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**HOUSE OF
REPRESENTATIVES**

STANDING COMMITTEE ON ABORIGINAL AND TORRES
STRAIT ISLANDER AFFAIRS

Reference: Developing Indigenous enterprises

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**HOUSE OF REPRESENTATIVES STANDING
COMMITTEE ON ABORIGINAL AND TORRES STRAIT ISLANDER AFFAIRS**

Thursday, 25 September 2008

Members: Mr Marles (*Chair*), Mr Laming (*Deputy Chair*), Mr Abbott, Ms Campbell, Mr Katter, Ms Rea, Dr Stone, Mr Kelvin Thomson, Mr Trevor and Mr Turnour

Members in attendance: Mr Marles, Ms Rea and Mr Kelvin Thomson

Terms of reference for the inquiry:

To inquire into and report on:

Opportunities for Aboriginal and Torres Strait Islander people to grow small and medium-size business. This shall include Indigenous controlled enterprises and business in which Indigenous people are joint venture partners.

In particular, the Committee will focus on:

1. whether current government, industry and community programs offering specific enterprise support programs and services to Indigenous enterprises are effective, particularly in building sustainable relationships with the broader business sector;
2. identifying areas of Indigenous commercial advantage and strength;
3. the feasibility of adapting the US minority business/development council model to the Australian context; and
4. whether incentives should be provided to encourage successful businesses to sub contract, do business with or mentor new Indigenous enterprises.

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Committee met at 12.15 pm**BOULTON, Mr Graeme, Assistant General Manager, Partnerships, Indigenous Business Australia****DALZELL, Mr Craig, Deputy General Manager, Commercial, Indigenous Business Australia****WOODS, Ms Kaely, Deputy General Manager, Business Support, Indigenous Business Australia**

CHAIR (Mr Marles)—I declare open the public hearing of the House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs inquiry into the development of Indigenous enterprises. I would like to acknowledge the Ngunawal people, the traditional custodians of this land, and pay our respects to their past, present and future elders.

This is the 10th and final hearing of the committee's inquiry into developing Indigenous enterprises. This hearing is open to the public and a transcript of what is said will be placed on the committee's website. Although the committee does not require you to speak under oath you should understand that these hearing are formal proceedings of the Commonwealth parliament and that the giving of false or misleading evidence is a serious matter and may be regarded as a contempt of the parliament. We asked you here as the final witnesses because it is evident to us going forward in the inquiry that the role that Indigenous Business Australia plays in this area is very critical. There has been a lot of evidence about IBA, which presumably you have seen. That is probably the best thing to say.

Mr Dalzell—Yes, we have. I think I have not read the last transcript.

CHAIR—Time is limited. Do you have any opening remarks? I think it is important that you get an opportunity to say something in response to whatever you feel has been said.

Mr Dalzell—I will make a statement. I guess I said a few things in Darwin that I thought clarified a fair bit of the evidence. Since I last gave evidence, I think the only thing that I have seen that concerned me—and I have already referred to this in some of the evidence I gave previously—was that we inherited a program that is decades old. Some of the evidence you have seen come before you about incidents of what the program has or has not done generally are five-plus years old. I have gone and said to my staff 'Go and find me where that happened.' Generally there is a lot of baggage the program brings with it.

I do not know whether we provided the history in our submission to the committee, but we actually have done an account of how Indigenous economic development happened since the referendum and the issues that have come up from time to time. This program has always been at the centre of some criticism or controversy, usually on two fronts. One is that it is either overprocessed or underprocessed; you have either done it to such an extent that Indigenous people find it hard to get in, or there is a lack of process and then the loans start to fail. The other dimension of criticism is that government should be providing more grants or a much easier form of money to get into business. Then you get the criticism of social versus commercial. The more social we make it, the more likely it is that the business will fail.

Over the course of the last 35 to 40 years, these paradigms have shifted back and forth. You can see them in the royal commission into deaths of Aboriginal people in custody. There have been various reports into Indigenous business reviews. All of them have grappled with those continuums. Much of what we have seen since has been along those two lines.

CHAIR—On those two lines, why don't you give us a statement of your philosophy of balancing those tensions. Let's start with the second one: the social-commercial. What is the philosophy of IBA in trying to balance those two tensions?

Mr Dalzell—The philosophy would be that we are a gap product. In other words, we know the limits of what the ordinary mainstream financial systems can accommodate and we just stay out of that space—and I will explain how we do that in this product—but we behave in a manner which is very commercial like, in that we do not give money away for free. We expect people to repay or to generate profits.

Ms REA—So you are not a grants body.

Mr Dalzell—We are not going to give it away for free. We have found that the more you give away the less likely you are to get outcomes.

Ms REA—Intuitively, you would think that that is correct. But there is evidence that, in terms of grant money as seeding money versus a loan, it is more likely that the person with the loan is going to stick it out further. Is there evidence of that?

Mr Dalzell—Yes there is. When the loan book came into IBA's hands we had 58 per cent failure rate, because you had a grants program sitting right alongside a loans program and the clients were not distinguishing between the two. In fact, in the second reading speech on the creation of CDC the minister at the time, Minister Hand, said, 'I need to separate the commercial from the social programs because the social programs bedevil'—that was the word he used—'the commercial outcomes sought.' This has been come back to time and time again. IBA is trying to occupy a commercial space while recognising that we only exist to fill a gap that the financial systems cannot get to themselves.

CHAIR—Describe the gap.

Mr Dalzell—One of the questions you have asked me to come prepared to answer today was: how are we different to a bank? A bank assesses a loan with two things in mind. They want security, and they seek 100 per cent security. Where they do not get 100 per cent security, they assess it on the basis of knowing the client really well—the bank have a really strong track record with them and they know they are going to get it—or they are doing it for some charitable, benevolent, PR type of exercise. But 100 per cent security is their baseline. We on average take 70 per cent security, so we have very little. If I go through the statistics of what is in the loan book, 45 per cent of the loans we wrote last year are unsecured or the realisable value of the security we did take is nil. Thirty-five per cent we have taken as chattel mortgages over assets with a declining value, which, again, in the event of a default are worthless to us. Only 54 per cent of our loans had some form of business or residential property behind them, but none of them covered the value of the loan. A bank is not going to lend in those sets of circumstances.

Ms REA—Unless you are an American subprime mortgage lender.

Mr Dalzell—True. I will skip over that!

CHAIR—How much money are we talking about? You can get unsecured personal loans from banks with a good credit history.

Mr Dalzell—With a good credit history, yes. They look for capacity to repay and they generally cap the value of those loans. They generally do not mind writing off a certain value of those loans, because it is neither here nor there to the banks, but they price it. So the interest rate for a personal loan is higher than what you are going to pay for a business loan, and it is certainly higher than what they are going to take for a residential mortgage.

Ms REA—That is true, yes.

Mr Dalzell—The degree to which they enforce their rights as a lender is without mercy, in general terms. Once you are in that trap where you have defaulted on your loan, you are there and the system just keeps on going. In our case, we spend a lot of time recovering our borrowers to keep them in the game as long as we can. Because we have so little security, if the asset is what is producing the income then we have to keep that asset alive as long as we can to get any money back and to keep them in a financially sound position.

Ms REA—When you read out those percentages there, I guess it is contrary to what people have been saying. The criticism has not necessarily been criticism; it has been more about a view that you at IBA, because of the lack of security that you have had in the past and because you have been burned in defaults, have become much tighter and closer to bank restrictions than you were. How would you respond to that given that those figures probably do not reflect that statement?

Mr Dalzell—I would say that, very close to the changeover point between ATSIC and IBA in that transitional year, there was a push to get as much as much security as they could. In fact, there was a push to get 100 per cent security.

Ms REA—So that is the five-year period you are talking about.

Mr Dalzell—The four-year period there would have been that transition period. Certainly that is not the case today. Seventy per cent is the average we have there now. The other point was that there was a philosophy—which we have only changed in, perhaps, the last two years and which, particularly as we are trying to shorten the processes, I have cut out entirely—that said that the more you took security the more you scared the client into believing you had something that might compel them to repay the loan. We have pointed out that that is just nonsense. The stick end of a compliance model is never going to work anywhere near as effectively as if you get the front end right—that is, if you are supportive, get the right documentation, get the right explanations and get the right plans in place, you are going to get a better compliance outcome at the front end. That is the reason why a lot more work has gone into getting our assessment processes right rather than trying to get the security end of it right. So there is a transition that has happened in the product over the course of the last couple of years. The position we have

today is that we certainly are not getting anywhere near 100 per cent security; we are not assessing on that basis. We are assessing on the capacity of the borrower to repay.

CHAIR—I suppose, following on from what Kerry said then, that the point has been made in the evidence that we have heard that you have to fill out a whole lot of forms and demonstrate a whole lot of stuff. It sounds as if you are not contesting that but that your point is that you are not requiring people to provide security; you are being very careful in your up-front processes about assessing capacity to pay.

Mr Dalzell—That is correct, but I would say that what we are now doing with the product which will be released during October is to simplify that due to the criticism we have heard about process—that is, to simplify our assessment process based on an evidence base. That is the thing that I have never been able to put my hand on while I have been at IBA for the last two years: what was the evidence base that supported the reason the processes have been designed the way they are? What we have now is a team of bankers who have now joined us. They have gone and analysed the loan portfolio that says, ‘As long as we ask these questions around loans up to these values and take out these risks, you can tick and flick on a one-page sheet and get the right assessment process.’

CHAIR—What is the smallest loan you write?

Mr Dalzell—We can go right down to as low as \$3,000, but it is rare for us to get below \$20,000.

Ms REA—On that process question, I remember that you said this in Darwin when we were asking similar questions about the time frame that it takes. One of the things that you said is that the reason why there is a perception that it takes a lot longer is that, in fact, you do a whole range of things in parallel that a bank does in stages, so whilst people might believe that a bank loan is short in its assessment there have actually been a whole range of things that they have been asked to do prior to that.

Mr Dalzell—That is correct.

Ms REA—You do all that together, I guess, in one go.

Mr Dalzell—That is an issue. That preparation of the business plans and any associated documentation that proves the viability of the business is perceived by the client to be the beginning of the application process.

Ms REA—That is not the case with a bank?

Mr Dalzell—That is not the case at all. In the bank’s case—it is hard to put numbers around it—but of the three bankers who are on my staff in this program, one is from the Commonwealth, one is from the ANZ and one is from Westpac. I had them around me last night, just asking basic questions. I asked how many times they would have to write a loan to a client they do not have an existing client history for or existing relationship with. You can count it on one hand. The sales staff in the location are often asked to join up new clients—only four a year, but that is their target. Maintaining that relationship over the long haul is the banks’ prime

strategic issue. When they are writing loans, they are writing them on the back of the fact that they know this client, they have got their history, they have probably lent to them before and things like that.

Just about all of our clients are first-time borrowers, which is an entirely different profile for a bank. As long as they have got 100 per cent security and there is a very easily visible process to repay—that is, you can see a positive cash flow after repayments—that is it for their assessing. That is all they need to know, and they write the business.

CHAIR—Why are you not repeat lending to people? Is that because once they have—

Mr Dalzell—Because we do not want them to be with us. I think I made the point in Darwin that if we create a support model that makes them reliant on us in the future, we have not achieved anything—we have created dependency.

CHAIR—So what you are trying to do is issue a loan and get them to pay it back properly, and completing that is a step to the next loan coming from a commercial bank?

Ms Woods—Yes. If they are going to expand, or whatever, the assumption is that they would go to a bank.

Mr Dalzell—Yes, that is right.

CHAIR—Have you submitted the figures you have just quoted in some form?

Mr Dalzell—No, I have not.

CHAIR—Can we do that?

Ms REA—They are actually very useful figures.

CHAIR—I suppose they are on the *Hansard* record, but you must have got some documentation supporting all of that, which would be handy.

Mr Dalzell—Yes, I have got my compliance unit—the undertaker, so to speak—to prepare all that for me.

CHAIR—If you could send that in, that would be good.

Mr Dalzell—Sure. Do I need to do anything more to make that happen?

Ms REA—No, that is fine.

CHAIR—You said it is rare to write a loan of less than \$20,000. Why are you not in that space?

Mr Dalzell—We try not to be in that space because it is very difficult for us to get compliance around the loan. Our experience of being in that microfinance space, which would be that \$3,000 to \$20,000 or \$25,000 sort of space—depending on how you want to define the product—was that we had a 70 per cent failure rate. The basis of it was that people just saw it as a grant. They saw it as government backed, where the money is handed out. They did not take us with any sort of credibility or seriousness, and the value of what you actually got for your money in the Australian context, versus what you get in other developing countries, was not very much. You might get a car for your \$20,000; you might get enough tools to just start your trade; you do not get a lot, whereas if you go to East Timor and put \$20,000 on the table, you get a lot. You get a lot of start-up capital.

CHAIR—There has been evidence, though, particularly in remoter communities, that smaller amounts of money—less than \$20,000—can make a big difference. Do you accept that or not?

Mr Dalzell—I think I would like to test that a bit more. Our experience of working in remote communities is that we do it—and we have done it—but I would suggest to you that it is not as strong, and what we do tend to write in communities has been a larger amount for loans. The quantum of the loans is usually larger.

In our experience, we have not had big call on it, even when we have had a drive. When the NT intervention began last year, we were given a charge to go out and look at all the CDEPs and see which ones we could turn into businesses. Of the 73 communities we went to, 58 businesses were there, and we are working through with all those businesses now to turn them into businesses, rather than CDEPs. None of them are really asking for loans that get us down below that \$20,000 mark.

CHAIR—But what about newer type businesses in tourism or arts or land management? It is in that area that people have been saying that a small loan—and some have, to be honest, been putting evidence about it being really good if there were a grant system—can go quite a long way.

Mr Dalzell—We would be happy to do it if we believed that the business was there. We have never turned someone away because of the loan being too small for us. We have never done that. So the issue is: has it actually come to us in the first place?

Ms REA—Can I just follow on what you are saying. You mentioned grants, Richard. Because they are relatively small amounts of money—even if you are looking at the \$3,000, \$5,000 or \$10,000 type mark—is there a place for grants being in that space more than loans? I ask that only on the basis that I assume a grant that small would be for some sort of capital, whether it is a vehicle or it is tools. Is this where grants and, I guess, loans or the IBA can become really effective, in that someone gets that small sort of ground for a capital item that they need, whether it is computers or whatever it is, that actually sets them up to going to get a proper business loan from you? I know what you said before about not wanting the social to bedevil the commercial, and I understand that exactly, but I am wondering if there is a capacity for some sort of small grant that might then actually enable a business to get off the ground so that they could actually come to you for a business loan, not a capital loan—because that is what it sounds a bit like.

Mr Dalzell—I will let Ms Woods have a shot and then I will come in at the end.

Ms Woods—You have mentioned three specific areas—tourism, arts and land management. Tourism is an area that we do play with, and that is a very difficult market. Arts and land management are, historically, funded by a plethora of government programs through grant funding. They are often community based. They are generally not commercially focused. They are not necessarily an area, particularly if they are in remote communities, where there is the same awareness or entrepreneurial drive behind those activities, so they are not necessarily a natural fit with the sort of work that we do in looking for developing commercial entities. That is not to say that we do not enter into those, but I think there is something very peculiar—and, as to your question about whether there was a role for grants funding, there is certainly a very high expectation in those industries of grant funding.

Ms REA—I understand that, but I am specifically asking if expectation and role are two very different things.

Mr Dalzell—I think there is a role if there is a genuine business at the end of it, and I think that is really the issue. What Ms Woods was saying there is that the industries that usually get cited—similar to what Kelvin Thomson raised with me when I last appeared here; we were asked about ranger services et cetera; would we be involved? I said, yes, we would be, but only if it was commercial, and I had not yet seen one that was commercial. If there was a commercial solution at the end of it then there is possibly something there. As for how we designed it, there would be some issues that IBA would want to be very careful about—how we administered it. So, if you were to institute grants that sat at the front end of what our product range looked like, we would probably say, ‘Let’s put it up as a controlled association,’ so there was a gap between us and the grant, to protect the commercial viability of the other parts of our business. That would be the only concern that would have. I think there is a role; you just have to know whether there is going to be something commercial that comes at the other end of it.

Ms Woods—Yes, and perhaps that the governance is in place to support that transition.

Ms REA—Yes.

Ms Woods—That is really critical.

CHAIR—Do you have a view about the Westpac product—was it a Westpac product?

Mr Dalzell—We have got a joint branded product with NAB.

CHAIR—NAB is what I am thinking of; sorry—the NAB product.

Mr Dalzell—We would actually prefer, if we can, that anybody who wants to get those small loans go into the NAB, because it sort of puts people in the mainstream and we support them into the mainstream. It gets the outcome we are looking for. And we are quite excited by the fact that we have been able to strike the arrangement with them. The other banks are keen to follow in that space at this point in time. That is the feedback I have had, although Ms Woods deals with it more closely and at a different level than I do. But, certainly, the government business managers that I have had to deal with have not been dying to get into this space.

Ms Woods—We have had some recent activity through the Indigenous Financial Services Network, which we sit on and which Reconciliation Australia co-chairs. We have managed to build some linkages with that group, which brings the banks together, and there is some interest. In fact we have got continuing interest from some of the banks. We met with some of them—

Mr Dalzell—But we have launched the NAB product and we have got loans going through that process right now.

CHAIR—Are there any stats around that that we can get?

Mr Dalzell—It is very, very early days. I think we have three loans up.

CHAIR—I did not realise that, but it is useful anyway to hear it. Do you want to say anything more about the reduction in time in relation to the giving of loans?

Mr Dalzell—I refer the committee back to much of what I said in Darwin, except to say that the time frame we are aiming for is six weeks from application through to settlement. Before launching the full suite of the product range, we have got the time down to just over 10 weeks now, on average. But the product range that will be launched in October takes out 90 per cent of the security and registration of titles issues. As I said before, the kind of loan contract you get from your bank in an envelope in the mail is what our loan contract is going to look like. It is a very different product set which we will administer in-house, getting AGS out of the process. Up until recently AGS was where six months of our process was taken up; we had got it down to four months, and recently we have got it down a little bit further. We will administer this in-house and keep them out of the process.

CHAIR—We might go to Outback Stores. Firstly, how is it going? It seemed to be a really interesting model. We see it as a version of a franchise, a bit like 7-Eleven. Disabuse us if we have got that wrong. It seems that if one of these stores is able to fly on its own then that is something you would encourage. But, again, I am not sure if that is right. That is a suite of questions about how it operates. Do you think there is the ability to use it as a model in relation to other kinds of essential services out in those remoter communities? Could you do it for a mechanic shop or something?

Mr Dalzell—I will take you through the Outback Stores model and give you a bit of an understanding of how the thing works, and Ms Woods will take you through some of the possibilities that we think might be able to fit the model. Outback Stores is not quite a franchise model; we had best not call it a franchise model because it is not one. It is a management service, so you own a store and you contract a professional manager to run it on your behalf. That is how it works. You retain ownership of your store.

Ms REA—The buildings and everything.

Mr Dalzell—The buildings, and the stock is really yours as well. Yes, Outback Stores owns the contract but it recovers the money for the stock put into the store from the store. So it is not their stock; it is the store's stock. The staff in the store is the store's staff, except for the manager and maybe the assistant manager. They belong to Outback Stores. The store is essentially the

community's asset, operation and business. They get a management service from Outback Stores to do it for them.

Outback Stores's management service is a bundled suite of products. It comes with purchasing arrangements and logistics contracts to achieve price reductions, quality and general merchandising control. It brings with it a high level of training around your managers so you get a consistent and professional retail offering. The accounting services are done within Outback Stores, and cash and so forth are disbursed back out to the stores so that the store owners can see what is happening with their asset.

That is how the Outback Stores model works. Your franchise model would be: you own the asset and you buy the right to use the brand and access certain systems if you want to, but it is still your responsibility to run.

Ms REA—Do you hire the staff?

Mr Dalzell—If you own a franchise, yes.

CHAIR—The fundamental question is: are you trying to build a brand?

Mr Dalzell—No.

CHAIR—Why not?

Mr Dalzell—Well, what are we selling? We are selling a management service into community stores. We do not necessarily want people to shop with us. We want people to use the contract service to run their store.

CHAIR—But aren't you trying to build a consistent quality in stores in these communities?

Mr Dalzell—Yes, we are.

CHAIR—And you do want people in the communities to shop with you?

Mr Dalzell—Generally it is not a question of choice. It is the only store.

CHAIR—Except it is a choice as to how much they shop. A whole lot of figures were quoted about how turnover has gone up. So, sure, you do not have a competitor but you are, in a sense, competing with the idea of people not getting nourishment or not buying a product. There is a business in that.

Mr Dalzell—There is, but branding it and promoting the brand is not necessarily going to achieve that. It is a question of what the retail offering is when they walk into the store—what they see, how you position the goods, how you merchandise them, how you supply, how you ensure there is a sufficient and appropriate ranging. That is where the turnover comes from.

Ms REA—But they are called Outback Stores, aren't they? Isn't that a brand? Is that on the outside of the shop?

Mr Dalzell—No.

Ms REA—So is it only ICI that have the distinct—

CHAIR—But everyone was wearing their Outback Stores shirts—

Ms REA—Yes, that's right.

Mr Dalzell—That is the company, but remember that the asset in the store is the community store.

Ms REA—If the Nhulunbuy community store contracts to Outback Stores, that is just the name of the management—like getting KPMG consulting to come in. The shop does not then become an Outback Store brand?

Mr Dalzell—No.

Ms REA—Okay. Now I understand.

CHAIR—I think it was the shirts that threw us.

Mr Dalzell—They are pretty enthusiastic about the shirts. That is the model. When you look at it from that perspective the capacity to provide professional management over a service that is essentially and inherently community based is really what is being achieved here. You have expert retail services and systems being employed in these stores where there is essentially lack of governance, lack of cash flow, lack of knowledge, lack of capital and equipment et cetera. They solve it through a commercial means.

CHAIR—That is a really good explanation.

Ms REA—But that does include central purchasing, doesn't it?

Mr Dalzell—Yes, it does in that case.

Ms REA—So it is not just about the management of the business; it is about product as well to a certain extent.

Mr Dalzell—It is very much about product in the sense that the purpose for which you actually put the management service in there is not only to sort out the governance issues and the business controls around the store; it is to get the right retail offering that is appropriate to a community. So the ranging—and I am sure Outback Stores touched on this in their evidence; I just cannot recall the numbers they gave you—might improve in a community store from, say, 200 line items to close to a thousand line items. You will have a meat, a dairy and a fruit and veg offering with sufficient variety to sustain a family's nutritional needs quite adequately in that store. When you went into the stores before Outback Stores, that did not exist.

CHAIR—Is it working? It is early days, I think, but do you have a feeling that it is going well?

Mr Dalzell—I think it is going well in the sense that about 21 stores have taken it up and the improvement that each of the stores have experienced has been quite profound. It is a tough slog for the guys in that it costs a lot of money to get into some of these stores, and what they inherit on day one is just about unbelievable. You have debts and you do not even know how much debt is there. There is stock fit-out and the quality of the building et cetera—it is almost insurmountable. So I think there is a real slog in terms of take-up, and it is going to be hard for them to get the full take-up around the stores they were looking for. The viability of the stores is in question under that sort of management model, and then you have the question of whether or not you decrease the offering to make it viable. That is a real struggle.

CHAIR—How much is it costing IBA? You are backing up this whole project?

Mr Dalzell—We got government appropriations to inject the upfront capital, so we got \$48.1 million: \$8.1 million was operating costs that we split between us and Outback Stores to get it up and going; \$40 million was the seed capital—that is what has been injected into Outback Stores. We have also had the NTER appropriations, where we had some subsidies for unviable stores and capital costs of unviable stores, so that is in there as well. Outback Stores is losing money, but I could not tell you off the top of my head exactly how much it has lost; I have not seen the board papers lately.

CHAIR—But is the endgame that there will be a certain number of stores that are viable, and they will be allowed to go off and operate; there will be some which are nonviable and they will be closed; and there will be some in the middle which you will subsidise?

Mr Dalzell—I do not think we are looking to close any stores. I think that is starting to touch on a policy issue from within government, and I would rather leave that question there if I can.

CHAIR—What I was trying to say is that I got the impression that there was a sort of triage going on and that you are sorting out which ones are viable and which ones are not. Is that right?

Mr Dalzell—There is an assessment of the viability of the stores upfront; that is correct.

CHAIR—And is the endgame for the ones that are viable that they will be allowed to just sort of go off on their own and stay operating as a viable business?

Mr Dalzell—Outback Stores will be contracted to run them effectively as a viable business, yes.

CHAIR—So the relationship with Outback Stores will be an ongoing relationship?

Mr Dalzell—We would hope so, yes.

CHAIR—All right. Do you think this model is applicable to other services?

Ms Woods—Yes, we do. I think the essence of the model is around providing that management skill and some of the economies of scale, which are through the supply chain with Outback Stores. You talked about product; it really is about trying to bring in the economies of scale that an individual, remote-location store cannot achieve. Access to markets is also another

important part of the model, and also having training and employment support, which is really fundamental, particularly if you are talking about local engagement—and training models.

We have looked at that model and how that might apply to some the other sectors. One area that we spent a lot of time looking at was the construction industry. We believe that in remote communities there is already, in some places, a pool of semi-skilled or skilled labour but they do not have the support to actually access some of the big contracts for repairs and maintenance and housing construction. We were looking at trying to develop a company that might actually assist in supporting that local involvement, particularly in terms of Indigenous housing. That one was reliant on government making decisions that would support that sort of a model, and so far the housing funding is not going that way, so we have not proceeded.

Ms REA—So in the Yarrabah situation, for example—when we went up there, they were asking us: ‘Why are we getting contractors in to build housing here? Why can’t we employ local people?’

Ms Woods—Yes. We were particularly focused on the Northern Territory initially because that was where decisions were being made about housing funding and we saw that that was a real opportunity. We have a lot of organisations that we have worked with, small Indigenous organisations, that cannot necessarily access that market, and they need a bit of help to get their management capacity to the stage where they can access those sorts of markets and utilise the local labour. So we think that that model does have a broader application. That is just one area where it could be applied.

Mr Dalzell—There are a range of municipal type services and things like that that could be used, but you would want to be very careful that it did not turn into a proliferation of government funded—

Ms Woods—Or subsidised.

Mr Dalzell—or subsidised agencies delivering services to the general public. So you have just got to try and get a balance there as to what is a good commercial contracting operation that stands on its own two feet versus one that is relying on being funded by the government.

CHAIR—But is the essence of the model, as you said, that you are providing management expertise and then collective buying?

Ms Woods—Collective buying, collective marketing, collective support; training and development, for example; employment support—those sorts of mechanisms that are very hard for a small entity of one or two people to access. It is things like providing a framework and that sort of support that means that they can then develop and access a much bigger market. They can act as if they are part of a larger whole even if they are not.

Mr Dalzell—Sometimes it can even overcome some of the defects in numeracy and literacy. It will not overcome them all, but you can build business systems around the skill level of the people that you have got involved.

Ms Woods—And it is about providing opportunities for business in the local community.

CHAIR—One of the issues that that have come up is the need for a one-stop shop for Indigenous enterprises, in terms of knowing what government programs exist and also in terms of receiving business mentoring support. What do you think of that? What is IBA's capacity in that regard?

Ms Woods—There is clearly a need for a more seamless approach for clients. A client focus that makes sure that clients do not have to delve through a proliferation of different programs and agencies is something that we think is really important, so in a sense a one-stop shop makes sense. Given the proliferation of programs, what we have tried to do is take a slightly different approach and work on the ground in a way that provides that seamless transition for clients.

We tried to set that up in the Northern Territory, but unfortunately it was overtaken by the intervention and the activities there. IBA, DEWR, as it was then, and the Northern Territory DBERD were working together to provide a pathway for Indigenous people interested in business so that they had a single point of contact which would direct them appropriately to the right support. We were looking at how we could make it appear to be a more seamless approach.

That meant building a network of people that deal with the clients so that there was appropriate and upfront sharing of information, as agreed with the clients, in a way that meant that the clients were not having to jump around and search for the right support but were being directed actively. That has happened informally but has not been formalised. So there are essentially two approaches: one is the one-stop shop and the other looks like a one-stop shop but is not one.

Mr Dalzell—It is a pretty hard slog for the client to work out which gate they have to go through. Even amongst the programs themselves, one program does not know whether the other has genuinely funded. You do not know if they have doubled-dipped or what is going on.

There is a real issue from our perspective about what is happening on the ground. Generally speaking, we are able to get things to the client most times quicker than the others, and I am not boasting too much there. But there is always the issue: where does our program begin and end and where does the other one begin and end? If it is a community based program, DEEWR is involved. If it is personal then it comes to us. If it is part of tourism then DITR have some money in there.

DITR are coming and saying to us: 'Can you run the program for us, because your consultant list is far more effective than ours. We'll just give you our money and you do it.' We say: 'That makes sense. We'll do it.' But that has never actually come to fruition; they just keep talking to us. From our perspective, it just does not make sense to have it all over the place. We would prefer just to deliver it through our network—and expand our network, if we need to, to get more appropriate reach—and put it out there. That is our view.

CHAIR—Do you see that giving that basic business advice would be part of your role in that?

Mr Dalzell—We do.

CHAIR—Do you see it as part of your role now?

Mr Dalzell—We do. We wrote 313 support contracts for clients last year. More than half of them were for mentoring and support post business start-up, so we are already in that game.

Ms REA—That is ‘post business start-up’.

Mr Dalzell—Yes. We get the first-year and three-year survival rates that I quoted last time I was here by mentoring them into that process.

CHAIR—We had some evidence in WA from one of your providers, Julie Richardson, who was a very impressive witness. I do not know whether you have read the evidence that came out of Perth, but the interesting thing was that we had some witnesses from WAITOC, the Western Australian Indigenous Tourism Operators Committee. They wanted a small grants program and were talking about business mentoring. After they gave evidence Julie came and said, ‘A whole lot of that stuff we’—meaning IBA—‘already provide.’ What came out of that for us—and Kelvin was part of this as well—was: to what extent is what you do out there? Why don’t people know that you provide this stuff?

Mr KELVIN THOMSON—People seem not to be aware of it.

Mr Dalzell—We certainly try to advertise. We do a lot of workshops and a lot of face-to-face networking. A lot of stuff goes into the *Koori Mail* and we are certainly taking a lot of steps to try and lift our profile. Often, the issue is the connection, helping them understand what they read in the paper and what that service is. We certainly have a lot of people coming to us for that sort of stuff. As I said, we wrote 313 new contracts for people last year and we had 1,200 go through in the year before, so there are certainly a lot of people accessing us. We do have a profile issue and a PR issue. We have to change some of the baggage of the past and we have to get the services better known.

Ms Woods—I think there is also an issue of the scope of the funding that we have and what we can actually deliver. One of the challenges we have always faced across the board with our services is that we are still a fairly small agency and overpromoting and raising expectations beyond what we have the physical and financial capacity to deliver can be an issue. It is something we need to balance. So we are developing a PR strategy to try and target better where we think we have the capacity to deliver more. On the other hand there is a constraint in terms of our actual funding base and what we can deliver.

Mr Dalzell—Having said that, we are members of WATOC, and we speak at all of their conferences and we have set up stalls at all of their conferences. So it is just one of those things—not every ad gets to every person.

CHAIR—The minority business council or Indigenous business council in Australia: do you have a view about whether it is a good idea? Do you see yourself potentially having a role in an idea of that kind?

Ms Woods—I think that is something we could certainly work with. If there was that sort of support, particularly in terms of government policy frameworks that supported the preferential purchasing arrangement that is inherent in that model, we would certainly like to support our clients accessing those markets. The general concept of improving the marketing support that we

can provide to our clients is perhaps linked with that, and that is also part of the reform process that Craig has been taking the program through.

Mr Dalzell—One of the things I want to do through this program, instead of spending as much money on promoting aspiration to business or pathways to business, is to provide a brokering service, to have commercial people within my team who can say: ‘These are the people we have on our books as clients, either through loans or support. How do we then build a pathway for them to build their business into something that is much bigger?’ That is very similar to the Poutama Trust in New Zealand where I have spent a bit of time. In fact, we have a close relationship with them.

CHAIR—Who are they?

Mr Dalzell—The Poutama Trust. They are a great organisation in the sense that, off a very limited resource base, they build great pathways for Maori businesses into international forums. They have got great pathways, but in October they are coming to get from us our loan product and our business development product, because that is the bit they are missing. So through that international exchange we are trying to build that other end of the spectrum.

CHAIR—You have given evidence before and I know I have asked you privately, not on the record, about this: is it the Holiday Inn in Townsville that you now own?

Mr Dalzell—Correct.

CHAIR—Have I asked you on the record about IBA’s rationale for doing that?

Mr Dalzell—I did cover some of this in the last round of evidence. If there are other questions you have not asked, maybe you could put them on notice and we will get something back to you in writing.

CHAIR—Okay. Where I wanted to go with that is to ask you whether you see IBA getting involved in large businesses off which smaller Indigenous businesses might—

Mr Dalzell—That is our core business. We do that capital investment work using our equity investment fund. The investment criteria we apply to filter the opportunities are that it fits within a particular financial range but that we can leverage Indigenous partners, at an equity level, into the investment and that we can generate secondary offshoots. So, in the case of the Townsville hotel, we have just commissioned 400 pieces of art to go into that, which creates two small businesses. There are a range of other opportunities that we leverage off that. So we do see that as being our main operation, so to speak.

Ms Woods—Another example of that is at Kakadu, where we have an investment in the two hotels there, the Crocodile Holiday Inn and Lodge Coinda. There are small businesses there that actually operate in conjunction with those major investments—small Indigenous businesses. So we take a holistic approach, in a sense, when we are looking at those investment opportunities, to see what other opportunities we can support.

Mr Dalzell—What we are finding through Kakadu, because we have been there for eight years, coming up to nine, is that in the area we are now seeing other small businesses start that are completely unrelated to the hotel—because you have got the model of business in the location.

CHAIR—Good. Thank you very much. We may have some other questions that we will put to you in writing, but we really appreciate the evidence you have given here today, and for coming up to Darwin and for all the dialogue we have had, so thank you.

Mr Dalzell—Pleasure. Thank you.

Ms Woods—Thank you.

[1.06 pm]

LIVESEY, Ms Barbara, Chief Executive Officer, Reconciliation Australia

PAULSON, Mr Grant, Relationships Manager, Reconciliation Action Plan Program, Reconciliation Australia

SOUTHWOOD, Miss Rosie, Adviser, Reconciliation Action Plan Program, Reconciliation Australia

CHAIR—I welcome our next group of witnesses, from Reconciliation Australia. Although the committee does not require you to speak under oath, you should understand that these hearings are formal proceedings of the Commonwealth parliament and that the giving of false or misleading evidence is a serious matter and may be regarded as a contempt of the parliament. Having got that out of the way, would you like to make an opening statement, however you want, and then Kelvin and I will ask you some questions.

Ms Livesey—Thanks very much—and thanks to the committee for making some time for us to appear before you. I am conscious that we do not have a lot of time, so I am going to speak fast and try to cut to the chase with regard to what we want to say to you today. I have just provided you with a copy of some PowerPoint slides that we presented to the National Minority Supplier Development Council when they were here last week, and I am now just giving you a copy of our reconciliation action plan template.

What we wanted to say today is that we have a program in reconciliation action plans that is providing what we see as a very useful framework for the engagement of non-Indigenous organisations with Indigenous organisations and, potentially, Indigenous enterprises. It has been going for two years now, and we have some 90 organisations who have signed up and registered reconciliation action plans with us, some of which are our largest corporations right through to government departments, hospitals, schools and others. When we launched the program we had the support of the Business Council of Australia in encouraging their members to do these reconciliation action plans, and we think we have about 25 out of the 100 BCA members who have either now done them or are working with us on them.

When we set up these plans, we particularly targeted large businesses to begin with because for us it was a way of getting to a significant part of the Australian population. So, while the number of businesses is small, in terms of reach they are large. Some of those businesses are people like the Commonwealth Bank, ANZ, Qantas, SBS, Foxtel and BHP Billiton, and then there are other different kinds of organisations in other sectors, including the National Rugby League, which again, in terms of influencing the broader population, is really important.

Since the apology to Australia's Indigenous people, the interest in and demand for doing those reconciliation action plans has certainly lifted for us. We began with a staff of two working on this program. We have now got seven people working on it full-time and we are struggling to meet the level of interest that people have in doing this plans.

I point out to you, in the PowerPoint slides and the template, what we say is the basis of these plans. The three key elements for us are relationships, respect and opportunities. At this point I will make it clear that these reconciliation action plans are not about an Indigenous employment strategy; they are about more than that. They are about an organisation saying, 'How can we, as part of the Australian community, contribute to that ambition of closing the 17-year life expectancy gap that you at Reconciliation Australia, and now governments and others, have signed up to?' So, whether you are a local government, a school or, indeed, the ANZ bank, there are things that you can do to help close that life expectancy gap, and in our plans they come in the area of what we have described as opportunities.

For us, taking a reconciliation perspective, if we are going to succeed in having an organisation make contributions and building opportunities then it is absolutely critical that, first and foremost, they look at their relationships with Indigenous people and their understanding of and respect for Indigenous culture and the contribution that Indigenous people make to society. So our message is that, if you are the ANZ bank, you cannot jump straight to thinking about how you are going to employ Indigenous people or how many Indigenous people you are going to employ; you have to go back first and look at your relationships and the understanding within your organisation. Otherwise you will, as we have seen many times before, bring an Indigenous person into your organisation, and three months later they will be out the door; it will not work.

It is a very simple program in that we say to organisations, 'Think about your relationships'—and we give examples to organisations of how they might build those—'think about building an understanding amongst your employees of Indigenous culture and the contribution of Indigenous people and then think about the opportunities that you might have in your organisation either to provide Indigenous employment or, if you look under the opportunities column, also to provide opportunities for Indigenous businesses and to look at business opportunities that might be there amongst Indigenous customers and that you have not thought about.' I will refer to people other than the ANZ bank, but one of the things that they have done as a result of their reconciliation action plan is to look at homeownership opportunities amongst Indigenous people, and they have put out a discussion paper on that. So part of what people are doing in their reconciliation action plans is thinking about, perhaps, business opportunities that were not there or that you were not thinking about before.

The other thing that we say to people is, 'They must become embedded in your business.' While it might look like part of corporate social responsibility, it is actually about how you do your business and seeing that there is a very strong business case for doing that. I think that goes to one of the terms of reference for the committee, where you talk about what might be the incentives for businesses and others to work with Indigenous enterprise. We see a number of, I guess, incentives there in terms of diversity of who you are working with, new opportunities and networks that you might not have thought of before, and also some of the unique contributions that Indigenous businesses can make in areas such as Indigenous recruitment, cultural tourism and those kinds of things.

I am going to stop and ask you to ask questions. We have some ideas about what might help with supporting Indigenous enterprises. One other thing that I wanted to talk about and that we do outside the reconciliation action plan program is to try to promote success where we see it amongst Indigenous organisations. We have another program called the Indigenous Governance Awards, which I am not sure if the committee is aware of. We run that with sponsorship from

BHP Billiton. What we are able to do there is, through an awards program, to shine a light on where there are successful Indigenous enterprises.

Our past winners and finalists include the Traditional Credit Union up in the Northern Territory, which has been running a financial services business for over 15 years, serving the banking needs of Indigenous people in remote communities; Gannambarra Enterprises in Wagga, which runs a car-detailing business and an arts business; and the Yirra Yaakin Aboriginal Corporation, which was a finalist in previous years and which runs a theatre company in Perth. For two years now we have produced a governance handbook, helping Indigenous organisations learn from each other, and I think that, again, that is one of the things that we would emphasise: looking at Indigenous enterprises, how do we support them in learning from each other?

The other opening comment that I would make is that we are seeing new opportunities open up through the reconciliation action plans for non-Indigenous organisations to be working with Indigenous enterprises. Qantas has a number of things in its reconciliation action plan, including Indigenous catering through someone like Mark Olive and promoting Indigenous art in its lounges and other places. The National Australia Bank is working on a reconciliation action plan and has formed a partnership with Traditional Credit Union to support their business. We have another large corporation working on a reconciliation action plan and partnering with an Indigenous recruitment agency on how they might do Indigenous employment. We see this program as potentially building opportunities and, if you like, putting more demand out there for Indigenous enterprises and businesses.

CHAIR—Very good.

Ms Livesey—I did not stick to the PowerPoint presentation, because I was conscious of time. I can leave that with you.

CHAIR—That is all right. We will start with the awards, which are a smaller issue than the other stuff. Do you have documentation on how the awards work?

Ms Livesey—We do. On our website there is quite a bit of information about the process—because there is quite a rigorous judging process that those organisations go through. The judging panel includes people like Heather Ridout from the Australian Industry Group, Gary Banks from the Productivity Commission and others.

CHAIR—We will hunt that down. That is good. You might have said this in your statement, but how does it work? Does a company come to you and say they want a reconciliation action plan, and are you then contracted to put it in place? Is that how it works?

Ms Livesey—They come to us and say they are interested, and we take them through the tool kit and the sorts of steps that they would need to put in place to do one, but the critical thing is that it is owned and developed by the company or organisation. So we hold their hand, if you like, through the process, but it is essential that the organisation is doing it itself. Usually they set up a working group, and one of the critical things we say is that they have to be getting the views of Indigenous people—Indigenous staff and Indigenous stakeholders externally—as they develop it.

CHAIR—Do you charge a fee?

Ms Livesey—No. We are a national not-for-profit organisation that is funded in part by government and in part by donations and partnerships with corporations and philanthropic organisations.

CHAIR—So you are there to present this to anyone who wants it.

Ms Livesey—Absolutely.

CHAIR—There is a slide here about impact measurement. Do you have a sense of whether it works and is making a difference? How do you measure that?

Ms Livesey—We are starting to work on our evaluation framework for it. Certainly, anecdotally, we can tell you that it is working. It is working in two ways. I guess one could be sceptical and think that a plan becomes another document that sits on a shelf—what does it actually achieve? We emphasise very strongly that it is about the process that goes into the development of the plan as much as what comes out the other end. What we are hearing from people is different kinds of conversations happening within these organisations that are potentially going to change the attitudes of thousands of Australian people.

I will give an example. Both a large corporation and a small school have fed back to us the information that, since those organisations put reconciliation action plans in place, Indigenous staff and students within those organisations have identified themselves for the first time, because they feel that the organisations are culturally safe and are really recognising and valuing Indigenous people for the first time. We are seeing an impact in that way.

The other way is that we are trying to capture those lessons as we go, because organisations must report annually and we are really interested in those stories about attitudinal change as well as the other results that we ask people to measure in a very concrete way. If you look at the tool kit, you see that people have to report to us. If they say they are going to employ five Indigenous people in a 12-month period, at the end of that they have to tell us whether or not they have done that. So far, our figures suggest that something like 1,700 potential job opportunities have been created through the organisations that have already done these plans. So we will be measuring both those concrete, tangible results and, if you like, the other things along the way—the softer things, if I could put it that way.

Mr KELVIN THOMSON—I have two questions. Have you come across the National Minority Business Council in the US? Do you have views about those sorts of arrangements?

Ms Livesey—Yes. We met with them last week, and we presented this framework to them; they were very interested in it. In passing, since Canada's apology we have also had interest from them in our reconciliation action plan program as a useful framework. I think something like the council is of potential interest to us because we are finding that RAP organisations are saying, 'Where and how do we connect with Indigenous businesses and organisations?' So, if there were a council that we knew we could refer people to, I think there would be a high degree of interest in something like that. We have been following its development and trying to support it in the early stages.

Mr KELVIN THOMSON—The other thing is that there seems to be a pretty clear focus in your work on youth and young people. Do you get an impression that Indigenous young people are interested in starting their own business or in being employees?

Ms Livesey—I think there is a diversity of views there, as there is in the non-Indigenous population.

Mr KELVIN THOMSON—Everywhere else! Yes.

Ms Livesey—I guess our interest in youth arises because the two statistics that stand out for us are the 17-year life expectancy gap and the fact that 60 per cent of Indigenous people are under the age of 25, so we are talking about a large proportion of the population who are very young. In the course of those meetings last week with the National Minority Supplier Diversity Council, I met a couple of young women who were doing extraordinary businesses. Someone had set up a recruitment business that had gone from a turnover of \$150,000 to \$1.5 million in three years, so I think there are certainly young entrepreneurs out there who are looking to get a go.

CHAIR—In our notes we have a reference to the Harvard Project on American Indian Economic Development. I think you have had a partnership with them. I wonder if you might just speak a bit about that.

Ms Livesey—We have identified good governance, I guess, as the foundation stone for everything. If we are going to make progress in employment, health or education then it is critical that there be good governance in Indigenous communities and organisations. The Harvard project has demonstrated over a long period of time that indigenous people having control over decision making and having good governance in place is an essential ingredient of economic development. Other things may be important, but that project has shown that even if you have, say, access to resources—if you are near the mining towns—in order to make the best use of those opportunities and create the economic opportunities, good governance is critical. That project has worked with us. We have had a long-term research project going here, in partnership with CAEPR at the ANU, looking at what are the essential ingredients of good governance around leadership. One of the things that are particularly important in Indigenous governance is legitimacy and cultural match, so that the governance models in place make sense for Indigenous people rather than being, perhaps, imposed models of what we as non-Indigenous people think makes sense. Again, there is information on that on our website.

CHAIR—Great.

Ms Livesey—I will just put a couple of ideas to you. I am conscious that question time is fast approaching.

Mr KELVIN THOMSON—It is always out there!

Ms Livesey—On the idea of a one-stop shop for government programs, people come to us a lot because we are not government—we are independent—and we can play that honest broker role. I think there is, as you said, a proliferation of programs out there and a real confusion amongst Indigenous people about which program, where and how. While I think a one-stop shop

would help, I think that perhaps looking at the proliferation of programs might also help. Really, thinking again about our framework that relationships are the starting point, I think that the reason why people often do not approach government is, as I heard someone say earlier, baggage and trust issues—'Am I going to get the run-around? I got the run-around last time, so why go back?' So I think different ways of communicating and engaging are the starting point of even beginning to get the information out about the programs.

Mr KELVIN THOMSON—We had a discussion about this as a committee. Everyone agrees in principle with the idea of a one-stop shop, but when you drill down and say, 'How is this going to operate?' I think people have very different ideas and expectations. If you say, 'This means we are going to set up something new,' is this just yet another body and more work or is it a question of better information flows so that people know what the various places and programs are?

Ms Livesey—We will leave a copy of our submission to the NTER review, because in some ways we cover this a little bit in there. In government service delivery and connections between Indigenous communities and organisations on the one hand and government on the other, we are advocating a much more localised approach. I guess the starting point would be saying to people: 'What kind of information? What do you need to know?' What is the best way of getting that out and having Indigenous people at the table in those discussions and, I guess, driving what makes most sense to them—because I suspect that there will be different solutions in different places?

There are a couple of other very brief points. Out of our RAP organisations, we are also seeing a demand for this connection with Indigenous organisations and businesses, and I do not see the idea of the National Minority Supplier Diversity Council meeting that need; I think it is quite a specific need that it would meet. We see that we have to get much smarter about connecting people and using technology more to do that. From large corporations to smaller organisations, they want somewhere to go where they can find out who is doing what and how to connect with them. We think that there are smart ways that we could use technology to do that—some kind of hub that people could go into—but we are not doing that at the moment.

CHAIR—On the internet?

Ms Livesey—Yes. We have been thinking about the role that we play in that, because people are coming to us because of the reconciliation action plans. We are probably not resourced to do it at the moment, but I think there is a need there for it. The other gap that we see is around data. We do not have a good sense of what Indigenous enterprises are out there, which sectors they are in and what contribution they are making to the economy, and we think that it is very important that we do have that sort of data, both for tracking growth in enterprises and for seeing where the gaps are, perhaps, in different sectors and what opportunities there might be there for Indigenous people to get into different areas of business and also, from a reconciliation perspective, to talk to the broader public about the contribution that Indigenous people are already making to the economy. We think that is not well understood by the broader population.

CHAIR—I think that is a really good point. I am assuming that the main data source on this stuff is through the ABS. Am I assuming correctly?

Ms Livesey—They do not have that data as far as I understand.

Secretary—*Overcoming Indigenous disadvantage* has some data which is combined ABS and annual data, but it is not comprehensive.

CHAIR—It might be worth having a look at what data sources are out there and what questions are being asked. I think that is a really good point to look at.

Ms Livesey—The US government officials who were out here last week showed us the data that they collect. I thought that was a really impressive model.

CHAIR—There is some great philosopher whose name I cannot remember who said, ‘If you want to solve a problem, the first thing you’ve got to do is measure it.’

Ms Livesey—Have the data—absolutely.

CHAIR—Thank you for that. We will chase that up as well.

Ms Livesey—My very last point—I promise—is that we are seeing a lot of interest around microfinance. I also heard you talking about the banks before. I think that that is an untapped area for Indigenous enterprises, but we see a lot of interest at the moment in the banking sector in how they can work better with Indigenous people and communities. Through our Indigenous Financial Services Network, we will be looking to build on some of those opportunities.

Mr KELVIN THOMSON—Good. There is always a lot of interest in the banking sector.

CHAIR—Thank you very much. We really appreciate your giving us your time. We may well follow up. We are short on time with these sessions, so if we have other questions then we might follow them up with you in writing.

Ms Livesey—We would be happy to take questions on notice. I should say that we are also leaving some examples of the reconciliation action plans. Thank you.

CHAIR—Beautiful. Thank you.

Resolved (on motion by **Mr Thomson**):

That this committee authorises publication, including publication on the parliamentary electronic database, of the transcript of the evidence given before it at public hearing this day.

Committee adjourned at 1.32 pm