that means we're cutting across that barrier of writing and reading. Then we'll do a block release training and we'll just become tourists.
>
> (Remote area TAFE lecturer)

This TAFE lecturer confirmed that even at certificate I level there were learning requirements that many tourism students in remote locations would not be able to achieve.

> There is one unit called 'Follow health safety and security procedures', a five-hour unit and one of the learning outcomes is that safety and security procedures are followed legally. That one learning outcome, technically, I can't say people are competent in … if I read it as the legal responsibilities of people … no one really understands the legal responsibility of it unless they got in a situation where someone went out and got bitten by a snake and they got sued and that would be the hard lesson to learn. But do you fail everyone based on one learning outcome for a five-hour module? Or do you just try and instil that it is a dangerous environment for people who don't know this place and that they do need water, they need sun protection and they need adequate footwear. Most of my students don't have any hats, don't use sunscreen, don't take water with them and don't wear shoes. It's a normal thing. So, to try and get over that cultural difference is quite tricky and to add on to it that it's all legal responsibility is even harder. (Remote area TAFE lecturer)

In remote regions the Aboriginal and Torres Strait Islander Commission will fund training and mentoring for new business operators, but business aspirants who have not developed, and received funding for, a business proposal, or those who simply want management skills to take back to their communities, tend to fall through the learning net. In many cases in remote communities, the role of educator is taken up by a community administrator or corporation manager committed to developing the skills of community members. In these cases, limited resources exist to support the

learners or their educators. Flamsteed (1999) recommended the development of interactive resources aimed at a broad audience which addressed issues of economic understanding, as well as fundamental business issues, and which were designed for use with an educator in informal as well as formal learning environments. Many educators have supported the need for interactive, video or pictorial resources that communicate principles of business and management appropriately for Indigenous learners. Case studies, or stories, of successful and unsuccessful business and management experiences have also been endorsed as potentially effective tools.

One educator who works successfully with the Aboriginal and Torres Strait Islander Commission's business facilitation program in remote Western Australia said internet or correspondence learning had largely failed remote Indigenous learners who, in her experience, responded strongly to face-to-face, in-community training.

> If I've got a client who's got a nursery and we're discussing pricing/costing, we go out and we buy the potting mix, the plants, the pots and we stand there and we pot up plants. Very hands-on but it works. In [one remote location] I was cutting up bits of bacon—we were working in the kitchen together. That's the way it works. We've tried all sorts of things, but when it comes down to it, we sit and work with them … I think sometimes we're guilty of saying 'Aboriginal people can't do that'. I don't think that's true. In some cases they can't, but it needs to be assessed and we need to teach ... There are quite good resources available to ATSIC but they are difficult for the majority of Aboriginal clients to understand. There's a lot of information and it frightens them. There is also a major problem in Aboriginal people being aware of what is available to help them because there are several different organisations—they'll all help—[and] it's confusing for the organisations, let alone these clients. (Business trainer)

One Indigenous informant agreed that learning about financial issues, in particular, required face-to-face consultation and explanation. Text-based learning programs were often of little value to a community member who wanted to learn, but who lacked confidence because of limited of early education.

> A lot of people can read books, somehow they don't get what they say in the book. They can get someone else to come in and explain and that makes it a lot easier to understand and to learn from it. There's a lot of useful information, [but] people read the book and can't understand what it's saying. And there's more people around who will give help verbally—just getting advice is better than having to read a book. In the way of managing book[keeping], I didn't have that and I'm still learning now. I never thought I could do that sort of thing till it got pointed out to me. (Indigenous business operator)

There is evidence from interviews that the Aboriginal and Torres Strait Islander Commission model of delivering training once funding for a business start-up had been approved is flawed. As one educator explained, training in market research before funding is allocated is critical, as is training in business management. The educator revealed she had often been referred to clients who had misspent their funding before any training began.

> What I try to [communicate to] ATSIC is 'Before people get the loans, get the training'. That is absolutely vital because in many cases I've been called in to provide business training after the loan has been given out, and it's too late. (Business trainer)

Another learning model that is reportedly successful involves the use of board games to teach principles of pastoral, store and community management (Flamsteed 1999, appendix 4). Developed in central Australia by Remote Rural Resources, the games have been used with success in a number of remote communities, have been popular with elders as well as with younger participants and have been endorsed by at least one major Land Council. The game is delivered over one week by two educators. Central to its success, developers said, was the assumption that players began the game with limited understanding of fundamental financial or management issues. The game delivers learning in areas such as the source of money, cheque writing, the risk of corruption, contracts and cost control.

Creating learning, enterprising cultures in communities

There is evidence of tension between Indigenous community desires to take roles of community responsibility, and the apparent inconsistency that exists in some community attitudes to education. There is continued expressed support for education, but this is not evident in children's attendance at school as demonstrated in an interview with an Aboriginal and Torres Strait Islander Commission councillor.

> Remote community people tell me: we want our people to be running the office, we want our people to be running the store and we want our kids to be in charge of this and in charge of that and yet 60% of the time they're not in school. Maybe they just don't see it as being incompatible: they want to be the manager of the office, understand all the technical aspects of running a $2 million budget with Community Development Employment Program wages and all the rest of it. You have to have some level of education. Maybe if you come from a background where your parents are illiterate and you don't see the value of education, you are obviously not going to value it yourself and your kids are not going to school every day.
>
> (Aboriginal and Torres Strait Islander Commission regional councillor)

Another informant agreed that the home environment was a major influence affecting the business aspirations of community youth. In a welfare-dependent environment of low employment, young people were often exposed to few other role models or examples.

> Kids are more cluey now, they have more information available to them now and there's opportunities available for young people to get into their own business. Things are happening, but you don't see too many Aboriginal kids in there. They sit back a bit and they watch, but if there's not too much talk about business at home, then it's probably something new to them, so they mightn't [participate]. (Indigenous tourism operator)

A number of informants agreed that while many community members supported the need to learn 'both ways'—Aboriginal and non-Aboriginal—the cultural differences in learning priorities and practice proved to be a barrier to community-wide promotion of western education vocational and employment models. In some places this has become particularly acute: as awareness of the extensive loss of traditional languages and, with the death of community elders, the loss of cultural knowledge has increased.

> One thing Aboriginal people don't teach is goal setting or planning for the future. That doesn't come with Aboriginal culture. What the old people teach you gets you from day to day. They do it themselves. They don't see the value in long-term protection. That's something you need to do if you're going to live in both worlds comfortably. If you don't, you can only operate in the Aboriginal world, and you get nowhere. But somebody's got to help them do that. (Indigenous community leader)

As a result, in many cases, a community member who has a business idea may attempt a venture with little awareness of the need for preparatory learning, and the pitfalls that can result. For example, a contract musterer who earned hundreds of thousands of dollars over a few years, was unaware of his taxation liability and consequently became bankrupt and has not worked since.

Balkanu Cape York Development Corporation has attempted to address issues in this area by incorporating models of economic development into every feasible level of activity in Cape York communities. Initiatives are linked in relationships that aim for an economic development outcome. For example, initiatives in land use planning and negotiation for state land return are linked with the development of outstations, with a common element of a group identifying micro-enterprise opportunities, such as tourism and sugarbag or yam cultivation for local markets.

> Economic development crosses land negotiation, ethno-ecology, fisheries management research, national heritage trust application work, outstation development. Everyone who works for the organisation has a responsibility to progress economic development issues at all levels. The charter is, at every opportunity, to strengthen community structures, strengthen family and strengthen economic activity. (Balkanu spokesperson)

A second strategy in skills development also aims to expose community leaders and aspiring entrepreneurs to the wider business and political community through short-term secondments of corporation employees to Cape York communities (including Westpac and Boston Consulting Group). Westpac, for example, has committed 20 employees for up to four visits a year, over three years. Another longer-term strategy would involve community members experiencing the business sector elsewhere beyond Cape York, which a Balkanu spokesman described as 'critical'.

> You get incremental improvements in skills but you don't get the epiphanies you need for leaders to grow … sitting at home … If you have to find solutions, you certainly cannot find them if all you've seen is sitting at home.
>
> (Balkanu Cape York Development Corporation spokesman)

But there is evidence that business sector experience—which the organisation had attempted on a small scale and would continue to implement with caution—would not promote understanding unless participants had an opportunity to effectively engage with business systems beyond their communities.

> [It's not] a whole lot of whitefellas with a couple of blackfella mascots trotting down to Canberra … The success we've had is building our guys up, through using them as applied anthropologists, planners: designing our approach to things so that their skills are the critical skills, that find the solutions. And building them up so that they are across a whole project and being able to then discuss that project from a position of power and knowledge with others. So then engage in outside processes on terms in which they are powerful, rather than as work experience students. (Balkanu Cape York Development Corporation spokesman)

Learning and business

The literature on success factors associated with Indigenous learning

The success factors associated with Indigenous formal learning are well researched and clearly known (McRae et al. 2000, pp.5–12). Many of their findings can be applied specifically to small business training.

Best practice in Indigenous learning is associated with:

- ✧ cultural reference, recognition, acknowledgement, expression and support
- ✧ establishment of good personal relationships and mutual trust
- ✧ flexibility
- ✧ localisation (local learning in context)
- ✧ Indigenous teaching and mentoring
- ✧ close and less formal personal relationships between teacher and taught
- ✧ small class size
- ✧ a curriculum which starts with what students bring to the class
- ✧ negotiated learning plans and outcomes
- ✧ deliberate scaffolding of student literacy
- ✧ recognition of Indigenous languages
- ✧ monitoring of progress
- ✧ an explicit acknowledgement of the worlds of dominant cultures
- ✧ celebration and affirmation of individual cultures students bring

- ✧ swift, organised and personal/individual response to attendance and retention issues
- ✧ specialised assistance which responds as a team.

The research literature on Indigenous learning suggests that, in an Indigenous business context:

- ✧ It would be unwise to place undue emphasis on Indigenous formal small business training initiatives other than as entry-level skills to small business. Indigenous people are more likely to require skills and attitudes to be employed. Studies are available (Keenihan 1996) which suggest that career entry-level VET programs should be driven and controlled by the Indigenous community.
- ✧ It would be unwise to concentrate only on new training programs or initiatives. There appears to be considerable scope for using existing initiatives and programs in different ways.
- ✧ 'One size fits all' initiatives to using training system-driven courses offered in institutional settings are much less likely to work for Indigenous learners.

The size of Indigenous small business that might be targeted is not clearly known. However of those 65 100 Indigenous people employed in 1994 (ABS 1995, p.46), more than half (57%) were employed in the private sector. In addition, around one in five (19%) worked for an Indigenous community organisation, rising to around one in three (32%) in rural areas. Several of these community organisations are likely to be quasi-businesses.

The literature on Indigenous small business training

The literature on Indigenous small business training is very limited. A search of the NCVER vocational education and training (VOCED)[13] database found 96 references to 'Indigenous' and 23 to 'Aboriginal' within the abstracts and 34 where 'Indigenous' or 'Aboriginal' as well as 'business' were mentioned (not necessarily together). Four titles contained the words 'small business' in the titles as well as references to Indigenous small business as summarised below.

The Indigenous Business Economic Council (2000) published a short (14-page) guide on developing small business clusters for Aboriginal and Torres Strait Islander women in the central business district of Sydney, specifically in the 'Networking in action' project of the Small Business Professional Best Practice program. In the VOCED abstract words, 'The guide addresses issues such as planning, cluster development, advertising and promoting the cluster, cluster facilitation, resources, protocols and general tips for success in developing Indigenous clusters and networks'.

The Australian Chamber of Commerce and Industry published a very short (three-page) paper entitled 'Indigenous employment, education, training and small business' (2000a). It made a case and outlined a new policy for more private sector employment of Indigenous people in Australia. That policy commenced in June 2000. It also includes encouragement of partnerships to facilitate structured workplace learning for Indigenous school students (Years 9–12). The Australian Chamber of Commerce and Industry policy is consistent with one of the four employment-related objectives in the Council for Aboriginal Reconciliation (Council for Aboriginal Reconciliation 2000b, p.4) *Overcoming disadvantage* document, 'An increase in private sector employment for Aboriginal and Torres Strait Islander people'.

The Australian Chamber of Commerce and Industry's Indigenous small business development policy (2000a, p.4) supports new and established small businesses by:

- ✧ targeted and cost-effective improved business planning advice, mentoring and assistance
- ✧ promoting outsourcing partnerships and joint venture arrangements
- ✧ fostering partnerships with the business community
- ✧ recognising the different needs of businesses operating on community land.

[13] VOCED database <http://www.ncver.edu.au>.

There is evidence in a fourth paper explaining why many Indigenous small business operators (Firebrace 1995), as distinct from other small businesses, choose not to spend on external, structured training, but prefer to adopt other means such as networking with other, complementary businesses, using on-the-job training and buying in skilled people from outside.

Some findings from mainstream business research

Because of the heterogeneity of small business by type, industry, location and size, the learning and training needs of Indigenous owners and staff will vary greatly. As for mainstream training, one size will never fit all.

The literature on mainstream business training is extensive. A search of the NCVER VOCED database indicated that much is already known about the difficulties associated with small business training.

Some (but not all) of these general findings are relevant when thinking about what resources or training are appropriate in Indigenous small business contexts. There are at least seven important general findings, some of which might be usefully extrapolated into Indigenous business contexts outlined below.

1 Small business operators don't attach a high importance to training their own staff

Small business research in the 1990s showed that businesses tend not to undertake much training themselves. Specifically:

- ✧ Very few small businesses (about one in eight) are actively participating in structured training (ABS 1995).
- ✧ Those business that do train staff tend presumably do it in a relatively unstructured, informal way.
- ✧ Small business operators are concerned with three main issues: red tape (legislation, regulation, goods and services tax, paperwork), finances (cash flows, funding, bad debts, reducing costs) and getting and keeping good staff, especially those with the 'right attitude' (Coopers and Lybrand 1994). Not all of these are training issues.
- ✧ Only one in 20 small business operators see *relevant education and training* as being the main factor in their business success (one-half attribute success to *quality product or service* and one in seven to *good management*.)
- ✧ Where business operators admit to a need for training, it is usually in financial management, business planning, people management and other interpersonal and communication skills.

2 Indigenous businesses are unlikely to participate in non-customised structured training

This literature on small business training suggests that:

- ✧ Indigenous small businesses are unlikely to participate in structured training.
- ✧ Any training materials for existing small business owners needs to accommodate owner concerns about red tape, finances and staff.

An example of two of the 'main issues'—red tape and finances—was identified in a Cape York context by an informant from the Balkanu Cape York Development Association. The account is paraphrased from a phone conversation.

> TAFE runs some programs for some Indigenous small business aspirants on the Cape. The Body Shop (First Australians Business) also runs short intensive courses in the region. However, the barriers are not business management skills: the primary barriers lie not in the training people receive: the training is only applicable when you also have optimism and practical application. Lots of prospective Torres Strait business people don't get to that stage.

> The main barriers are access to land tenure and money for feasibility studies. The ideas are not even looked at before TAFE training becomes an issue.
>
> (Informant, Balkanu Cape York Development Association)

A scenario was given to elaborate on the perceived problem.

> Someone wants a $15 000 ATSIC loan. Before that a highly paid, city-based consultant does a $10 000 study for viability. Instead of backing the application, they spend as much money as the applicant requested on Brisbane-based accountants who have little understanding of the bona fide or capability of the community or family involved. They are unable to judge or anticipate for people's ability on the ground to actually pull it together.
>
> (Informant, Balkanu Cape York Development Association)

3 Small business owners tend to recruit from outside on criteria other than technical skills

Research into small business (Department of Education, Training and Youth Affairs 1997, pp.10–11) shows that small business operators:

- ✧ are seeking attitude, commitment and enthusiasm before technical skills when selecting employees
- ✧ see training as a means to an end rather than as an end in itself
- ✧ prefer to learn by their own experiences and through their support groups, including family, peers and network members
- ✧ value training that is practical, hands-on, relevant to their business, timely, in short bursts, relatively inexpensive and value for money, accessible and delivered by credible people.

Prospective Indigenous employees in small business are likely to be screened (and in some cases discriminated against) in the employment selection process on criteria other than technical skills. Getting experience in small business might, in many cases, lead to more likelihood to employment than training alone.

4 Both the content and process of small business professional development must meet the business bottom line

Department of Employment, Education, Training and Youth Affairs (1997, p.71) research into mainstream business shows that small business professional development must meet the business bottom line, and in particular must:

- ✧ match the need of the small business enterprise
- ✧ be oriented towards the team and/or individual and support learning/training
- ✧ create a commitment to quality training
- ✧ incorporate equity strategies and facilitate access and participation
- ✧ maximise diversity and flexibility in learning and delivery
- ✧ be practical, easy, short and integrated as part of the job
- ✧ be competency-based
- ✧ support lifelong learning
- ✧ be transferable
- ✧ demonstrate value for money.

5 Training needs to take account of both prospective small business owners and learners

Much mainstream business research looks at training as if the small business and the employees already exist. In many cases, however, people, and particularly Indigenous people, are not likely to be already involved in small business, either as small business owners or operators or as prospective employees of small business. The opportunities and the training needs in these cases fall into two main areas: prospective small business owners and prospective young employees.

6 Prospective small business owners need much more than training

People who want to create a new small business need much more than training. They particularly need confidence, purpose and vision, as well as finance and skills to act strategically about products, services or sales, to create partnerships and/or to create teams of employees to develop their own small businesses. This involves much more than the training or skills itself. It requires facilitation of enthusiasm, motivation, confidence and purposeful action.

In particular, getting into small business in the 'open market', whether Indigenous or not, involves:

- ✧ having and believing in a marketable idea
- ✧ being able to sense a business opportunity
- ✧ knowing when to act
- ✧ being confident enough to take a considerable risk
- ✧ having a strategic and business plan
- ✧ knowing how to implement these plans
- ✧ targeting, identifying and recruiting interested partners and employees
- ✧ being able to manage (budgets, staff, money, time lines, responsibilities)
- ✧ getting or having finance, plant and premises.

One of the inherent weaknesses in strategies to facilitate Indigenous small business in non-commercial or community contexts (such as in the Community Development Employment Program) is that it may create a false impression of success in an open market.

While there are around 3000 self-employed Indigenous people in Australia (many of whom are successful small business people), the chances of being self-employed in this way are around one-third of those chances of non-Indigenous people (Council for Aboriginal Reconciliation 2000a, p.3).

Having all of the above attributes *and* overcoming the many known small business barriers are much less likely for Indigenous people. It is little wonder that the barriers for Indigenous people are numerous, and include:

> … lack of personal financial management skills, lack of confidence to enter small business, developing the necessary skills to run a business, finding business partners, establishing networks with the business sector, access to good advice, identifying opportunities, remoteness from markets, a lack of capital, negative perceptions about credit worthiness and restrictions upon the transfer of native title and statutory land grants.
>
> (Council for Aboriginal Reconciliation 2000a, p.3)

As the desire for economic independence, including self-management of Indigenous lands, has grown in the late 1990s (Council for Aboriginal Reconciliation 2000b), the opportunities for pastoral businesses have changed radically and in many cases diminished. As Vickery pointed out:

> Aboriginal land based enterprises, specifically pastoralism, lacked a cohort of people who had the management, technical and operational skills and knowledge to manage the modern requirements of a commercially successful pastoral enterprise in an environment that was undergoing severe structural adjustment. (Vickery 2000, p.4)

If this is not grim enough, many prospective Indigenous small business owners, particularly in remote community and pastoral property contexts, have been enculturated not only to a welfare dependency which militates against purposive action (see Aboriginal and Torres Strait Islander Commission 1998, part 4). They have also been exposed to a history of community and property business subsidies which have maintained the illusion that properties and businesses that:

> … have been commercially viable when they were not … This has encouraged the belief by many Aboriginal managers that they have been successful whereas the reality is that subsidies have distorted the enterprise performance and created the illusion of success.
>
> (Vickery 2000, p.5)

Indeed, Indigenous community and pastoral businesses are characterised by 'an array of activities from commercial through to non-subsidised, non-commercial activities, with significant overlap between the different category types' (Vickery 2000, p.6).

Non-Indigenous people have historically encouraged (often for good reasons) toleration at the non-commercial, Indigenous enterprise end of the continuum, such as through the Community Development Employment Program or in Indigenous community organisations.

In summary, the inconsistency of historically managing and modelling non-commercial activity, but suddenly expecting Indigenous people to become commercially viable under Aboriginal ownership, management and operation is obvious and needs addressing directly in training materials.

7 Prospective new employees need qualitatively different training from owners and operators

The level and nature of training required for prospective Indigenous employees in small business is quite different from that of existing owners and operators. Employees take far fewer risks and have less responsibility for the business other than when they are actually working. The skills and attitudes they need are more tightly circumscribed, although the actual skills vary across businesses, contexts and the role they play in them.

What the mainstream research literature does show is that, as a consequence of the rapidly changing nature of work throughout the 1990s, '… labour hire firms and outsourcing providers have little incentive to train because of competitive cost pressures, short-term contracts and uncertain employee tenures' (Hall 2000, p.9). As a consequence, Hall argues (p.9) that 'Workers bear the training burden yet confront labour market insecurity and training market choice and information issues'.

Summary

The rapidly changing nature of work makes it less likely that Indigenous employees will find ongoing full-time work in one small business or be trained for the job at work.

Even non-Indigenous young people are finding the going difficult in the labour market. Dusseldorp Skills Forum (2000, p.2) clearly shows the considerable size and nature of issues facing a substantial number of young people (around one-sixth) trying to enter full-time work. Early school leavers in particular face a number of difficulties in the labour market.

Indeed, 'labour markets are increasingly differentiated by skills and the risk of unemployment is unequally distributed among skill groups' (Dusseldorp Skills Forum 2000, p.14). As Dusseldorp noted, education attainment and young people's chances of gaining employment are intimately linked.

For some of the reasons outlined above, ongoing high levels of early school leaving by young Indigenous people and concomitant effects on the potential for enterprises in rural and remote (as well as isolated suburban communities) communities cannot be underestimated.

As a Central Lands Council informant indicated:

> There are many factors which inhibit the opportunities for Aboriginal people to participate in small business ranging from lack of capital, lack of management knowledge, reluctance of lending institutions, remoteness from markets, lack of infrastructure, cultural factors etc. But in my view the fundamental factor is not so much availability of suitable training courses but the much more fundamental failure of the Northern Territory Education system to provide basic satisfactory education outcomes for Aboriginal people at the primary, secondary and tertiary levels. In other words, in the NT very few Aboriginal people have the basic education levels which are the prerequisites to enter specialised small business courses. It is as basic as that.

This argument is powerfully documented in the Collins (2000) report, *Learning lessons—An independent review of Indigenous education in the Northern Territory*.

Similar perceptions come from Cape York:

> The shocking statistics relating to the education of Aboriginal people in the Cape is attributable to a number of reasons including inadequate education service delivery, lack of opportunities and limited resources. The limited opportunity for job placement can lead to an apathetic approach to education by a people who often learn English as a second or third language. Mainstream education methods are often unsuitable for Aboriginal people who have different needs. The current education system has to some extent failed to provide them with an adequate education. Balkanu seeks to redress this by working with educators and policy makers to address education issues for Indigenous peoples in order to provide relevant and effective forms of education. (Balkanu Cape York Development Corporation website)

In summary, while young people remain at the back of the small business hiring queue (Dusseldorp Skills Forum 2000, p.14), Indigenous young people, who are between two and five times as likely to have left school early (depending on where they live, see Council for Aboriginal Reconciliation [2000b, p.11]) are most likely to be at the very back.

Finally, but not unimportantly, fewer Indigenous young people have had an experience of the workings of small business from the perspective of their own family. There have been fewer opportunities to model commercial enterprise at an Indigenous family level. Indeed, many young Indigenous people have been born into a mix of government welfare and labour market support which includes mixed models of non-commercial Indigenous 'business' and heavily subsidised employment on one hand, and non-Indigenous profit-taking and government employment on the other.

Some research shows a need for being overt about ownership and control. Ivory (1999, p.65) stressed that the first of two prerequisites for Aboriginal enterprise development is actually being overt about 'Why I am poor, who controls my community' and 'What can be done to break out of the poverty cycle?' Self-empowerment to undertake small business needs this understanding as well self-awareness. The second, related factor, as Ivory (1999, p.65) suggested, '… is for the Aboriginal entrepreneur to be the decision maker. … This "ownership" factor is paramount to the long-term success of each business and to the self-esteem and personal development of the entrepreneur'.

Mark Simpson, a business consultant with 20 years experience in facilitating Indigenous business suggested, as did Flamsteed and Field that:

> … a case management approach is particularly successful. Two Indigenous success scenarios were identified: a very small family business of one to two people or larger corporations underpinned by external expertise. In between, politics can tear things asunder.
>
> (Flamsteed & Field 1999, p.4)

Customisation and control

It is not possible to take a program about small business developed in non-Indigenous contexts into an Indigenous community context and assume its interpretation, application or customisation will be unproblematic. As *Djama and VET* (1998, p.62) stressed, even full 'customisation' of courses or programs developed on the basis of different cultural assumptions about the nature of work, training and business will always be problematic. This will particularly be the case in Indigenous homeland contexts where cultural, social and economic productivity and patterns of business and work are based around locally grown initiatives, or even, as in the case of the Community Development Employment Program, where these patterns have been transferred to Australian cities.

Cultural issues aside, the dominant success factor and the factor which underpins commercial viability in non-Indigenous businesses is profitability. It is not possible to assume that Indigenous people pursue profitability in small businesses for the same reasons. It is therefore important that Indigenous people have control over course and curriculum development processes, and that, wherever possible, control is truly localised. It will not be not possible to simply add Aboriginal examples or case studies and add disembodied Indigenous graphics to non-Indigenous curriculum materials and assume that translation will or should occur.

Learning informally

It is important in a review of learning about Indigenous business to briefly reflect on the fact that some of the trends observed in this research in Indigenous learning through business are common also to mainstream learning through business. Formal VET that leads directly to work in enterprises in the same field of study as the program tends to be the exception rather than the rule in Australia. As an Indigenous Business Australia interviewee observed elsewhere in this report, '[Indigenous] people gain most of their real knowledge in the world—through practical experience'.

Even those people who undertake vocational training don't go to business in a linear path from training. The NCVER Student Outcomes Survey (NCVER 1999) indicated that most TAFE graduates were already working when they finished their course, and further, that only 26% undertook their course for reasons associated with their job once they graduated. Many Indigenous people seeking *the* answer to employment through formal education and training are likely to be even more disappointed than other Australians about not achieving any employment outcome, since a much lower proportion are working when starting or finishing their course, let alone in the same area as their training.

Similarly, the literature on adult and vocational learning in Australia indicates that 'the majority of training was on-the-job training with the most likely form being "teaching self"' (Buchanan, Briggs & Considine 2000, p.4). Other literature (for example, McGivney 1999) indicates that the role of informal learning is significant although underrecognised. Contrary to the prevailing literature on the shift to 'high skill economy', in Australia:

> … much of the job creation is occurring in low-skill areas and workplace flexibility has been achieved in large part through casualisation, outsourcing and labour-hire. The labour market is characterised by growing inequality, fragmented hours of work and rising areas of non-standard employment. (Buchanan, Briggs & Considine 2000, p.4)

As Buchanan, Briggs and Considine (2000, p.5) argue, 'Throughout the 1980s and 1990s much was expected of education policy in general and skill formation policy in particular'. As many Indigenous people are also finding, maybe too much was expected of formal training. VET is only one answer to learning, and without significant increases in Indigenous school retention on one hand, and Indigenous employment on the other, innovative, other less formal ways have to be found in combination with real work to reduce widening Indigenous inequity. New and less formal ways are urgently required to reach the emerging, large, new cohort of Indigenous young people

who have left the school system and who remain alienated and disengaged from formal and mainstream learning, let alone from Indigenous business.

Learning flexibly and through technology

Throughout the 1990s there was much promise that technology, and particularly flexible, online learning would prove to be *the* answer for all isolated, unemployed and disadvantaged Australians, including Indigenous Australians. In mid-2002 the trend was quite the reverse. While there have been many advances in Indigenous electronic connectivity, it is mainly busy, highly skilled and overworked urban people who are using distance education. Wider literature on learning (for example, Livingstone 1999) confirms a trend not to an evening out of skill levels by location, but of a growing disparity within locations between some people who are devoting historically unprecedented amounts of time acquiring knowledge while working (much of it not used in their work), while other people are under qualified because employers have raised the previous entry-level credentials of new jobs.

The main areas of new work and job creation, including for groups with historically lower formal skill levels, and particularly for Indigenous people, is in low-productivity, low-skill sectors, especially in services (Briggs & Kitay 2000, p.7). The use of technology to facilitate flexible learning in these areas of employment for Indigenous people would currently appear very limited.

There was nevertheless a widespread, systemic emphasis in the late 1990s in the Australian tertiary sector on increasing the applicability of 'flexible learning', particularly through new information learning technologies. Most of these initiatives, including parallel Indigenous online initiatives were largely provider-driven. A number of online initiatives, such as the Indigenous online project through Open Learning Australia in the late 1990s, were designed for and by Indigenous tertiary stakeholders.

While the opportunities appeared broad and the need for information technology skills was becoming important and obvious for Indigenous people, including those in business, flexible delivery of learning online and through information technology has been slow to materialise in terms of Indigenous uptake. Most initiatives to 2000 had been provider- or government-funded or driven on the assumption that:

> … in rapidly globalising labour markets … affluent itinerant individuals will be able to use electronic classrooms ('flexibly delivered' to them anywhere in the world) to gain that upskilling essential in enhancing their portable employability. (Beckett 2000)

A major difficulty in an Indigenous learning context is that, as Beckett (2000) noted in mainstream contexts, 'flexible delivery' as conceived in an information technology paradigm, runs counter to many Indigenous learning styles, in that it is:

- ✧ strong on access but weak on collaboration. There is little place for shared experiences in work teams and community-based environments
- ✧ strong on participation but weak on fulfilment. The quality of face-to-face participation in learning is difficult to recreate or construct electronically
- ✧ strong on information but weak on knowledge. Learners who are tentative can be swamped by what is worthwhile knowing
- ✧ strong on knowing how but weak on knowing why.

In summary, as Beckett (2000) suggested:

> … it is expecting too much of the new IT to provide equitable, fulfilling learning experiences where adults are increasingly expected to learn through social collaboration at and for the workplace, that is in teams, from each other, face-to-face. (Beckett 2000)

Data to 2001 show that very few Indigenous learners are using online or flexible delivery for learning, by choice, without significant parallel, personal support. Most effective learning for Indigenous and non-Indigenous people continues to take place face to face and, as the previous section suggested, in practical work contexts.

This finding highlights the issue of availability of appropriate resources, particularly those taking account of cultural and educational difference. In many remote communities there must be support for the valuable role technology *can* play in providing access to appropriate resources for those learners who, for a range of reasons, do not want to leave their communities. In many cases the risks of going away to study, even for a week at a time, are considered too high: of leaving family when alcohol or domestic violence is a problem; of leaving a 'dry' community—often with a spouse or sibling—for one where alcohol is freely available. In some cases people simply do not want to leave home.

Lack of recognition of this issue is evident in the lack of funding allocated to the development of education resources which may be used for distance education and which are appropriate to learners with low literacy and numeracy and featuring Indigenous, as opposed to non-Indigenous, models.

Very few Indigenous people are using the internet to search for jobs. Indigenous and non-Indigenous people continue to get most jobs through personal and family networks on the basis of recent, relevant work experience. Careful consideration therefore needs to given to the extent to which online initiatives for Indigenous peoples such as the Australian Job Search Indigenous Employment Program are actually used. There is a danger that the advantages of presenting a 'window of opportunity' online (aimed at improved accessibility for a small number of Indigenous clients) might be offset by alienation of a larger number who might regard the service as impersonal and inaccessible to the majority of Indigenous adults.

Cases in point are the Department of Employment, Workplace Relations and Small Business (2001) website which serves as a portal to the Indigenous On-line Recruiting Service, the Indigenous Resume Search and the Indigenous Advertise a Job initiatives. In some senses, moving straight to the technological 'frontier' (for example, as has been attempted through the TAFE Frontiers [2001] initiative) in terms of service delivery of learning 'products' and employment facilitation, risks depersonalising and alienating a deep and broad Indigenous hinterland.

Trends in Indigenous formal learning

Recently released national data on Indigenous participation in education and training (ABS, cited in *The Age* 2002) indicate that Indigenous enrolments at university in Australia declined between 1997 and 2000. While the proportion and number enrolled by field of study varied across universities, most enrolments were in education courses (Golding 2001). The next most common university enrolments were in the fields of business and health.

The situation in vocational education and training was somewhat different. In the five years to 2000, Indigenous VET enrolments increased 60% and Indigenous school enrolments increased 25%. While TAFE in particular remained the sector of Indigenous choice, analysis of NCVER VET (mainly TAFE) data to 2000 suggests the following cautions.

- ✧ A high proportion of Indigenous VET enrolments in vocational streams (2100–4500) were in 'TAFE multi-field education'.
- ✧ The fields of business and health and community services combined accounted for only around one in five Indigenous VET enrolments.
- ✧ Around one in four Indigenous VET enrolments are directed to either 'basic employment skills' or 'educational preparation'.
- ✧ Another one-quarter of Indigenous VET enrolments involves training of 'initial operatives'.

- In effect, less than one out of ten Indigenous VET students are being skilled at trade, para-professional and professional levels.[14]
- Consistent with the above, nearly one-half of all Indigenous VET course enrolments in New South Wales are for a 'certificate of attainment'.
- Fewer than one in four Indigenous enrolments involves any of the five Australian Qualifications Framework levels.

Review of Indigenous business courses

Golding (2000) undertook a review and evaluation of Indigenous business courses in Australia. There is insufficient opportunity in this report for comprehensively reporting on that research. However, there is value in briefly outlining the template used for that 2000 evaluation, and listing the range of business programs (including Indigenous-specific programs) available to Indigenous learners to December 2000.

Evaluation criteria

The Indigenous business program evaluation undertaken by Golding (2000) was desk-based and reported on the following criteria.

- *Indigenous content, concepts, illustrations and learning styles*: do the materials contain content and concepts that are appropriate to Indigenous learners? Do the materials contain appropriate examples and illustrations? Do the materials reflect a range of learning styles relevant to Indigenous learners?
- *Accreditation status:* do the materials sit within the Australian Qualifications Framework? If not, can they be mapped to this framework? At what level?
- *Usefulness, applicability and scope for linking or adaptation*: are policy documents and or procedural documents appropriate for use in this resource? In what ways does the resource link to current or emerging policy imperatives? Have the materials been successfully tested with Indigenous learners? What age group (or educational sector) are the materials developed for? If the materials are designed for non-Indigenous learners, are there any appropriate concepts, content or processes that inform or could be adapted to flexible delivery (for example CD-ROM)? To what extent would the existing product need to be modified to suit the needs of Indigenous learners? What would be the most appropriate way to use them?

Review of Indigenous content in small business programs to 2000

A search of the National Training Information Service website (2000) revealed a total of 68 accredited and non-accredited courses. These courses are summarised below by level of qualification. Of these courses, four included 'Indigenous' or 'Aboriginal' in the course title. All four of these Indigenous-specific small business courses were available at certificate II level or lower.

It is likely that a number of other small business courses without an Indigenous or Aboriginal identifier in the title incorporated skills specific to Indigenous small business, and/or originated in Indigenous training or provider contexts.

Recognised and accredited Indigenous small business courses (on National Training Information Service register)[15]

- certificate I including one in Small Business Enterprise, Aboriginal Art and Crafts (South Australia: 2)

[14] The proportion in lower-level courses such as pre-apprenticeships progressing towards trade courses would be somewhat higher.

[15] Numbers of courses and some state/territory accreditation locations are indicated.

- ✧ certificate II including one in Office and Small Business Skills for Aboriginal Community Organisations (New South Wales: 7)
- ✧ certificate III (11)
- ✧ certificate IV (14)
- ✧ advanced diploma (1)
- ✧ diploma (5).

Non-accredited small business courses

This category includes:

- ✧ courses in various aspects of small business, most in business management, including a course in small business for Australian Indigenous people (Northern Territory: 21)
- ✧ training programs in various aspects of small business, including a training program in introduction to small business for Australian Indigenous peoples (Northern Territory: 7).

The number of courses in the broader 'business' area is much greater and was unexamined in Golding's (2000) study. However, it is important to observe that some providers in Indigenous contexts develop, deliver and/or customise 'business' courses for Indigenous students and community contexts without Aboriginal or Indigenous in the course title. For example, for the five years to 2000, Batchelor Institute had been delivering Certificate IV and Diploma of Business (Community Management).

Indigenous courses in the business and property industry area[16]

In addition to mainstream courses, it is possible to search Indigenous/Aboriginal courses by industry area. A search of all business and property industry area courses combined with a search for the term 'Indigenous' or 'Aboriginal' produced a total of 21 courses. They included:

- ✧ certificate I in Small Business Enterprise, Aboriginal Art and Crafts (South Australia: 1)
- ✧ certificate II including Office and Small Business Skills for Aboriginal Community Organisations (New South Wales); two in Cultural Tourism (Western Australia); Property (New South Wales); and Office Skills (Northern Territory: 4)
- ✧ certificate III including Property (Northern Territory); Legal Studies (Queensland); Cultural Tourism (Western Australia); two in Translating (Northern Territory: 6)
- ✧ certificate IV including two in Community Organisation—Management (Northern Territory); Legal Studies (Queensland: 3)
- ✧ advanced diploma of Aboriginal Management (Northern Territory: 1)
- ✧ diploma including one in Management—Indigenous Organisation (Queensland); one in National Indigenous Legal Studies (Queensland: 2)
- ✧ courses including Executive Training for Aboriginal Board Members and Directors (Northern Territory); Small Business (Northern Territory); Financial Management Training (Northern Territory: 3)
- ✧ training program in Introduction to Small Business for Australian Indigenous Peoples (Northern Territory); Financial and Management Training (Australian Capital Territory: 1).

Around two-thirds of these Indigenous/Aboriginal courses in the business and property industry area listed on the National Training Information Service register were accredited in the Northern Territory or Queensland. Most of the courses concentrated in the certificate II to certificate III level.

[16] Which include 'Aboriginal or Indigenous' in the course title.

A search of information on the business services industry training advisory body revealed no evidence of information on Indigenous small business in the Business Services Training Package (FNB99).

Indigenous qualifications and courses[17]

A search of the National Training Information Service website revealed that to 2000 there were:

- nationally accredited Indigenous 'qualifications' in tourism or public safety (8)
- Aboriginal/Indigenous 'courses' (187).

Of the 187 Aboriginal/Indigenous 'courses' in the register, there was a wide range of levels as summarised in courses listed by level below.

- 13 were non-accredited 'training programs in …'
- 22 were non-accredited 'courses in …'
- 16 were at certificate I level
- 34 were certificate II level
- 47 were certificate III level
- 28 were certificate IV level
- 18 were at diploma level
- 9 were at advanced diploma level.

There was also a wide range of fields of study amongst these Aboriginal/Indigenous courses. Many were primarily in a non-business area (for example, education, health and welfare). Other fields of study presumably included skills of particular relevance to Indigenous small business or which were amenable to use in some small business contexts (for example, culture and tourism, community management, visual arts and theatre, land management, legal studies, language studies).

[17] With 'Aboriginal' or 'Indigenous' in the course title.

Conclusions

General findings

The most important finding from this research is that support for learning in Indigenous business differs by context and must therefore be sensitive to Indigenous location. The problems and effects of non-Indigenous hegemony in a business setting are profound in both urban and remote areas, but the Indigenous world view, situations and solutions differ significantly by context. The challenge is that potential benefits of Indigenous business are greatest in areas where business services are most limited; that is, in the most socioeconomically disadvantaged, remote areas.

It is concluded that models for profitable and sustainable business development which parallel Indigenous community development are of particular importance, but remain particularly under-developed in many remote community contexts. This is because of a lack of accessibility to business services, commercial labour markets, commercial business models and sites, and lack of incentives for learning about business.

Particular tensions are identified between, on one hand, the often unrealistic expectations of wide benefits for communities involved in Indigenous business, and on the other hand, the limited rewards for particular individuals with responsibilities for those businesses. These tensions are exacerbated when businesses, which are not profitable in an economic sense, are supported, promoted and staffed as if they were profitable.

Businesses and employment schemes operated primarily for their social and community benefit can be justified on a number of grounds. However, they are seldom commercial businesses and are not ideal training grounds for Indigenous people working in, operating, developing or mentoring commercial businesses. There is evidence from this research that operating Indigenous quasi-businesses primarily through non-Indigenous managers can exacerbate situations of Indigenous welfare dependency, particularly in the most remote and socioeconomically disadvantaged locations. In the absence of appropriate, independent regulatory organisations with a mandate to audit and an incentive to intervene, such situations can entrench both non-Indigenous and Indigenous nepotism and corruption. Such situations do not create optimal sites for learning through business.

It is concluded that learning through Indigenous business is most effective where that learning is tied to earning, customised to the context, developed parallel to real work and applied in practice through employment in commercial businesses. Indigenous community business is often a springboard for, but not always a suitable or sufficient learning environment or preparation for truly commercial business and the development of independent Indigenous entrepreneurs or widely marketable business employment skills.

Having said that, there is also evidence that many successful Indigenous business people (independent entrepreneurs, employers, learners and employees) in profitable commercial business need to be recognised and promoted as desirable Indigenous role models in both remote and urban contexts.

There is evidence that Indigenous business education programs should, where possible, anticipate and cater for limited previous commercial business experience, the possibility of low formal English literacy and numeracy, and in remote communities, English as a second language. The nature of

learning in remote communities in particular, needs customising to establish relevance to the different business and cultural contexts and learning environments not anticipated or common in most urban or mainstream programs.

The research also confirms the relatively limited role for information technology as a tool for learning, particularly in remote communities, without a wide range of on-site learner and technological support.

Specific findings

The research leads to a number of specific conclusions as summarised under a series of sub-headings below.

The paradox between maximised profitability and employment

This research reveals something of a paradox between Indigenous and government imperatives for commercial profitability on one hand, and extensive community training and maximised employment on the other. The only viable, competitive, sustainable, commercial businesses, including Indigenous businesses, are those that are profitable.

Profitability is directly affected by the significant costs of both labour and training. All commercial businesses deliberately minimise their labour and training costs in order to remain commercial, competitive and profitable. A high proportion of mainstream workers, and an even higher proportion of Indigenous workers are not self-employed, but are employed in other people's businesses.

Since business success is subject to fluctuations in sales and economic cycles, employment and training opportunities within these businesses also fluctuates with profitability. On one hand, profitability stimulates training and employment. On the other hand, profitability is adversely affected by inefficiencies associated with overstaffing and inappropriate training. This paradox is rarely articulated in discussions about Indigenous enterprise, because maximising Indigenous employment and training has often been regarded as being a more important policy imperative to governments and Indigenous organisations than commercial profitability.

Organisations such as Indigenous Business Australia (2001, p.13) articulate this paradox when they stress that, while they accept their 'legal requirement to act commercially' and 'were not established with Indigenous employment outcomes as being part of its charter', they recognise that 'their investment activity must maximise employment and training opportunities'. As a consequence, Indigenous Business Australia is unable to 'support particular projects that might, on face value, be attractive to local communities' since they are not commercial (p.13).

Some Indigenous and government organisations have more policy flexibility to recognise, encourage and support enterprises which are less commercial or non-commercial but which have desirable outcomes other than business profitability. The Aboriginal and Torres Strait Islander Commission (2000, p.3) overtly recognises the many non-commercial reasons why Aboriginal and Torres Strait Islander people are getting into business for themselves, such as 'wanting independence and the ability to be your own boss', 'living in a remote area where there aren't many jobs to go to', 'to provide an essential service in the community' and 'running a small business that links to a bigger business'.

This research shows that motives for people being in business are often very different for Indigenous people. In the paraphrased words of an informant cited earlier:

> A lot of Aboriginal entrepreneurs and Aboriginal people who are trying to get businesses going have a motivation that is centred around community, providing employment opportunities for young people. They see it as a way of breaking out of poverty and providing experiences for their youth and their children that were denied to them essentially because of their Aboriginality.

> There is an enormous social conscience within the group that are becoming entrepreneurial and starting businesses, expressed in all sorts of different ways. We see it expressed in terms of the structure of businesses, where a lot of businesses are setting up with equity of the employees in the business with a very flat structure and a very broad distribution of funds. All sorts of aspects of Indigenous businesses are unique and driven around the notion of community and social identity, more than driven by profit.
>
> (City-based Koori policy officer, state government)

The role of the Community Development Employment Program (CDEP) in business

This research identifies some opportunities to adapt the Community Development Employment Program to provide more incentive for Indigenous business people. This program is a widely proliferated example of Indigenous enterprise that is rarely profitable but based on a combination of welfare and employment. Golding (2000, p.10) concluded that one of the inherent weaknesses in strategies to facilitate Indigenous small business in non-commercial or community contexts such as in the Community Development Employment Program, is that it may create a false impression of commercial success and profit in a market that is neither open, competitive nor sustainable. In some Indigenous communities, this program is the only recognisable Indigenous 'enterprise'. In many remote, homeland contexts, if conventional, commercial productivity measures were applied without adaptation, very little local enterprise would be commercial. Profitability in many cases has played a less important role than cultural and social productivity, particularly where patterns of business and work have been based around locally grown and determined initiatives and priorities.

While it is important to acknowledge that the Community Development Employment Program remains the core of many remote community economies, it may be timely to consider implementing new Community Development Employment Program models to provide more incentive for the participation of community members. These might include models that:

- ✧ provide job opportunities beyond the limited scope of community employment, and encourage the participation of employers by effectively offering a wage subsidy
- ✧ go beyond the scope of public works and invite the participation of younger community members.

Asset ownership

The research confirms that a lack of asset ownership in remote Indigenous communities presents a significant barrier to enterprise development. There is scope for implementing initiatives to encourage individual and family savings and considering new models for asset ownership in cases where individual wealth is limited, but where collective wealth (for example, land ownership) is considerable. By contrast, it is difficult in most urban situations to create enterprises based on collective wealth in the absence of a shared resource base.

Responsible intervention

Lack of access to information about, and understanding of, the role of regulatory business authorities in quasi-businesses appears to limit the frequency with which incidents of corruption are reported. Responsible agencies such as the Office of the Registrar of Aboriginal Corporations and the Australian Securities and Investments Commission would achieve some benefit by reaching out more into remote communities, and with ongoing, rather than one-off initiatives.

Partnerships

The potential for new and stronger business education and training initiatives may rest in community partnerships between major providers, including TAFE and the Department of Employment, Workplace Relations and Small Business (providers of the New Enterprise Initiative Scheme), to share information and resources and possibly develop regional initiatives in collaboration with industry.

Profitability and strategic intervention

While the dominant success factor underpinning commercial viability in non-Indigenous businesses is profitability, it is not possible to assume that Indigenous people pursue profitability in small businesses for all of the same reasons. Nor is it possible to assume that the cultural, social and economic productivity of locally grown initiatives are of the same value to Indigenous peoples in the very diverse range of contexts and locations in Australia. It is just that they will be valued in different ways (see Aboriginal and Torres Strait Islander Commission 1998, part 2).

In the remote context, successful business would appear to be critical to the sustainability of communities and, ultimately, might provide a power shift back to community members. There is evidence that elements of Pearson's strategy of rebuilding community economies could go some way towards alleviating the 'despair and helplessness' (Pearson 2000, p.15) that pervades many remote communities.

But a strategy to rebuild not only economies, and also the motivation of their participants, requires the dedicated support of federal and state agencies and of the private sector. While there is no national strategy for improving economic, business and management skills among those Indigenous people with low literacy and numeracy, and for whom English is a second, third or fourth language, there can be little progress.

Consulting, listening and learning through business

Appropriate Indigenous community consultation and knowledge of relevant protocols is a prerequisite to meaningful dialogue on Indigenous business and long-term, positive and respectful business relationships. An example of such protocols (developed in New South Wales for consulting and working with Aboriginal communities) can be found in the New South Wales Board of Studies publication, *Working with Aboriginal communities* (2001).

Listening is critical. Community members, Indigenous community leaders and entrepreneurs have identified some of the barriers that prevent the development, or sustainability of business in remote contexts. These barriers include policy-makers' ignorance of the central authority of the family, issues of self-esteem, the barrier of language, refusal to recognise traditional social and decision-making structures and lack of cultural awareness.

There is evidence that learning *through* business is critical. Funding priority might be given to appropriate, in-community training and supporting resources. In some cases this training will involve familiarisation with the 'fundamental' economic issues that non-Indigenous Australians take for granted. In other cases it will mean developing resources that do not focus on white, urban models, but instead tell the stories of Aboriginal entrepreneurs. In some cases, training and resources may be in a traditional language. If training cannot be flexible in its content and delivery, it cannot be responsive.

Accounting for Indigenous business location

New data on Indigenous disadvantage and location lead to the conclusion that the potential for Indigenous business is different at either end of the postulated remote-to-urban continuum.

Very remote Indigenous people are, on average, the most socioeconomically disadvantaged, have relatively lower education, employment and enterprise skills. However, they tend to live in areas

where potential Indigenous business clients are in a significant majority although in small numbers, and where Indigenous cultural and land resources are likely to be most accessible.

The scope for Indigenous businesses catering for *basic needs* of Indigenous people, on site and in one place, is arguably highest in these remote communities, but in a thin market where Indigenous people are most likely to be clients, have least discretionary income and least opportunities to be already trained for and have capital to start, operate or work in those businesses. In such remote situations, while the opportunities for local community enterprises are likely to be highest, they are typically subject to competition from existing non-Indigenous commercial businesses and products.

By contrast, urban Indigenous people are, on average, the least socioeconomically disadvantaged and have relatively higher education, employment and enterprise skills. However, they tend to live in cities where potential Indigenous business clients are in a significant minority although in large numbers and where Indigenous cultural and land resources are likely to be least accessible.

The scope for Indigenous people catering for the *discretionary wants* (for example, culture, arts, tourism and land-based products) of non-Indigenous people is arguably highest in the larger cities or in non-urban locations subject to non-Indigenous tourist visitation, but in competitive and fluctuating market situations where Indigenous people are least likely to be clients or have access to the existing cultural or land resources. In such situations, the opportunities for local community enterprises are likely to be most limited and also subject to most competition from existing non-Indigenous commercial businesses. Because of competition with non-Indigenous people, businesses and products in an open employment market, the scope for open commercial Indigenous enterprises employing Indigenous people is quite limited.

While urban Indigenous people are, on average, the least socioeconomically disadvantaged and have relatively higher education, employment and enterprise skills, they tend to live in cities where potential Indigenous business clients are in a significant minority (although in large numbers) and where Indigenous cultural and land resources are likely to be least accessible.

Remote communities

Several conclusions from this research are specific to Indigenous learning through business in remote communities. There is evidence of a need for:

- the development and delivery of learning programs in fundamental economic and business management issues, with supporting resources, in remote communities
- regional advisory bodies, comprising Indigenous business and community leaders, to examine appropriate new models of business management within remote communities.
- an appropriate and accessible overseeing authority which actively pursues incidents of management and business corruption in communities so that people do not learn by bad examples
- the Aboriginal and Torres Strait Islander Commission to support education in business as well as market research for potential new business operators before start-up funding is approved. Support is required for the commission to extend its mentoring and business support role after start-up funding is approved.

Urban locations

Problems, issues and solutions in relation to Indigenous learning in urban areas are quite different.

- There is duplication of business facilitation services in urban areas which is confusing to clients and not client-friendly. The solution generally requires rationalisation rather than expansion.
- There is a range of funding sources from Indigenous Business Australia (for large commercial partnerships) to the Aboriginal and Torres Strait Islander Commission (for a range of Indigenous businesses, including non-commercial businesses). There is a need for a close examination of the longer-term community benefits and costs of supporting quasi-businesses since they are not necessarily appropriate learning environments.

- ✧ There is evidence that very few urban Indigenous arts and crafts businesses are commercial and that tourism businesses are subject to considerable market swings.
- ✧ Particular problems are created if urban Indigenous people begin in businesses that are never going to be commercial, particularly if they have no advice from a mentor early on and have no access to advice in the first two years. Business mentors require good rapport, transferable skills and knowledge of the industry they are mentoring.

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Appendix 1: Research method

Methodology

The project primarily involved an analysis of the extensive post-1990 literature on learning-related aspects of Indigenous enterprise and small business development synthesised with new interview data and findings from research projects in south-eastern Australia, Northern Territory and Western Australia. It is inclusive of all main areas of Indigenous enterprise (land, community, cultural, commercial). Flamsteed and Golding's field research was conducted via observation, recorded interview and telephone interviews.

Interviews

Flamsteed, at the 'remote' end of the continuum and Golding at the other, capital and regional city end, interviewed mainly Indigenous people involved in a broad range of different enterprises. A small number of very open questions were asked. Most interviews were conducted face to face and taped for later transcription or analysis.

All taped interviews were subject to standard research ethics agreement consistent with the Bendigo Regional Institute of TAFE research ethics guidelines; that is, interviewees were fully informed and consenting. Confidentiality and anonymity was assured unless material to be published had been shown to informants for checking in advance of publication and authorised for publication with names, organisations or substantive positions.

For sample interview questions see appendix 3.

Researchers and steering committee

Neither of the researchers are Indigenous. Kate Flamsteed (Catherine Flamsteed Pty Ltd) lived and worked in Broome and Billiluna, south of Halls Creek. Barry Golding works in the School of Education at the University of Ballarat but was previously at Bendigo Regional Institute of TAFE. The researchers were guided by a four-person Indigenous Advisory Committee.

Issues identified during the study

A number of issues were identified during the study and were added to the initial research design. Two additional research questions were identified.

- ✧ In what contexts and circumstances is the introduction of a profit-based enterprise system appropriate (or not appropriate) in Indigenous contexts?
- ✧ How can the processes of enterprise development and assimilation be untangled?

Several new conceptual issues were identified with the advisory committee. There was a perceived need to:

- ✧ consider and account for the very different contexts in which Indigenous enterprises are possible on the remote-to-urban continuum
- ✧ separate and categorise the qualitatively different types of Indigenous enterprise
- ✧ recognise a continuum between Indigenous enterprises developed mainly for profit, and other enterprises where other factors come into play (community independence, sustainability), and to develop a schema to explore the poles of this continuum
- ✧ account for the ambiguous role of the Community Development Employment Program in enterprise development.

The researchers became acutely aware during the literature search and writing phase that what is perceived and researched in terms of Indigenous enterprise depends on:

- ✧ where one is in Australia
- ✧ how one defines enterprise and who/what it is intended for (for example, for employment, income, profit, sustainability, community benefit, Indigenous-specific service)
- ✧ the type and/or size of the focus enterprises.

Appendix 2: Who was interviewed

The following is a list of some of the interviews undertaken. To preserve confidentiality, the organisations of a several people interviewed have not been identified. Neither people nor substantive positions have been identified in this report other than where agreed or on the public record, in order to provide anonymity and confidentiality consistent with agreements made with informed and consenting interviewees. The authors are grateful to all of those people who provided interviews, information and guidance for this research.

Some of the organisations in which interviews were completed for this project are listed below.

Interviews in remote north-west communities and towns

- ✧ Australian Securities and Investments Commission (ASIC)
- ✧ Office of the Registrar of Aboriginal Corporations (ORAC)
- ✧ Business Enterprise Centres WA Inc
- ✧ Joblink, Kununurra
- ✧ Kimberley College of TAFE
- ✧ Kururrungku CEC, Billiluna
- ✧ Mindibungu Aboriginal Corporation
- ✧ Warlayirti Artists Cooperative, Balgo Hills, Western Australia
- ✧ Department of Industry and Technology Western Australia
- ✧ New Enterprise Initiatives Scheme (NEIS) unit
- ✧ Department of Employment, Workplace Relations and Small Business (DEWRSB)
- ✧ Enterprise Management Consultancy Services, Perth
- ✧ Kimberley Development Commission, Kununurra
- ✧ Wunan Regional Council (Aboriginal and Torres Strait Islander Commission)
- ✧ Kimberley Group Training
- ✧ Balkanu Cape York Development Corporation, Cairns

Interviews in south-eastern capital and regional cities

- ✧ Koori Business Network, Melbourne
- ✧ Aboriginal Affairs, Victoria (Business and VET policy officers)
- ✧ Aboriginal and Torres Strait Islander Commission, Business Development Program, Melbourne
- ✧ Indigenous Business Australia, Canberra

- ✧ Registrar of Aboriginal Corporations, Aboriginal and Torres Strait Islander Commission, Canberra
- ✧ Land Enterprise Australia, Canberra
- ✧ Department of Employment, Workplace Relations and Small Business (DEWRSB), Sydney
- ✧ Indigenous Small Business Fund Project Officer, Ballarat
- ✧ Aboriginal and Torres Strait Islander Commission Business Facilitator, Bendigo.

Appendix 3: Research and interview questions

Research questions

1 What is 'enterprise' in a range of Indigenous contexts, from remote traditional community to urban? How is this affected by an Indigenous 'world view'?

2 How does business development factor in Indigenous community development planning?

3 How does business function in an Indigenous community? For example, is business expected to promote and support the interests and needs of the community as a whole, or of other groups, such as family or clan groups?

4 What is the profile of Indigenous learners engaged in community business development in remote and urban contexts?

5 How have training resources in Indigenous business development (and also their delivery) responded to the particular requirements of Indigenous learners for:
- content and programs for learners with low literacy and numeracy levels
- incorporation of elements of economic literacy that recognise the lack of awareness, particularly among remote community dwellers, of the function of the profit-based 'business' systems and its requirements
- cultural content (recognising, for example, that white, urban role models may have limited relevance to Indigenous learners living in remote communities)
- delivery methods (recognising, for example, the cultural restrictions that may limit the ways in which Indigenous learners can interact in a class environment)
- types of flexible delivery options
- funding models.

6 What has succeeded in Indigenous business development training? Does information technology have a role to play in facilitating delivery of appropriate business development training?

7 What have Indigenous community leaders identified as issues in community business development and the training required to facilitate successful business establishment and function? For example, the issue of welfare dependency.

Interview questions: Indigenous enterprise in urban and regional cities

1 A brief outline of your organisation and its relation to Indigenous enterprises.

2 Why is Indigenous business/enterprise/initiatives important (to you, to the Indigenous community)?

3 What prevents people working in/managing local Indigenous businesses/enterprises/initiatives in urban and regional cities?

4 How do Indigenous people learn the skills and values they need to work in/manage the businesses/enterprises/initiatives in Australian cities?

5 What materials and resources are available to Indigenous people to learn about how to work in/manage local businesses/enterprises/initiatives in Australian cities?

6 How might Indigenous people be better prepared for working in/managing the local business/enterprise/initiative in Australian cities?

7 How transferable is the knowledge and skills to other (for example, mainstream or Indigenous) businesses/enterprises/initiatives?

8 What sorts of Indigenous businesses work best in urban cities? Why?

9 Other follow-up questions.

Interview questions: Prospective interviewees in remote community contexts

1 How has this business/enterprise/initiative made a change for you or your community?

2 What did you learn to prepare you to start this business? What new skills would you like to learn? Do you know how or where you can learn them?

3 What materials—for example, books—are available in your community that help Aboriginal people learn about how to work in or manage local businesses? How do they help you?

4 What people or groups have helped you or people you know to learn about working in or managing a business?

5 What stops Aboriginal people from working in or managing local businesses, or starting their own business?

6 What problems have you had trying to get good education or training that could help you learn about business?

7 What could Aboriginal people learn that might help them to get a job in a local business, or manage their own business? What would be the best way this learning could happen? For example, where should it happen and who should teach it?

8 How would you feel about doing your job in a non-Aboriginal business, or in another place?

National Centre for Vocational Education Research

This report explores the ways in which Indigenous Australians are learning through enterprise and small business development. It reveals that this learning will be more effective if it takes into account that Indigenous experience differs by location, with remote areas offering a significant challenge. Learning through Indigenous business is most effective where learning is tied to earning; the content is customised; it is carried out in parallel to real work; and is put into practice through employment in commercial business.

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