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Dear Sir/Madam,

Indigenous Business Sector Draft Strategy

Please find attached a submission in regards to the above mentioned strategy.

Yours sincerely



Claire Wiseman
Chief Executive Officer

COMMENTS ON THE DRAFT INDIGENOUS BUSINESS SECTOR STRATEGY

The Far North SA Region

The Far North region of South Australia, as per Regional Development Australia Committee boundaries, covers approximately 80% of South Australia. The area has a land mass of just under 800,000km² with a population of ¹28,212 and incorporates the Anangu Pitjantjatjara Yankunytjatjara Lands. The region takes in the iconic Flinders Ranges and Outback region, popular and well visited tourism destinations in the State. The Flinders Ranges is also now recognised as a National Landscape. The Indigenous population as reported in the 2011 Census was 7,206 which is 25.5% of the Far North SA population.

The main townships in the region include (but are not limited to) Port Augusta, Quorn, Hawker, Leigh Creek, Copley, Lyndhurst, Marree, Innamincka, William Creek, Oodnadatta, Marla, Mintabie, Coober Pedy, Glendambo, Pimba, Woomera and Roxby Downs. Some of these remote townships are between 800 - 1,000 kilometres from Port Augusta, the largest city in the region (population of ¹13,985).

A region's comparative advantage can stem from various resources, such as its geographical location, availability of natural resources, the existence of industry clusters, access to infrastructure or the skill profile of the local population. These underlying attributes influence the types of economic activity that are likely to be successful. They also have implications for development initiatives, which are generally more effective where they build on an existing strength.

Regional Development Australia Far North (RDAFN) is a not-for-profit organisation funded under a tripartite agreement with the Commonwealth, State and Local Governments. RDAFN provides free services such as business development, tourism development and training and skills development. The Business Development Manager and Tourism Development Manager provide a high quality business advisory service to intending and existing small to medium size business operators throughout Far North South Australia. This is undertaken by:

- Supporting the growth of business enterprises in the region
- Assisting with business future growth and development
- Undertaking analysis and evaluation of small and medium business issues
- Acting as an outreach branch of the OCBA and ACCC and other business support organisations as they relate to SME's

Foreword

RDAFN has assisted many Indigenous businesses over the years at many different stages from start out through to expansion. Some of the success stories have been made possible by the large amount of time RDAFN staff have worked with the business owners as well as links to valuable support agencies such as Indigenous Business Australia (IBA). RDAFN has also assisted Indigenous organisations with applications for funding and grant support programs.

Some of the key challenges that have been faced by businesses include:

- lack of awareness of the work required to set up a business
- unfamiliar with the general business workings

¹ ABS Census Data, 2011

- unaware of the support services that are available and how to link with these as well as joining organisations like Supply Nation
- unsure of the financial collateral required for business start ups
- unaware of the partnerships that are available to support business growth
- lack of knowledge of the processes required to apply for a tender/contract
- unsure of legalities around entering into leases for premises or businesses

Whilst a lot of these challenges are not unique to Indigenous businesses, sometimes they are at a disadvantage in relation to access to the relevant information and support and may not be as forthcoming to seeking advice.

Better Connectivity and Support Systems

We can build better connectivity by ensuring that all parties around the table know what the others do in terms of support and service and how links can be made. When RDAFN is approached by a business it is important for us to know what support we can seek elsewhere to assist where we are unable to. We are a preferred supplier for IBA and therefore refer many businesses to IBA as well as assisting these businesses through the whole process, which has resulted in some very successful outcomes. Having this direct link is beneficial to us as a business support organisation, and to IBA as well as, and most importantly, to the business. The business only has to come to one organisation to seek assistance through the whole process without having to go to many different ones. It would be very beneficial to have similar relationships and links with Supply Nation and others and this could work in the sense that RDAFN can assist the business with their registration and profile setup. We have found that some business intenders may not have the knowledge or capacity themselves to do this, or if they were to seek it elsewhere it would cost them in terms of output dollars.

In regards to Indigenous businesses and entrepreneurs based in remote Australia, RDAFN's region as outlined above takes in 80% of the State and the majority of the Unincorporated areas of South Australia which includes the Anangu Pitjantjatjara Yankunytjatjara Lands. Our staff undertake regular remote travel across these areas and take the time to meet face to face with businesses who are unable to come to us. The ability to do this service and at the same time promote all the other support services available is an important link that can be built on further.

Annual Indigenous Business Summit/Supply Nation 'Connect' Conference

An Annual Indigenous Business Summit would be a useful tool to bring service providers around the table to carry out some essential networking and sharing of service abilities. The forum also has the flexibility to hold sessions for Indigenous businesses that are looking to upskill in certain areas or connecting them with suppliers such as ourselves and Supply Nation and other relevant service providers. Linking in with the Supply Nation 'Connect' Conference is a good idea as that way it is one conference that can bring everyone together, as long as it is flexible to enable all the outcomes to be met. It is also important that this forum, in whatever form it will be, is open to Indigenous businesses and Indigenous service providers as well as others who provide services to Indigenous businesses.

Indigenous Business and Project Hubs

The establishment of Indigenous Business and Project Hubs are a fantastic initiative as long as they are located in relevant locations and don't overlap on services provided by other organisations. The location of these hubs in major capital cities is not always ideal, however, the draft document has overlooked the location of such an initiative in South Australia all together. In considering where the major Indigenous population is in South Australia, Port Augusta should rate highly as a location; a satellite location for a hub should one be located in Adelaide. The same goes for the other states and territories, whilst the main hub could be located in the major cities, satellite hubs could serve better if located in regional areas. When referring to overlapping of services provided by other organisations, the establishment of the hubs and possible satellite hubs could be where an organisation already provides similar services (as outlined in the draft consultation paper) and has established networks with Indigenous businesses could be sub-contracted to work with businesses. The proposed Indigenous Entrepreneurs Fund (IEF) business advisers may fill this need, however, not all businesses are just starting up, and some require specialised advice to grow and expand their business as well as access to other fund and grant opportunities outside the IEF.

The lists of proposed services for the business and projects hubs as outlined in the consultation paper are adequate and cover most aspects with possibly the addition of how to access tenders and grants information and getting a business 'tender ready' being important. As a business service organisation we find that a lot of businesses approach us when a grant of funding opportunity becomes available, however, they are not tender ready in terms of not having sound business plans or cases, risk assessment, audited financials etc. Therefore, education programs on what is required in order to be tender ready and assisting with this process prior to opportunities being available, would save a lot of time when the opportunities arise allowing more time to focus on the body of grant applications.

Joint Ventures

All businesses should be required to meet stringent requirements around capacity and performance before entering into any joint ventures. They should be successful in their own right and as an example have been operating for a minimum of three years (could be less considering the opportunity presented). Demonstrating that they meet these requirements would be beneficial to them as this may assist them in being recognised as a reputable business and therefore able to build strong and trusting relationships with partners more efficiently and effectively. These processes can also act as internal training and upskilling for the business. The ongoing Commonwealth monitoring and review of the Indigenous Procurement Policy is welcomed.

Improved Access to Finance

The proposed Indigenous Entrepreneurs Capital Scheme is a sound model and with the businesses taking out 'loans' and paying them back, this in turns builds their credit rating reputation and may open up future financial opportunities, which is a positive path forward. The savings programme is also a great initiative and will assist businesses in the early stages of saving to start and business and sets a good standing for future savings to expand and put money back into the growth of the business to.

Building Stronger Business Networks and Information and Data Sharing

For remote and regional businesses, networking opportunities are very important to maintain contact with similar businesses and support networks as well as being used as a self-check to ensure they are on the right track. Access to technology needs to play a major role and a focus on face-to-face communication via the internet would be beneficial. Therefore, there needs to be a focus on lobbying for connecting technologies, such as the National Broadband Network (NBN), and equipment to enable communication to take place. The creation of a digital 'launch pad' for businesses would be beneficial to allow access to a one-stop-shop for a range of business support services, industry information such as grant and funding opportunities and current contracts or tenders etc. Working with businesses to design this Launchpad is a great initiative. It will provide businesses some sense of ownership over the platform which may increase use and promotion of this to others. Regional and remote businesses should not be disadvantaged simply because they are not in a major regional centre or township. That said, support for remote and regional businesses to attend real life face-to-face events is also important. This support could be financial in terms of travel reimbursements or to enable hiring an employee to keep their business running while they are away from the office.

The establishment of business networks for youth and/or women are certainly important. In the Indigenous culture, like many other cultures, youth and women in business is still a fairly new concept, therefore extra support is required for those that aspire to pursue these pathways to ensure it is as smooth as possible and the necessary support is provided.

Measuring Success of the Strategy

The target to double the number of Indigenous businesses by 2027 can be achieved if the initiatives and programs as outlined in the strategy are put in place in time to allow this to occur. These strategies, which underpin Indigenous business support, are essential to ensure that new businesses can survive. It is also important that ongoing support is provided to existing businesses to allow them to grow and expand. Whilst this support is essential, a goal around the Government monitoring the effectiveness of the support is critical. For support strategies to continue they need to be successful and reaching the key performance criteria set for them, otherwise they will not be seen as effective and therefore are at risk of being cancelled.

Summary

RDAFN welcomes the Indigenous Business Sector Strategy and the opportunity to provide comment on the consultation paper.

Some of the key points of summary are:

- Get everyone around the same table, this includes the businesses, entrepreneurs, aspiring businesses, government support organisations and business support organisations.
- Establishment of a Business Hub in South Australia including a satellite hub in Port Augusta.
- Ongoing Commonwealth monitoring and review of the Indigenous Procurement Policy.
- Focus on lobbying for connecting technologies, such as NBN, and equipment to enable communication to take place.

- Ongoing Government monitoring of the effectiveness of the support programs is critical.
- Provision of support for businesses to attend real life face-to-face events via travel reimbursements or to enable them to hire an employee to keep their business running.