

Submission

to

Senate Employment, Workplace Relations and Education
References Committee

Inquiry into indigenous training and employment outcomes

Submission no: 1

Received: 21/05/2004

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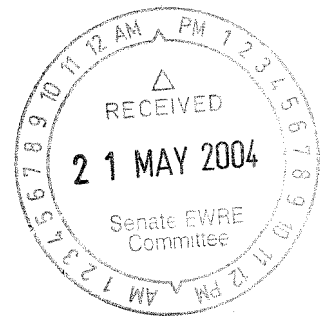
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**The Secretary,
Senate Employment, Workplace Relations and Education References Committee,
Suite SG.52, Parliament House,
Canberra, ACT.**

May 21, 2004.

Dear Senate Committee,

Attached please find a First Australians Business (FAB) submission to your enquiry.

FAB has been providing a volunteer business mentoring service to Indigenous business aspirants since 1999, and also conducts regional 'Enterprise Development' workshops on request from Indigenous organizations across Australia.

The FAB model of encouraging small business development in Indigenous (and the wider) communities has proved very successful, and many new businesses have resulted.

We currently have over 100 mentor partnerships in progress, and over the past year we have conducted 13 workshops (3-5 days long, residential, with typically 20 participants), a further 18 are currently scheduled.

We are funded by Federal Government agencies for the core mentoring program (basically our office costs, although these are subsidized by the Brisbane City Council and others), and funding for the workshop programs comes from successful submissions to philanthropic foundations, private companies, and State and Federal Government agencies.

All FAB services to Indigenous people are free, as a matter of FAB policy.

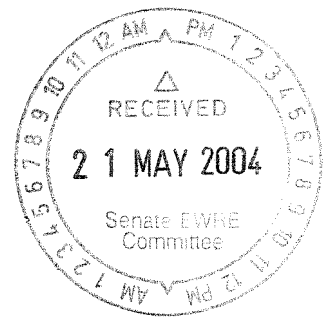
I personally act as a mentor to 5 Indigenous individuals and organizations in the greater Brisbane region, and these are all making their own good progress towards business establishment.

I and the FAB staff would be happy to provide further information personally or by mail on your inquiry, as we believe that the model is successful and is working.

With best regards,

Lew Opie.

General Manager-FAB.



OVERVIEW

In 1994 a group comprising staff from The Body Shop (TBS), Department of Employment Education & Training (DEET) and the Commonwealth Youth Program (CYP) South Pacific began a series of workshops for indigenous people of Australasia and the South Pacific. These workshops were aimed at building the capacity of young indigenous people, and communities, to develop economic self sufficiency. These workshops have been run as five day residential events that cover a multitude of topics. These topics, such as opportunity identification, small business planning and impediments to business have raised the skill level of participants in relation to identifying and beginning a small business. The trainers at the workshops have been drawn from the corporate and non Government sectors.

There have now been nine workshops over the intervening years with over 440 young indigenous people attending. There have been some spectacular outcomes with many businesses established and many small operators increasing their viability. In 1999 The Body Shop established First Australians Business (FAB) as a not-for-profit company to provide a mentor service to graduates of the workshops and to other young indigenous people in Australia who were working towards business start up. First Australians Business now oversees the implementation of the five day residential Enterprise Development Workshops. Although these workshops have been very successful FAB has now achieved much more through a more integrated program.

Overall the annual workshops have had broad appeal to indigenous participants due to their interactive processes and the inclusion of the corporate sector. In contrast to this a number of issues diminished the effectiveness of these workshops. The key issues holding back better outcomes were:

- Difficult selection of participants who could benefit the most.
- A wide variation in the business knowledge starting point of the participants.
- Continuation of learning.
- Ineffective follow up of the participants.

"I found the workshop to be a most fulfilling and very informative experience on how to build a business for myself. I would highly recommend it to any person interested in building a business themselves. You couldn't ask for a more supportive team who have become a great stepping stone for Indigenous people hoping to start a business."

Lisa Little, 2002 EDW participant

PROGRAM OUTLINE

This Enterprise Development Program developed through FAB is a three phase program designed to assist communities and individuals grapple with the issues of business development and set a path for action. It is coupled with a mentoring program that is designed to assist participants move through the phases of the program or self select out to seek other opportunities for income. In addition the program builds upon the experiences of the past and deals with the key issues identified that have held back past successes.

Each phase of the outlined program is separate and can be run as a stand alone unit, or in conjunction with the three phase program and mentoring support which are long term intensive change processes. Overall the impact in developing enterprise will be greatly enhanced by the inclusion of at least two phases of the program and access to further mentoring support.

The overall aim of the Program is set as:

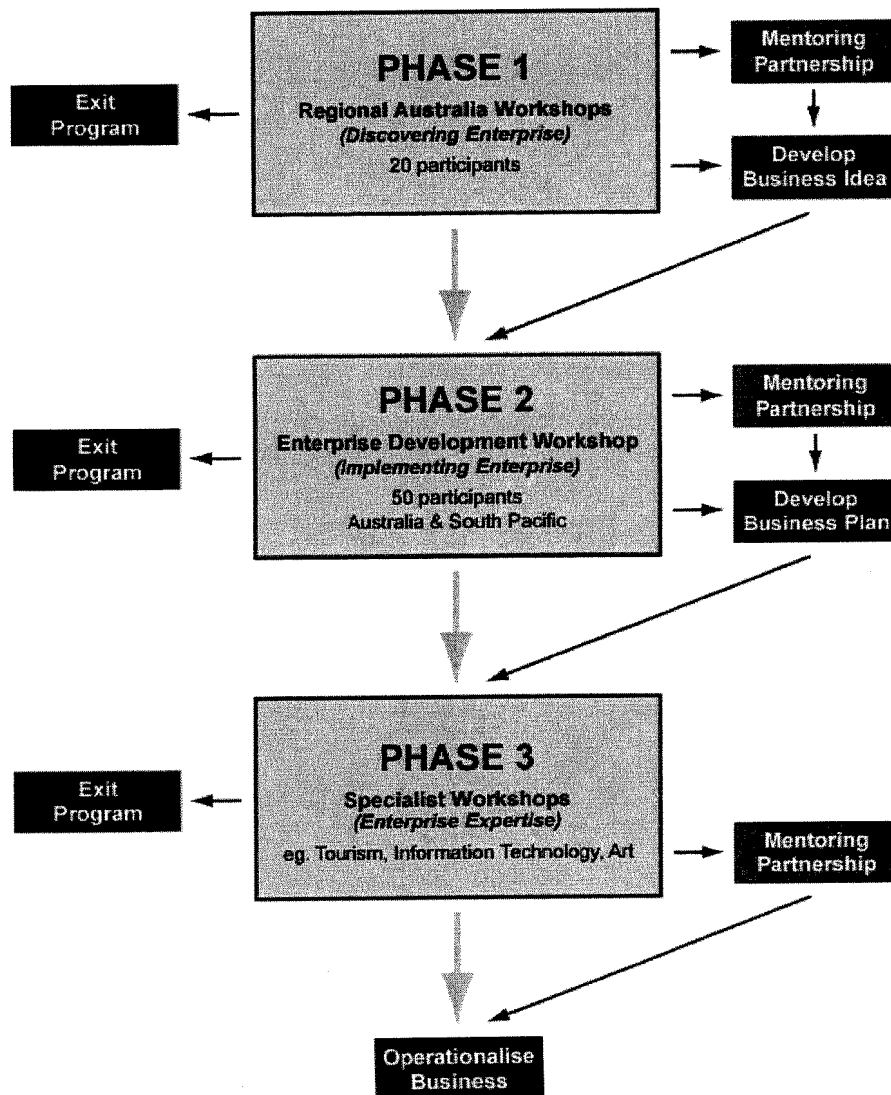
“Encourage and assist in the development of business among indigenous communities and individuals”



ENTERPRISE DEVELOPMENT PROGRAM

Each of the phases of the program addresses differing issues and where necessary some content can be varied to specific needs of the area.

Following trials in Fiji, the first Australian *Discovering Enterprise* workshop was conducted in Weipa in May 2003. Since then FAB has conducted this level of workshop in Ballina (NSW), Brisbane City, Mount Isa, Port Augusta (SA), Wagga-Wagga (NSW), Coen (Qld), Darwin (NT), Derby (WA) and Cooktown (Qld). All of these workshops have been conducted as the result of a request from an Indigenous organization. The second phase *Implementing Enterprise* workshop has been run for the past nine years with over 440 participants from Australia and the South Pacific attending. A further 'Implementing Enterprise' workshop for 40 Indigenous business aspirants is being held in Alice Springs in May 2004.



PHASE ONE (*Discovering Enterprise*)

The first phase of the workshop program are three day intensive programs designed to combat the welfare thinking of indigenous individuals and communities. This program focuses on the individual and creates an atmosphere where participants can grasp a future vision of indigenous participation in the mainstream economy. It encourages participants to think differently and to understand the nature of the welfare system, its limitations and benefits.

Another target of the *Discovering Enterprise* workshops is to focus on assisting participants consider what types of small enterprise may be viable in their communities and to develop short term plans to instigate further action on the identified opportunities. The workshops are also beneficial in assisting struggling small business people identify future activities and actions that may provide a better return for their efforts.

Objectives of the workshops:

- Encourage indigenous people to think in an entrepreneurial manner
- To assist in the development of business identification skills
- To examine the environment with an objective to identifying business opportunities
- To develop an action plan that individuals/groups will act upon to further their enterprise goals

The content of the workshop includes:

- Examining barriers to success
- Identifying trends with local, regional and national communities
- Identification of opportunities

The process of the workshop is very participatory to accommodate language barriers and differing levels of numeracy and literacy. Resources used include site visits to successful small business and an examination of these businesses by the participants to cement their skills in a practical manner. The workshop does not need to be residential although this can help bond a support group for those people who wish to move further with their ideas.

At the completion of the workshop all participants have the opportunity to be linked to a mentor through FAB who will work with them to further develop their idea. At the end of the workshop five participants with the greatest potential to implement their business idea will be invited to attend phase two of the *Enterprise Development Program*. This process will diminish the problem of poor selection of participants identified from earlier Enterprise Development Workshops (EDW).

Overall at the completion of the first phase participants will have three directions open to them. These being, self selection out, assistance with a mentor to further develop their idea and/or referral to phase two of the Enterprise Development Program, *Implementing Enterprise*.

PHASE TWO (*Implementing Enterprise*)

The *Implementing Enterprise* workshop differs from the first phase in that it focuses more on the 'hard' skills people need to establish and run a successful operation. The workshop is designed for those people who have come through the *Discovering Enterprise* workshops, as it builds upon the skills and information already provided, and it is also for people who are currently in business and struggling with some of the operations within the enterprise.

Each workshop can vary in content a little to give emphasis to a particular area of interest of the participants. However the workshops will have at their core discussion of issues such as:

- How to plan for business
- Research tools and what to research
- Business and Financial plans
- Cultural barriers to business
- Record keeping
- Marketing and promotion.
- Business support networks
- How to take advantage of new opportunities
- Governance issues (legal, ethical, cultural)

Resources used include presentations from visiting experts in various professional disciplines such as accounting, legal and industry representatives from key business sectors, e.g. manufacturing, tourism etc. To ensure maximum outcomes participants are engaged in an experiential process that breaks down communication barriers and allows for some real practice in business operation. The program is held as a residential program to increase impact and allow for time to focus on the business without the distraction of other issues.

At the culmination of the five day workshop participants are part of the implementation of a trade show that cements the concepts discussed during the program. This trade show is actually open to the public and gives participants direct feedback on their business concepts.

"The EDW allowed me the opportunity to express, explore and envisage my business idea and to put it into practice with the aid of experts."

Steve Hirvonen, EDW 2002 participant, and now Chair of ATSIC Gulf and West Queensland Regional Council.

PHASE THREE (*Enterprise Expertise*)

The third phase of the overall *Enterprise Development Program* is a targeted training program built upon the identified specialist skill needs of the participants. These needs can be in industry specific categories such as retail, information technology in business, or in specific skill sets such as financial management and governance. The workshops will be most suited to those people who have already established themselves in business and are seeking to build their expertise in a particular field or endeavour.

It is anticipated that many of the participants will be drawn from the *Implementing Business* workshop as phase three will provide the support and continued skill development needed to succeed.

The workshop will specifically have outcomes of:

- Networking with other indigenous people in the same industry
- Collective problem solving of issues
- Identifying gaps in current business operations
- Developing skills in area of interest

The workshop calls upon specialist industry bodies and individuals to assist in the delivery of content which is specifically developed for the target groups. Currently a series of retail programs are operating throughout the South Pacific in partnership with United Nations Development Programme (UNDP) and The Body Shop with strong outcomes in enhanced business operation.

Target areas for the first series of specialist workshops include:

- IT in business
- Corporate governance
- Arts industry
- Cultural Tourism
- Retail operations

LEARNING PROCESS

The success of past *Enterprise Development Workshops* and *Discovering Enterprise* workshops has been contingent on a few core processes that are woven throughout the programs. These processes include:

- Workshops are a facilitated journey for participants rather than a training program
- Use of technically competent facilitators who are in business and have extensive experience in small business development
- The program is designed to use a tactile means of explanation and example to ensure all people have the opportunity to learn regardless of English language ability

- Creation of a safe learning environment by use of Indigenous facilitators and restricting participants to indigenous people only
- Practical demonstration of concepts and ideas
- Flexible program delivery to allow for individual and group needs

LOGISTICS

Target Audience

The target audience for each phase of the *Enterprise Development Program* varies as people move through the program. It is likely that individuals will move from one phase to the next as their personal circumstances change. The following table describes the attributes of the targeted participants for each phase

Phase	Targeted audience
Discovering Enterprise	<ul style="list-style-type: none"> • Individuals with a business idea • CDEP and community groups wishing to explore opportunities • Individuals who are currently operating a micro business • Individuals who have failed in a past business operation
Implementing Business	<ul style="list-style-type: none"> • Participants from <i>Discovering Business</i> phase who have completed a simple business plan • Business operators who are struggling with managing the overall framework of their business • Business operators who need to begin the process of skill acquisition • Individuals who have independently developed business plans and are seeking input and guidance
Enterprise Expertise	<ul style="list-style-type: none"> • Individuals currently operating a small business in the target field • Participants from the <i>Implementing Business</i> phase who are beginning to implement plans

Participant Selection

To date workshop participants have been selected through an application process by mail. Applicants fill out a questionnaire related to their proposed or existing business and a selection panel chooses participants from the received applications. This process,

although broad, is flawed by the fact that many people with a business idea may not be capable of filling out the forms well. In addition, the panel finds the task of selecting suitable participants from the applications received difficult as detail is often scant.

Therefore in any workshop there are a number of people who are not suited to the training. The choice of inappropriate applicants can disrupt the group who are within the target market and waste valuable resources and other participant's time. The three tiered process allows people to enter into the program at a level that is appropriate to their needs and development. For the 2003 'Enterprise Development' workshop approx. 50% of the Australian participants were graduates of regional 'Discovering Enterprise' workshops.

Implementation Team

To ensure that there is a professional service delivered to participants in the workshops First Australian Business (FAB) has retained the services of a team of indigenous and non indigenous experts to deliver the program. All team members have delivered either the *Discovering Enterprise* or *Implementing Enterprise* phases of the program and have extensive experience in working with individuals both in Australian and the South Pacific.

- Steve Corderio, Director *Small Business development Service*
- Waverley Stanley (Gubi Gubi), Director *Pathway to Success Pty Ltd*
- Mark Rose (Gundjtimara), Lecturer MBA Programs *Royal Melbourne Institute of Technology*
- Alex McDonald, National Trade Development Manager, *The Body Shop Australia*

With the increasing demand for FAB workshops, and following a successful submission for funding for a 'Train the Trainer' workshop ten new presenters will be trained in FAB workshop presenter skills in May 2004. These people (including 6 Indigenous people, and 6 females) have all attended FAB workshops, and have been selected from across Australia to increase FAB's presence, and to bring new skills and ideas into the FAB workshop program.

The current implementation team has delivered a number of Enterprise Development Workshops in the South Pacific region. The team currently has members with expertise in:

- Communication and marketing
- Human resource management
- Governance and legal imperatives
- Training and Development
- Motivation
- Small business identification
- Business planning and management.
- Cultural and ethical dilemmas in business.

The principle implementation team will be supported by the addition of a specialist resource people who have indicated a willingness to support the Enterprise Development process. Members of this team are drawn from corporate and government sectors as well as individuals who have a desire to assist indigenous people.

The principle implementation team and resource team will be supported by the staff at FAB who will provide logistical support and co-ordination of activities.

BUDGET

The budget for each phase of the program is dependent upon the number of participants attending and the location of the event. Where possible FAB works with local organizations and indigenous individuals to assist in the completion of the logistics and enrolment of participants. The workshops are accompanied by a 'Business Breakfast' in some locations, with all workshop participants, local business leaders, local council staff attending both to showcase the workshop, and to enlist local mentors for the participants.

As a general guide the *Discovering Enterprise* workshops equate to \$1,000 per person, the *Implementing Enterprise* workshops equate to \$1,800 per person and the *Enterprise Expertise* workshops are negotiated after the specific needs of the group are identified. As a matter of principle all participants are required to contribute some funds, fifty dollars, as a commitment fee for the *Implementing Enterprise* and *Enterprise Expertise* workshops. All mentor arrangement and follow up is provided free of charge to participants.

Budget Matrix

PHASE	SKILLS	COST	FUNDING OPTIONS
Discovering Enterprise	<ul style="list-style-type: none"> • Research • Trend analysis • Opportunity identification • Preliminary business plan preparation. 	All inclusive costs (accommodation food, facilitators etc) of \$1,000 per person per event. Max of \$20,000 for any one event.	ATSIS funding, with specific workshop funding by FYA, Rio Tinto Aboriginal Foundation, Perpetual Foundation etc.

Implementing Enterprise	<ul style="list-style-type: none"> • Governance (legal and community) • Writing a business plan • Marketing and promotion • Financial planning • Customer service • Research and analysis 	This residential event costs approx \$80,000 P/A to fund. All costs (accommodation, fares, food etc) for Australian participants are fully covered by FAB.	Currently fully funded by CYP (South Pacific participants), ATSIS and other corporate entities. Future Corporate partner being sought for longer term. All participants contribute \$50 towards cost of materials.
Enterprise Expertise	<ul style="list-style-type: none"> • IT uses in business • Cultural tourism • Arts industry • Governance in business 	Each workshop will be costed according to the numbers of participants and location. Approximate cost of \$30,000 per 5 day workshop.	Currently discussions are being held with prospective philanthropic and corporate organizations to sponsor a series of workshops during 2004 and 2005.
Mentor Support	Alignment of business mentors with enterprise aspirants and current business operators	Approx \$120,000 p/a for mentor support, FAB staff and administration costs.	Currently fully funded by FaCS/DEWR/ATSIS and funds from other FAB activities.

Selection of locations for events

Selection of sites for future workshops is a negotiated process between funding partners, FAB and Indigenous community organizations across Australia. All regional workshops are held only upon request. For the future it is envisaged that there will be a spread of sites including urban workshops and regional remote workshops. The timing of these events could be coincided with community gatherings to save cost and also to ensure greater participation.

Partner Organizations

FAB is currently negotiating with key strategic partners for future support of the overall program concept, however a principle of operation is that there is strong representation from all sectors of the community. This broad cross sector support will be necessary to ensure good resource allocation and optimum outcomes.

FIRST AUSTRALIANS BUSINESS

FAB is an indigenous controlled company limited by guarantee. FAB operates under the direction of a board of directors (see attached list of board members) and is based in Brisbane. The team at FAB currently consists of three staff and a trainee administration assistant who manage and coordinate the annual Enterprise Development Workshops and operate a mentoring program designed to assist Indigenous small business operators and aspirants. Other FAB activities include consulting to companies relating to establishing Indigenous service companies, contracted services to agencies, a series of art exhibitions (WISEART) for FAB mentoree artists, and other related activities.

Many of the new FAB presenters will act as FAB representatives, located at Thursday Island, Cooktown, Darwin, Sunshine Coast, Gold Coast, Sydney, Melbourne and Adelaide. Representatives will also be appointed for Alice Springs and Perth.

Role of FAB

FAB acts as the co-coordinating agency for the implementation of the Enterprise Development Program. Specifically FAB will:

- Co-ordinate the matching of mentors to participants.
- Liaise with corporate partners and supporters.
- Source funding to pay for the workshops (accommodation, meals, transport etc.)
- Provide resources for training events including presenters and facilitators etc.
- Develop and provide course materials.
- Logistically support events and mentor relationships.
- Overall fiscal and governance monitoring, evaluation and acquittals.
- Support participants during the program.
- Evaluate the program.

Evaluation measures

The Enterprise Development Program will be evaluated at the end of each phase, and after the completion of one complete cycle of work.

Key criteria for evaluation will be:

- A business established
- Community participation in the business
- Business plans developed and submitted for support
- Mentoring relationships established

GENERIC TIMELINE FOR DISCOVERING ENTERPRISE WOKSHOPS.

Subject to demand, 2 regional workshops are conducted each month, excluding December and January, and the month of the main Enterprise Development Workshop (phase two), typically held in October or November each year.

Summary:

FAB currently has over 100 mentoring partnerships in progress, and is conducting 2 'Discovering Enterprise' workshops per month and 2 'Enterprise Development' workshops per year, as well as other customised workshops on request.

FAB is 'booked out' until March next year for workshops, illustrating the popularity and need for this type of resourcing to Indigenous business aspirants.

The articulated workshop process and the ongoing FAB business mentoring support is leading to many new small Indigenous businesses being commenced and sustained across Australia.

Many examples can be provided of successful outcomes.

Increased resourcing of FAB would increase FAB capacity to provide this service.