



COMMONWEALTH OF AUSTRALIA

## Official Committee Hansard

# HOUSE OF REPRESENTATIVES

STANDING COMMITTEE ON ABORIGINAL AND TORRES  
STRAIT ISLANDER AFFAIRS

**Reference: Indigenous employment**

MONDAY, 23 MAY 2005

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BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES



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**HOUSE OF REPRESENTATIVES**  
**STANDING COMMITTEE ON ABORIGINAL AND TORRES STRAIT ISLANDER AFFAIRS**  
**Monday, 23 May 2005**

**Members:** Mr Wakelin (*Chair*), Dr Lawrence (*Deputy Chair*), Ms Annette Ellis, Mr Garrett, Mr Robb, Mr Slipper, Mr Snowdon, Dr Southcott, Mr Tuckey and Mrs Vale

**Members in attendance:** Ms Annette Ellis, Mr Garrett, Dr Lawrence, Mr Slipper, Mrs Vale and Mr Wakelin

**Terms of reference for the inquiry:**

To inquire into and report on:

Positive factors and examples amongst Indigenous communities and individuals, which have improved employment outcomes in both the public and private sectors; and

1. recommend to the government ways this can inform future policy development; and
2. assess what significant factors have contributed to those positive outcomes identified, including what contribution practical reconciliation\* has made.

\*The Committee has defined 'practical reconciliation' in this context to include all government services.

**WITNESSES**

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**Committee met at 3.39 pm****FOLEY, Dr Dennis Lance Gordon, Visiting Indigenous Fellow, Centre for Aboriginal Economic Policy Research, Australian National University**

**CHAIR**—I declare open this first public hearing of the Aboriginal and Torres Strait Islander Affairs inquiry into Indigenous employment. You are aware and have approved of the televising of this inquiry?

**Mr Foley**—Yes.

**CHAIR**—The inquiry is one with a slight difference—it has a focus on positive Indigenous employment outcomes in both regional and urban Australia with a view to advising future government policy development. Today we have with us Dr Dennis Foley, who is undertaking a three-month postdoctoral study at the Centre for Aboriginal Economic Policy Research. Dr Foley is Gai-mariagal, and his father is a descendant of the Capertree/Turon River people, Wiradjuri. Dr Foley's research for his PhD was about Indigenous entrepreneurs. He has an MBA, a Bachelor of Business and an Associate Diploma in Management Accounting. Dr Foley is a Fulbright scholar and has worked with Indigenous people across Australia, Hawaii, the United States and New Zealand.

**Dr Foley**—I would like to start as Indigenous people often do, speaking in our language with a welcome to country—or, in my case, an acknowledgment of country in the Gai-mariagal language of the Guringah: goomedah Beanga, goomedah Wyangra, murra murrong ti-annega yenangoon, pemul berang Ngunnawal. Hopefully we can get some positive outcomes and can walk and talk together.

*A PowerPoint presentation was then given—*

**Dr Foley**—The presentation is divided into five sections. There is an academic introduction looking at the research parameters. We will spend some time looking at the important issue of the invisibility of Indigenous entrepreneurs and follow that with some key findings and a look at motivators, values and other issues and points of discussion, one of which involves non-Indigenous spouses. That is a contentious issue, but I have thought long and hard about it, and it is worth reporting as it has an effect on successful Indigenous entrepreneurs. A small conclusion will follow. I have summarised the PowerPoint presentation and will give it to you later.

When people ask about my research and I say that I research Indigenous entrepreneurship, I usually get two responses: a blank look or people automatically asking if it exists. However, if I say it is qualitative research regarding the economic development of Indigenous people in small business, looking at microreforms et cetera, I get a very positive return. So there is something wrong in the psyche in Australia that we just do not understand this concept of Indigenous entrepreneurship. The two words 'Indigenous' and 'entrepreneurship' do not gel. Within mainstream Australia there is possibly no mental construct of successful urban Indigenous entrepreneurs, and Australians have been seduced into believing that 'blackfellas are all outback'. This is not the case at all, as you know, because 70 per cent of us live in urban areas. Warren Mundine in *The Canberra Times* said that the popular belief is that elites deal in numbers, annual reports and in academic surveys of Aboriginal disadvantage and they made the

rest of us believe that all Aboriginal people live in remote communities. We know that is not the case. Mundine added that there are more Aboriginal people in Western Sydney than in the Northern Territory, which is possibly fairly correct.

The presentation has emerged from several projects, and I will table two for reference material. One is my master's and the other is my PhD, though there has been a lot of work done since those. Few qualitative studies have examined the social barriers to Indigenous entrepreneurship or studied successful Indigenous entrepreneurs. Does the Indigenous entrepreneur exist in the urban environment? Yes, they do—and I again make the point that I am looking at the urban Koori, because that is where the positivity with these stories comes through. However, Indigenous entrepreneurs do not fit the mould of the ANZAC or the Aussie battler. We are invisible and do not seem to appear in the Australian landscape. Social exclusivity exists in Australia that creates stereotypes of what and who are Australians, such as the classic quote by John Singleton: 'Aboriginal people are not your average Arnott's biscuit.' There is a concept that we just do not exist in the Australian populace, which I am sure you are well and truly aware of. Many 19th century ideas have been discredited, yet they still hold the Australian imagination of what is an Aboriginal—in other words, there is a perpetuation of stereotypes; it still exists. There is the classic case regarding John Laws. A few years ago there was a grant to an Aboriginal housing co-op to purchase a vineyard, which should have been a very positive economic step. John Laws turned that around in his negativity by saying, 'I suppose they will get another grant to drink it.' You can see there is this continual racism that appears.

I think you made the comment a while ago that you are sick of hearing negatives and want to hear something positive. That is possible. Indigenous entrepreneurial activity has been around for thousands of years. This is something we are not taught in schools and is not portrayed to the Australian public. Lake Condah in Western Victoria is an example of a surplus economy where there has been aquaculture and smoked eels for 8,000 years. Dr Builth—an amazing and wonderful person—did that research. Indigenous entrepreneurs are not a modern phenomenon of the 20th and 21st century; we have been entrepreneurial for thousands of years.

My research is a qualitative case study based on 50 individual case studies—in my master's there were five case studies, and in my PhD I studied 25 Australians and 25 Hawaiians. You may not think that 50 is many, but when we get down to the final figures it is a large percentage of the community. The study is based on grounded theory, which is my approach to research—and again I stress the urban Indigenous. From the statistics, we can see that urban Indigenous industries research covers a very broad area. I have not stuck to the one area, such as tourism, as a lot of people do. I have looked at six people in the hospitality industry, which covers motels, licensed restaurants, a coffee house, a bed and breakfast and a corner store. I have looked at tourism, which covers an Indigenous entertainment company, ecological and cultural tours, bus transport, a cultural art gallery, and retail and wholesale businesses. Between the tourism and cultural areas is where the stereotypes exist for Indigenous businesses. I have covered as broad a range as possible in my examination to show there are service providers in IT, graphic art and employment. There are agricultural and organic producers, market gardeners, boutique wool producers, nurseries, an apiary, a timber mill, fruit and vegetable producers et cetera. In publishing I have looked at a publisher of educational material, a professional writer and a book retailer. In building I have looked at trade suppliers, specialist hardware suppliers and individual tradespersons. I have looked at the auto industry, which covers spare parts, rare spares, panel beating, spray painting, metal fabricating, construction et cetera. Under 'other' I have looked at



three very interesting entrepreneurs: an event manager, a lawyer and a film and TV producer, who was very entrepreneurial, as they had several different products.

In Australia, we know that Indigenous people have around a 4.8 per cent activity in business as against the non-Indigenous self-employed at about 16 per cent. In 2001, 4.8 per cent of the Indigenous population were Indigenous self-employed, which equates to about 6,000 people, and 1.6 of that 4.8 per cent are employers, and that is the area that I research. I look at the Indigenous person who is in a stand-alone business employing people. The reason I do this is because the Australian Bureau of Statistics' figure of 3.2 per cent, or 4,000 Aboriginal businesses, is a very broad topic and, unfortunately, the structure of their questions needs tightening up, because I have found in my studies that the figures can include CDEP workers. So I research the employer only. I have studied 268 Aboriginal businesses, which is about 13 per cent of the sample of 2,058 businesses. I have only 50 case studies to talk about today, which equates to about 2½ per cent of the sample. I rejected 218.

It is very important that you understand why I rejected those 218. There are parameters to my study: obviously, you must be an Indigenous Australian to be an Indigenous Australian entrepreneur; you must be entrepreneurial; you must be successful, which is very important if we are looking at positive outcomes; and you must have at least 50 per cent ownership and management control of the business. I also deleted Aboriginal corporations under the Aboriginal associations act, as they have tax benefits and, nine times out of 10, you will find it is a community based organisation that is not really a stand-alone business. You will find that I rarely use the word 'community', because I am looking at stand-alone businesses. Of the 268 businesses I examined, 108 were not Indigenous controlled, so although the people said they were Indigenous businesspeople they did not have control of the business, which is very important. Three businesses were deleted for ethical reasons; eight were deleted because there was recurrent ATSIC funding or some other form of funding; nine were deleted because they were not financial; in 49 the entrepreneurial pursuit was questionable, by which I mean that they were a mum and dad type business that would never progress; in 31 their Aboriginality was in doubt, which means I could not prove they were Aboriginal and did not feel comfortable including them—the principle I work on is 'when in doubt, chuck it out'; and 10 were copycat businesses. In actual fact, this last number could be 60, but you would not want 10 copycat businesses that are all in tourism.

I would like to stress—though you may not believe it—that 50 qualitative examinations of just over 2,000 people is a massive study for Australian research. The research findings look at three things: motivators, values and other. This is where you will get the positive stories. What motivates the Indigenous entrepreneur? The successful Indigenous Australian entrepreneur is motivated first of all by a hatred of poverty, usually associated with their childhood and background. There is also a very strong desire to provide for children, far over the normal desire.

**Mrs VALE**—That hatred of poverty is not restricted to Aborigines only.

**Dr Foley**—Absolutely. There is an attitude of positivity that they must succeed. A lot of work has been done by Raymond Smilor, who talks about the fire in the belly. A common assertion I heard was, 'We must succeed; there is no alternative.' The Indigenous businesspeople saw they could not fail. That was very important to them. They also felt it gave them control of their lives—they finally had choices in their life; they were no longer the employee, they were the

employer. Some saw this as self-determination. However, I do not want to get onto that political rhetoric here.

Regarding values, I looked at three things which international data and literature suggested to me. There are cultural, religious and family values. I looked at how these cultural values affect Indigenous entrepreneurs. This was one of the major determinants. Mapunda at Flinders University in South Australia tells us that Indigenous Australian values in business are basically unknown, so we know very little about Indigenous values prior to the PhD. There is no homogenous value system across Australia. It is different from east to west and north to south. However, family was identified as the dominant intrinsic motivator. Some people put this under kinship and other things, but family is the dominant thing that drives people in their values. Entrepreneurs identified with a contemporary Indigenous value.

The interesting thing about this is that successful entrepreneurs knew when and how to say no. In the case of a 24-hour store, a husband and wife team knew how to say no to their family, their wider family and the people who all of a sudden adopted them. One of the problems you have when you are Indigenous and in business—such as retail—is that all of a sudden you have relatives coming out of the woodwork. Successful entrepreneurs knew how to say no, because the money had to go back into stock, and they quickly educated people about this. I found in talking to families in case study after case study that it is difficult to stop people coming and trying to get money. It is very difficult for people living in poverty to see someone who, for example, is driving a new car and wearing nice clothes—such as the consultant that I did a business plan for—and understand they are not rich but that it is in fact all on either hire-purchase or credit card. So there is that identification problem.

There are no strong religious convictions among Indigenous entrepreneurs. Only about four per cent are practising Christians and most hold religion in contempt. There is obviously a historical content from the missions. Twenty per cent respect Indigenous religious values and the old ways of life. Religion has little to no affect on the operation of the businesses. However, I did not examine any Torres Strait Islanders. I suggest that, if this was a study on Torres Strait Islanders, religion may have an affect on their outcomes. As I said before, family is the dominant value—an attachment firstly to the nuclear family and secondly to the wider family. There is a domino effect that affects the entire family when you are a successful entrepreneur. Hopefully I can talk more about that later. The majority are seeking to satisfy physiological and safety needs. This comes back to the positivity. The driving force for many people in business is to feed the children, put a roof over their head and keep them clothed. It is very scary to think that, in the modern world today, we are just out there to survive—we want food, clothing and shelter. There needs to be further research in this area.

Another key finding is that there is an alignment with the dominant culture. To be a successful Indigenous businessperson, you have to align yourself with the dominant culture. Your customers, creditors and debtors are all going to be non-Indigenous, so you must be able to walk in the steps of the broader mainstream Australian culture. You can maintain your Aboriginality, but you must be able to walk in that area. One day I hope to do some more research in that area. Education is a key thing for successful entrepreneurs, whether it is formal or technical—and this is exciting stuff. Education may not provide the direct skills, but it definitely provides business and people skills. Education gives you the ability to network, work with people, understand opportunity and recognition, map it out and put it into place, and understand how to do things.

So understanding the importance of education fitting in with successful entrepreneurs is a major part of my research. Networking obviously gives us social capital and is linked to connections through the education process. Without networking you will have trouble being a successful entrepreneur or businessperson. You must have that networking ability.

Another key finding regards the reinvestment of funds in the business. If there is a wider family network which is draining your business, you will not have sufficient capital to return to the business. Interestingly, the greatest capital investment is human capital, which is the development of their children. If we understand the Greeks, Italians and the Vietnamese who have come to Australia as migrants, the first generation work hard as labourers, build up their capital and invest it into their children, who go through university. It is exciting to now see second generation Indigenous children from the entrepreneur going through into professional areas or as second generation entrepreneurs. When I started this 14 years ago I did not see any of that. We have also seen—and this may not apply now but may in the future—concepts of co-cultural and ethnic theory very similar to the Greek, Italian and the Vietnamese communities. Similarities are appearing in Brisbane, for example. As the population is getting better educated and having better access to transport, ethnic theory is starting to appear. Ten to 14 years ago this did not happen, because the society was too fragmented.

The ‘other issues and points of discussion’ heading is where we get into areas that are a little contentious for me to talk about, but it is very important that you understand the effect of the non-Indigenous spouse. As you can see by my skin colour, I have obviously had contact with Europeans through our family. It is very important to understand the effect of that, together with the effect of the horrible word ‘discrimination’, which is a fact of Australian life. When I studied these 50 case studies, 36 people, or 72 per cent, were married and 55 per cent of those people were married to non-Indigenous spouses, which equates to 20 case studies. In the establishment and growth stage of the business, non-Indigenous spouses facilitate access to external capital, business finance and family capital, because the non-Indigenous spouse can bring family capital in, whereas the Indigenous person does not have family capital. They also bring in human capital by way of education and business experience, because the non-Indigenous person already has that, while the Indigenous person is starting way behind the starting line. That is why it is important to understand the relationship between Indigenous and non-Indigenous people. It is really important to highlight the disparity of social and business skills.

I am not saying that all Indigenous people should rush out and marry a non-Indigenous person, but a non-Indigenous person does not have that disparity of social and business skills. The evidence and data is telling us that Indigenous Australians need social and business skills. This is where we can have some positive interaction and policies. It also highlights the possible inflexibility of the bank lending criteria. Banks work on the five Cs, which are capital, credit worthiness, capacity to repay, character and credit history. Indigenous people do not cover the five Cs; a non-Indigenous person can. Another thing that reinforces the business skills of the non-Indigenous spouse is that, where there is a non-Indigenous spouse, there is an exit strategy. As you know, in entrepreneurship and business activity it is very important to have an exit strategy. The Indigenous businesses did not have that, which shows us there is something else there that a non-Indigenous spouse can bring.

There is also the horrible discrimination thing. Discrimination is prevalent. It is a shared experience that is race and gender based. It is so common that it is only acknowledged when it is

physical or exclusionary. It was evident in 100 per cent of all Indigenous people in the studies. It is possibly the greatest inhibitor to business, whether it is from a debtor or a creditor. Outside of tourism, many did not publicly identify themselves as Aboriginal and kept their Aboriginality within their own family structures or for researchers like me because of the racism in the workplace and marketplace.

Where does this bring us? We know that the greatest inhibitor is discrimination, but we know the greatest motivator is to provide for children, so we have something positive. We also know successful entrepreneurs break through social barriers created by this exclusive society we live in and break through the negative stereotypes, which is another positive. They work hard across a myriad of industries and are not confined just to tourism, and that is also very positive. Most, if not all, strongly maintain contemporary Indigenous values, which means the provision for family. So there is a strong family concept, which is very similar to the concepts of the Greek and Italian migrants mentioned before. We are at a moment in history where there is a new era in Indigenous leadership, a new philosophy and a mutual responsibility, and Indigenous entrepreneurs show this. There is a greater awareness of the plight of Indigenous people by the wider Australian community.

There are a few points that have come through from the results of the research. We need bipartisan, whole-of-government commitment to rebuilding Indigenous economic development through long-term planning over a 50- or 100-year period, not the two- and five-year programs that we have had for the last 20 or so years. Education will not happen for our people over a three- or five-year period; it has to be over several generations. The aim is to make Indigenous people productive members of contemporary Australian society. Successful Indigenous Australian entrepreneurs are productive members of our society who are employing people and generating taxes et cetera. They are very productive. We need to re-educate the mainstream population as well, because that is the greatest inhibitor to business. Indigenous people need positive role models, because urban Indigenous entrepreneurs are hidden as if they do not exist. The statistics tell us there are only 2,000, but they are there and they are working very hard.

**CHAIR**—I would like to explore the domino theory.

**Dr Foley**—My research has shown that, if we can invest in even one Indigenous person and allow them to be successful in business, somewhere between 24 and 38 people in their family structure can be affected directly or indirectly. There is the case of a professional writer. He is single, but he supports his mum, who is an invalid. She was sick, and he provided the money for medicine and a rental property in a Western Queensland town for her to live in. Because the mum had a permanent place to live and good medical support, she in turn was able to look after her younger son, who was very sick. That son is now on the road to health and has a permanent job and a partner he looks after. I first met this gentleman five years ago. The success story has progressed to where he has bought a house in his name for his mum—it is a long-term investment for him—and his brother, his brother's wife and other children are now also living in that house. That is one story where this gentleman's success is directly affecting six people. Another example is of a husband and wife with three children, and the effect goes down both sides of the family. There is money for medicine and for the children to go to school. This is where the pyramid effect comes into play. What is so exciting about the Indigenous entrepreneur who is successful is that education is happening for the second generation. As I said before, we are starting to get second generation entrepreneurs as well.

**CHAIR**—Do you have an actual or instinctive feel regarding the geographic spread? I accept your point and agree that Australia loses its way with this predisposition to believing the spread is rural or regional, and I think the comment about urban Australia is very accurate. What is the geographical spread of your 50 case studies?

**Dr Foley**—Geographically there are a couple in Darwin, three in Adelaide, two in Launceston—

**CHAIR**—Just in terms of urban and rural remote.

**Dr Foley**—All of these are urban. I have used no rural remote businesses. I have studied rural remote businesses, but they have their own problems and outcomes. Statistics show that 70 per cent of our population is urban and 20-plus per cent is rural remote, yet we have a heavy emphasis of policy going to rural remote. I am 52, and I have not seen many policies going to the urban areas.

**CHAIR**—It has been a real dilemma for our committee over the years.

**Dr Foley**—Absolutely, because there is pressure for the rural remote.

**CHAIR**—Yes, and it is probably drawn into the popular perception. You started with history and how the Aboriginal or Indigenous entrepreneur has, in a sense, been there forever. Are you familiar with David Unaipon, who is on our \$50 note, and his story?

**Dr Foley**—Yes, I am.

**CHAIR**—He was not quite an entrepreneur but more of an inventor and author. What is the definition of an entrepreneur?

**Dr Foley**—There are several definitions for entrepreneurship. The definition I use refers to someone who breaks the status quo, can create an enterprise with very limited capital—which is another secret about these people—and can move forward into an area in society where they would not have been before. It is like a person getting out of the welfare rut. The defining line between small businesses and entrepreneurs is fine. An entrepreneur has the ability to look at diversification and the wider picture of the way they are working and where they are going.

**CHAIR**—Is the ability to have the strength to say no, which is so difficult in many of their experiences, a real cultural issue?

**Dr Foley**—Yes, it is, and that is another reason why I look at the urban situation rather than the rural remote situation, where there are strong cultural lines. There still are strong cultural lines in the urban areas. However, if you are a person in business or a parent, you must make the decision as to whether you will provide for people who are not blood relatives. One of the things about kinship in Australia that a lot of Indigenous people forgot during colonial times is that kinship is a dual reciprocity. If you give to a person, that other person must give back. People have forgotten that in modern society, and that is one of the sad things about Aboriginal life.

**CHAIR**—Seeking your instinctive reaction, how important to you is entrepreneurship—and small business—for progress?

**Dr Foley**—It enables a certain part of Aboriginal Australia to move forward and be in control of what they are doing. They become a part of a wider society. They still maintain their Indigenousness. They do not lose their Aboriginality—that is for sure. They can still control it, but it is far easier to control your cultural beliefs when you have control of your financial resources. When you do not have control of your financial resources, you do not really have control of your life.

**CHAIR**—Are you aware of the Indigenous work by Harvard in the US?

**Dr Foley**—Yes.

**CHAIR**—At our previous inquiry we had some time with them when they came to Australia. How do you feel about Harvard and its application? Much of what they say is that it is about creating your own economic future. It is not so much about the blunt instrument of challenging people about welfare—that is important—but it is important that you understand the link with economic progress. Harvard were saying that it is more about understanding that the cake is there to be created rather than to be competed for.

**Dr Foley**—If we break down the Australian Indigenous population, three-tenths are rural remote and 70 per cent are urban. It is horrible for me to say it, but 50 per cent are going to be on social welfare for 100, 200 or who knows how many years because they are just so far behind the eight ball. We know that 3.3 per cent have the education skills, trade qualifications et cetera to roughly be successful parts of the Australian economy, so we do not really have to target them anymore. We can provide facilities for them. We have to provide steps for all the other groups so that they can go upwards. One group will have different needs and wants to the other groups. It is one thing to talk about the cake and about progression; it is another thing to put in steps or ladders of progression of economic development for all those different groups. Do not approach them with a scattergun approach. Do not approach them as if you have one policy that will fit everyone, because it will not. You have to have different policies for different groups, be able to identify them and have government departments that can service them. You can have lots of government departments, and we have seen lots of money get channelled down through the funnel, but not much is coming out the bottom. We must have different policies and progressions.

**CHAIR**—So it is great to have lots of government departments there to help you, but how?

**Dr LAWRENCE**—Obviously you have looked at the motivating factors in a broad sense, but in the case studies did you pick up on any individual characteristics that were particularly important? You mentioned education, which is something that is acquired, but was there anything about the people who succeeded and were entrepreneurial that struck you as novel compared with some of the others you saw who were not so successful or entrepreneurial?

**Dr Foley**—Positivity is possibly the most outstanding personal attribute. Positivity is this attitude that you cannot fail and that you will achieve. Those positive people are prepared to put things on the line, to make calculated judgments and to go past the status quo of the normal

circle of comfort. That is so with most entrepreneurs but more so in this case because it actually bypasses some cultural influences as well. I think the most outstanding thing is that drive to succeed. Linked in very closely with that is the drive to succeed to provide for their children.

**Dr LAWRENCE**—You mentioned the invisibility, and you mentioned that a lot of the Indigenous entrepreneurs did not make it known, presumably beyond some certain point, to their clients, banks or whomever that they were Indigenous. Presumably they are invisible because they fear and, in some cases, have experienced that discrimination. Is that your understanding of why they are invisible?

**Dr Foley**—A classic example comes from about 10 or 12 years ago. A gentleman from Lakemba who had a panel beating shop won a businessman of the year award. Within a short period of time, a lot of his clients had dried up and his suppliers were starting to be very heavy on the credit because all of a sudden they realised: 'He's a blackfella. We can't give him 30 days credit.' In the panel beating business they work on a cash cycle of 60 to 90 days. All of a sudden his credit was down to 30 days, then 28 days, 14 days and 7 days, and he found himself with a big problem. If he had stayed being just another coloured person in the inner west of Sydney, he would have still had a very profitable business. I am glad to say that he has built himself up since then, but for a couple of years he had it tough. He had to change suppliers and all that because all of a sudden he was known as an Aboriginal business. Unless you are in tourism or are selling your culture, it can work against you.

**Dr LAWRENCE**—It can be a disadvantage. You are very pessimistic about how long it would take a decent educational effort to produce outcomes. You talked about 50 or 100 years, whereas in some of the other communities you talked about it is much quicker than that. I happen to think a lot of our effort has been misguided, so decent policy could produce a faster result. Why are you so pessimistic about the time frame?

**Dr Foley**—I did not mean to come across as pessimistic.

**Dr LAWRENCE**—Just in the sense that you said it would take so long.

**Dr Foley**—I am referring to the whole gamut of the different stratifications in society. I am looking at it being several generations before we can hope to get the lowest group into the second lowest area. I am talking about long-term programs. In the early 1990s we had the Aboriginal employment strategies. Far too often they were two-, three- or five-year programs. They were short-term programs; they did not look at the employment program after five years. Therefore I was very sceptical about them.

**Dr LAWRENCE**—I appreciate the distinction you make. This might not be the moment for you to tell us, but have you given much thought to what it is you would want government policy to embrace in order to facilitate the sorts of results you have seen there? What is the optimal government policy mix? Education is clearly part of it.

**Dr Foley**—Education is clearly part of it.

**Dr LAWRENCE**—Removing discrimination to the extent the government can is clearly another.

**Dr Foley**—Sure. Removing discrimination is another thing regarding education. For example, New Zealand people are proud of their Maori past, whether they are black or white. In Australia, I ask: are the average Australians proud of their Aboriginal past? That is a re-education process. I do not mean the black armband view or any of those sorts of things—I am talking about being realistic and teaching people to be proud of David Unaipon, William Cooper and Vincent Lingiari. If you ask most high school students about Vincent Lingiari, they do not know who you are talking about. What an incredible man he was. We have some incredible people in our society and in Aboriginal history who are not being portrayed, so therefore the role models are not there, not only for Indigenous kids but also for the non-Indigenous kids. It is an education process for business and wider Australia.

**Mrs VALE**—I found that absolutely interesting and fascinating. I must confess, I have never thought of Aboriginal entrepreneurs in that sense. With respect to education, you spoke about the great motivator—the need to provide for their children and their children's education. Was there anything common in the education of the entrepreneurs themselves that you identified very clearly?

**Dr Foley**—Yes. One of the most outstanding outcomes of the research was that just over 50 per cent of those people were actually tertiary educated. When you think about how few of our people get through to tertiary education, that is very alarming, because those figures are not good. About 52 per cent had tertiary qualifications, 20 per cent had trade qualifications and 88 per cent had year 12 qualifications. When you understand that only 30-odd per cent of our population get through to year 12, there is a problem. There is a correlation between good education and successful business practice. Only 12 per cent had minimal to no schooling, but those people had 30 or 40 years of industry experience. So industry experience is also important. They are the things that really stand out.

**Mrs VALE**—Education is obviously the key. How do we encourage young Aboriginal school students to stay at, or even to attend, school and get that education that will provide for themselves in the future? Do you have any ideas as to how we can get them to go to school? I know in some cases we have policies where we actually pay the families to ask the children to attend school, but in white, mainstream Australia the children have to go to school; there is no choice. How can we actively encourage Aboriginal children to attend school to get that basic education?

**Dr Foley**—This goes back to the 50-year programs that I referred to. It is also a case of educating the Indigenous parents. It is a case of having better teachers, better education systems, Indigenous content in the pedagogies of education and the approaches to subject matter, and the education of Australian and Aboriginal history in the schools so the child is not isolated. All those things have been mentioned before by people like Hughes, West and so on. There have been lots of papers on that already, but there must also be an acceptance from the Indigenous family that they are also responsible. They cannot wash their hands anymore and say, 'It is the government's problem.' I do not support Pearson all that often, but I agree with the Pearson attitude that there must be some form of responsibility held to the Indigenous person as well. You are responsible for your children and for your children going to school. That has to come across. It can happen, and it is happening in areas.



**Mrs VALE**—It is a shame, because every day a child misses school they are behind the eight ball and are stepping back a bit further. It is the same with the children out in remote communities. I know you are speaking about urban Aboriginals, but this seems to me to come across as the big imperative. What criteria did you use to judge which entrepreneurship was a success? Did you have criteria that you applied?

**Dr Foley**—Yes. I looked at the small business people, the different state authorities and at what the banks classify as a successful small business in entrepreneurship. Entrepreneurial activity obviously follows small business and vice versa. Basically, if you are Indigenous and are in business after 12 months, there is a good chance you will be successful. The average years in business for the 50 cases was 10 years, so obviously they are successful. So I used the gauge of them being in business for 12 months or more and still showing a profit.

**Mrs VALE**—You said that your 50 cases employed others. Is that correct?

**Dr Foley**—Yes, they all employed people.

**Ms ANNETTE ELLIS**—Thanks for the presentation. Before the meeting started, I was saying that I was at the Indigenous Leadership Centre graduation on Saturday night, and I think I met 21 entrepreneurs of the future. It was an amazing experience to sit next to a young Indigenous fellow who has a degree in law and a degree in engineering and was taking part in this leadership course. Another taking part was a GP. It heartens the heart to see that sort of success happening. You may have mentioned this, but can you reiterate, were virtually all the Indigenous people in your study employing other Indigenous people, or was there a mix in the employment base they were forming?

**Dr Foley**—There was very much a mix. They employed people based on their skills and merits. It was not a case of nepotism. I can expand on that from a case study. One gentleman on the north coast of New South Wales has a beachfront motel. When he bought that motel, it was run-down and he built it up. He still has the same non-Indigenous employees as he had when he first started. They have shown him great loyalty. They have said he is one of the best bosses they have ever worked for—though that is another story. He is also the president of a large golf club which, prior to his becoming a member and becoming the president, had never had an Indigenous person as a member. It had never had an Indigenous person working there either. When you go there now, you will see male and female Indigenous and non-Indigenous greens staff, male and female Indigenous and non-Indigenous bar staff, an Indigenous chef and on it goes. So, by being a successful businessman, his influence has spilled over into the golf club. He was also the head of the New South Wales caravan and moteliars association, or whatever they call it, so there is also that positive spin-off.

**Ms ANNETTE ELLIS**—You mentioned the non-Indigenous spouses and the subsequent access the businesses had to money and financial investment support. For the majority of businesses where that was not the case, what sorts of difficulties were outlined to you by some of those case studies regarding their experiences in gaining financial investment?

**Dr Foley**—It was almost impossible for them to gain finance.

**Ms ANNETTE ELLIS**—How were they building up their businesses?

**Dr Foley**—With credit cards. They would use a credit card as their initial capital in some cases, and they would use credit cards for cash flow fluctuations.

**CHAIR**—With all the interest rate implications.

**Ms ANNETTE ELLIS**—It is an expensive way of running a business. Were any of them in a position to test that access after they had proven their establishment? They may have used credit cards for the first however long, but did they ever get to the point where they said, 'I am now going to go back and show them what I am doing and see if they can earn their money off me other than by credit'?

**Dr Foley**—Yes, regularly.

**Ms ANNETTE ELLIS**—Did they succeed at that point?

**Dr Foley**—They did. However, I do not like saying 'banks'. The Commonwealth Bank Finance Corporation was one of the few organisations that popped up time and time again as a positive story. CBFC obviously have their own approach to lending money, but I must admit that, unless you have real estate—unless you have bricks and mortar—you do not get capital finance, and that is something else that came across. They had to get their bricks and mortar before they could get that other finance.

**CHAIR**—Regarding the role of sport and the high-profile Indigenous athletes, anyone who watches television on the weekends has become very aware of the wonderful skilled athletes and many of the entertainers. Is there an industry or part of the Australian scene that is more easily matched?

**Dr Foley**—How long is a piece of string?

**CHAIR**—As soon as you do that, you stereotype a bit and are into that game. We know we need people all across, but in this, where we are desperately in need of that over there to move it forward, I am just looking for the additional leg-up.

**Dr Foley**—In respect of businesses?

**CHAIR**—In respect of sport, business and the self-esteem and general issues that come from that.

**Dr Foley**—Several years ago the Victorian government ran Koori Business Net, and it was a very successful program. They had some wonderful brochures where they did case studies of successful Indigenous businesses. It was brilliant and a right step for the future. I think the New South Wales government tried to replicate it. I know the Queensland government tried. However, while New South Wales had a few Indigenous people who put up their hand and said that they would be a role model, Queensland had great difficulty getting anyone to do that. In fact, from memory Queensland got no-one.

**CHAIR**—The Rumbalara football club is community based.

**Dr Foley**—John Moriarty is a classic example. He is held high, and he is used time and time again. I would not say he has gone past his use-by-date, but his image is definitely flogged to death.

**CHAIR**—Is that why you are reluctant—because you can overdo it?

**Dr Foley**—Yes. The role models I use are Gavin and Alanna Flick at Gavala at Darling Harbour—a tourist art and craft store. I use them a lot as positive role models. To give you an indication about capital, when Gavin and Alanna decided they would go into business, they went out to the Nepean River, got a trailer load of small stones and took them home. They were both TAFE teachers, basically only making ends meet. They painted these stones and went door-to-door at night selling rock art; they are talented artists. They built up \$8,000 in working capital, which gave them their seed funding to go into a shop at The Rocks, and the rest is history. Now they have a successful store at Darling Harbour. So there are some great stories out there. When I am talking to a group of school children or TAFE or university students, they are the image that I portray. In fact, I have a couple of images that I show some of the students. However, once again, the number of people that will allow you to talk about them is different to the number that are out there.

Indigenous Business Australia is an autonomous body, but let us say it is a government department. It is one of the few that we show. You can see on the screen there is Monkey Mia at the top; there is the big cultural centre in Cairns; there is the Lake Mungo motel, which I think is in Perth; I think the one over on the right is commercial premises in Perth; and this is either their earthmoving equipment places or the trucking businesses. They showcase Indigenous business participation on their website, and I am really excited about this. They show positive images of Indigenous entrepreneurs, and they made all this public to correct some of these urban myths. It is wonderful that is out there.

**CHAIR**—It is even in the corporate sector. In Whyalla we think we now have the first Indigenous mining business that we know of in South Australia, and that came out of initiatives of OneSteel, the community and Aboriginal people. So it is starting to happen a bit more.

**Dr Foley**—Sure, and we have the big ones up in the Kimberley et cetera. There are some great stories there.

**CHAIR**—We could talk all day about this; it is pretty exciting. Your motivation is not something that has sprung upon you recently. It has been a long-term commitment. Can you share a little of that with us and give an insight into your vision?

**Dr Foley**—I do have a vision. To give you the background, my father's father was born on Tingha mission, and Tingha mission was not a very nice place. His father, although being Aboriginal, had a dray, and he used to service some of the old farms in the Glen Innes-Inverell area and would go down the coast. Over a few years, he built it up to a wagon, and then he built it up to having a bullock team and some wagons. He was an entrepreneur way before we had the European concept of the Aboriginal entrepreneur in Australia. That got my grandfather out of the mission and into being a bit of an entrepreneur himself. During the Depression, he got to Sydney and was able to feed his family, buy a house and be a real character in the Sydney area—by being entrepreneurial. This work also included social welfare—social entrepreneurship—by

providing food. He used to get the off-cuts from the flour mill and provide that to families. I saw in my grandfather an Indigenous man who, for no credit or money—for nothing—gave. If I can teach, if I can educate, if I can get one male or female Indigenous person through a business school to become an entrepreneur and a successful businessperson, and they can support their family and create a second generation of wealth, the reason that I am alive has been fulfilled. That is my driving force. That is one of the reasons why I love working in universities, I love my research, and I love getting out and hearing positive stories. There is so much negativity in our community. Two weeks ago, a young man got killed in the Dandenongs. Why? He was Aboriginal. He was kicked to death. We can go through story after story of horrible things like this, but there are positives out there. If we do not have a glimmer of hope, we have nothing.

**Mr GARRETT**—I would like to absorb a good deal of what you said, and I agree very much with you about the necessity for those positive images to be prevalent right through the community. Have you looked at the track record that Aboriginal musicians have had in terms of both exporting their talent and sustaining it over time? There are some pretty good examples of people who have effectively run small businesses for 10 or 15 years.

**Dr Foley**—As in Aboriginal song and dance?

**Mr GARRETT**—Yes.

**Dr Foley**—One of the entrepreneurs that I studied, who is based in Brisbane, has his own entertainment company, and one of the arms of the entertainment company is traditional Aboriginal song and dance—welcomes to the country, acknowledgments to country, cultural visits for Japanese tourists et cetera. That is a very important part of his culture. Interestingly, he churns the money that he makes out of that company back into those young kids, and most of them are youth at risk. He puts them through an education process with TAFE and Griffith University. Griffith University actually takes them in as street kids, for lack of a better word, and he has gained an education process for them. That is a fantastic social attitude. There is also an example in South Australia I looked at, which I have not used for another reason. However, there are some successful organisations around Australia like that which are not community based organisations, which are driven by the individual, and that is very exciting. However, they are limited.

**Mr GARRETT**—Having travelled a lot in the United States, I quite often see that, in some ways, it is sport and music where excellence is very quickly recognised, and talent and ability enables people to travel very large distances within a pretty short period of time. Yet, it is probably fair to say that it is not talent or ability but business capacity that tends to hold folk back, and part of that is entrepreneurship. Amongst all the many other good bits of work you are doing, that is something to have a good look at. Someone like Buna Laurie from South Australia, in the band called Coloured Stone, has kept a business going for many years.

**Dr Foley**—It is interesting that the reason those businesses in that industry fall over is that they do not have the business expertise or skills because they do not have the networking abilities or the education, or they allow a third party to come in and run that stuff for them and they get ripped off.

**Mr GARRETT**—That is what tends to happen.

**Dr Foley**—That goes back to that key thing: education.

**CHAIR**—I understand you will make your submissions available to the committee.

**Dr Foley**—Yes.

Resolved (on motion by **Mrs Vale**, seconded by **Dr Lawrence**):

That this committee authorises publication of the evidence given before it at public hearing this day.

**Committee adjourned at 4.36 pm**