

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

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*ACCI RESPONSE TO  
THE INQUIRY INTO INDIGENOUS BUSINESSES*

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## **The Australian Chamber of Commerce and Industry**

The Australian Chamber of Commerce and Industry (ACCI) is the peak council of Australian business associations. ACCI members are employer organisations in all States and Territories and all major sectors of Australian industry. Through our membership, ACCI represents over 350,000 businesses nation-wide. That makes ACCI the largest and most representative business organisation in Australia.

Membership of ACCI comprises State and Territory Chambers of Commerce and national employer and industry associations. Each ACCI member is a representative body for small employers or sole traders, as well as medium and large businesses. This network of businesses enables the concerns of members to be identified. Through this process, business policies are developed and strategies for change are implemented.

ACCI has worked closely with Government to ensure that the needs of business are taken into account in the development of policies and has contributed significantly to reforms within business education and training.

**Inquiry into Indigenous Businesses**  
**House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs**

ACCI has not had direct involvement in assistance to Indigenous business, however, ACCI has been involved in Indigenous employment initiatives since 1989 through delivery and management of the Indigenous Employment Program.

ACCI took an active role in the 1997 Mortimer review of Government assistance to business. In its submission to the Mortimer review, ACCI proposed that all areas of Government expenditure be subject to review, based on an agreed and consistent set of criteria which are set out in Attachment 1.

Mortimer's report "Going for Growth" provided a framework in which government business programs could be targeted and made more transparent, simple, accessible and accountable.

ACCI strongly endorsed the report's emphasis on the need for an approach which is conducive to business, and includes explicit targets for economic growth, reform and achieving objectives. Such an approach has relevance to the current inquiry.

### **Small Business**

Surveys indicate that small business operators lack the necessary management skills and information to run their business successfully. This appears to be magnified for Indigenous peoples operating companies. The primary focus for improved management has to be business improvement training, and development process within individual enterprises themselves.

### **Business Opportunities**

Business opportunities could be enhanced by:

- linking Indigenous people with business and employer organisations;
- training Indigenous people in mainstream enterprises;
- improving access to financial management and planning;
- increased access to financial institutions;
- providing industry accredited generic small business training;
- facilitating New Apprenticeship opportunities for owner operators;
- funding targeted educating and training activities to communities with experienced personnel in sound business acumen;
- attracting mentoring services (role models of Indigenous business people and members of the local business community) through employer organisations;
- responding to skills shortages in Northern Australia by creating opportunities to attract professionals and artisans to remote and regional Australia, particularly in the following occupational groups:
  - a) building and construction trades people;

- b) metal tradespeople, namely automotive and engineering trades;
  - c) skilled occupations within the mining industry;
  - d) tourism and hospitality occupations particularly chefs;
  - e) health professionals;
  - f) management and business; and
  - g) information technology.
- providing seed funding for self sustaining Indigenous business enterprises to address skills shortage within industry sectors, particularly in Northern Australia where shortages are more severe than in other areas of Australia;
  - Chambers of Commerce to link Indigenous people interested in operating joint ventures with small and major business operators;
  - creating opportunities for product outsourcing; and
  - promoting particularly through membership of employer organisations and other business groups the benefits in establishing links with Indigenous businesses and the broader business community.

### **Skills Shortages.**

In November 1995, ACCI hosted a National Employment and Training Conference in Canberra. A range of employer organisations expressed concern at the lack of available skilled job seekers to fill vacancies across a range of industry occupations particularly in Northern Australia. Following an approach by ACCI, the Federal Government, through the Department of Employment, Education, Training and Youth Affairs (DEETYA) agreed to support a project aimed at developing a coordinated strategy in response to the skill shortages faced by employers in Northern Australia.

Details of the Northern Australia Skills Shortages Report 1997 undertaken by ACCI in conjunction with Chamber of Commerce and Industry Western Australia, Queensland Chamber of Commerce and Industry and the Northern Territory Chamber of Commerce and Industry, is attached.

### **Indigenous Employment Program.**

ACCI and The Department of Employment, Education, Training and Youth Affairs (DEETYA) have been jointly involved in Indigenous employment since 1989 through the Indigenous Employment Program (IEP). The partnership assisted in developing linkages between the private sector employer community and Aboriginal and Torres Strait Islander peoples.

Indigenous Employment Managers are strategically placed with State and Territory Chambers of Commerce. IEP managers work closely with DEETYA to identify potential employment and training opportunities for Indigenous Australians by encouraging the private sector involvement in employment strategies.

The project to date has created over 1200 vacancies and initiated successful strategies with major organisations such as Woolworths, the Pharmacy Guild, and the Licensed Clubs Association, as well as a range of businesses in the security industry and hospitality sector.

IEP are currently negotiating strategies with major employers in gas, financial services, mining and retail.

## **KEY CRITERIA AND PRINCIPLES**

ACCI has adopted the following broad criteria and general principles for evaluating all areas of government expenditure, and have framed them in the following terms to consider government assistance to industry.

### **Board Criteria**

- a. What is the objective of the programs
- b. Is the objective of the program still relevant
- c. Is the program achieving the objective
- d. Are there alternative means of delivering the objective which involve lesser reliance on government support
- e. To the extent that government support is required, can it be delivered in a more efficient manner

### **Key Principles**

1. Any assistance should bring about results to the firm and the economy which are additional to what otherwise would have occurred.
2. The Government's role in the firm's development should diminish over time and the assistance should add to the firm's technology, skills or other competitive attributes which will endure long after the government support has ceased.
3. Support should be based on a holistic view of the firm's competitive needs, ie ad hoc programs based on promoting particular products or attributes will not succeed unless considered in the context of individual firm's (sic) needs and a plethora of small very specific programs will only be confusing to firms trying to access them.
4. Programs should be as administratively simple as possible without surrendering the need for strict risk auditing of compliance.
5. Delivery of programs should be contestable.
6. To minimise the revenue cost of programs, wherever appropriate, loans or "success fees" (rather than straight grants) should be used, or a cost recovery element should be incorporated. Ideally, programs should be designed to become self-funding within the defined lifetime of the program.
7. Access should be available equally to all market participants and be allocated according to common and transparent criteria.
8. Where the benefits of assistance are internalised by a business, some or all of the cost of providing that assistance should be recouped from the business through user charges.
9. The nature and cost of assistance measures should be clearly made public, including any contingent costs (such as debt guarantees). If a business is receiving government assistance there is never any justification for hiding the costs from taxpayers on the basis of "commercial confidentiality" (or anything else).

10. The administrative cost of industry assistance programs should be clearly and separately identified.
11. Assistance programs should be subject to appropriate recurrent review mechanisms and in appropriate cases be subject to sunset clauses.