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BY: ATSI/A

**Inquiry into Developing Indigenous Enterprises**

**Background**

Central Queensland Indigenous Development Ltd. (CQID) was established in November 2004 as a financial business and administration hub for the indigenous individuals within Central Queensland covering the areas of the Bundaberg Burnett region, Rockhampton, Emerald, Longreach, Biloela, Woorabind and all townships surrounding these locations.

When established CQID's primary function was the delivery of the Community Development Employment Program (CDEP). Due to identified gaps CQID has expanded its services to assisting other indigenous businesses with financial and administration procedures, auspicing funding for community groups, delivery of social services and delivery of the STEP and STEP-ERS programs. CQID has also developed an RTO that is able to deliver timely culturally appropriate training to the indigenous community and over the past two years we have assisted numerous indigenous Australians in the development of enterprises.

**Terms of Reference**

- 1. Whether current government, industry and community programs offering specific enterprises support programs and services to indigenous enterprises are effective, particularly in building sustainable relationships with the broader business sector.*

The current programs really depend on who is funding these programs and who is in charge of allocating the funding. The biggest problem with most of the funding provided is that it is only providing for a 12-month period which is insufficient given that it is common knowledge that most mainstream small businesses can take 3-4 years to become a viable entity. In some cases with the starting of an indigenous enterprise the managers and staff may be likely to lack the skills and expertise and need the extra training and support.

The biggest gap is in the fact that there a little to no provisions for the promotion and facilitation aspects of the programs. A lot of indigenous people may want to start a business, however they are either unaware of the programs that they can access funding and assistance from or they are too daunted by the process and paperwork that is required to apply for these types of programs. CQID addressed this issue by applying for and receiving funding for an Enterprise Transitions Officer who had the sole purpose of initiating and facilitating the running of 11 indigenous small businesses in the Central Queensland area. This 12-month program has just come to a finish and although CQID has put in for an additional 12months funding to continue the program, it appears it will be declined by DEEWR. So effectively 11 small indigenous businesses have been established with a lot of time and effort going into it, not to mention just under \$100,000 of federal government money as well as an additional \$120,000 of CQID's own income, which was used to cover capital equipment and start-up costs. Due to the changes to the CDEP program CQID is unable to continue its significant financial contribution to these fledgling businesses

and with DEEWR officials indicating it is unlikely to be re-funded, these 11 businesses will now be out on their own with no support and no financial assistance. The reality of it is it is highly unlikely that more than one or two of them will survive and become viable entities if any. CQID believes this is proof the current system is flawed. Currently it appears as though a lot of Government organizations are working in isolation rather than working with other departments to come to the best outcome.

**2. Identifying areas of indigenous commercial advantage and strength**

CQID believe the key areas of Indigenous commercial advantage and strength lie in the following areas:

- Tourism
- Art – CQID currently have an Arts Co-ordinator position funded through DEEWR who is responsible for assisting and supporting aspiring indigenous artists in the community.
- Indigenous specific clientele services – Indigenous small businesses servicing indigenous communities over a spectrum of sectors.

**3. The feasibility of adapting the United States minority business/development council model to the Australian context (a background document on the United States minority will be available on the committee website shortly)**

CQID have been unable to view this particular literature so it would not be right to make any comment on the particular model, however CQID believes the current model is not working effectively as illustrated above and believes new models and procedures need to be looked at seriously.

**4. Whether incentives should be provided to encourage successful businesses to sub contract, do business with or mentor new Indigenous enterprises.**

There is no doubt that with the current mining boom which is particularly relevant to the Central Queensland region an incentive-based scheme could be very successful. The key would be the stipulation or negotiation of the Government with the big mining companies so that they have a clear regulated plan/policy for the employment of indigenous jobseekers or the subcontracting of work to indigenous small business. There is a necessity for aspiring indigenous businesses to be engaging with bigger established businesses to benefit from their contacts and expertise.

***The Committee is also interested to hear from individuals and groups who have made use of programs designed to support Indigenous business establishment. The Committee would welcome submissions which provide information o:***

- ***The level of support provided by the program***
- ***Did the program assist in creating partnerships and joint ventures between an indigenous organization and the government or private sector.***
- ***Whether there were any gaps in the program***
- ***What was the most valuable***
- ***What was the least valuable***