

# Business links with indigenous communities

**The Business Council of Australia has conducted the first major study into collaborative activities between indigenous communities and Australian business. Dahle Suggett, Director the Allen Consulting Group, an author of the report, explains.**

'Real jobs in the real economy' is the theme of a study by the Business Council of Australia on the relations between indigenous communities and Australian business. In exploring the diverse but far from widespread collaborative initiatives around the country, this line by Noel Pearson is echoed again and again; what is now needed is consistent and serious involvement by business in opening the doors for Indigenous Australians to mainstream economic and social life.

The first generation collaborative initiatives were by the resource sector – Rio Tinto and Hamersley Iron, Woodside, Normandy, WMC and others – linked to land access and in regional and remote areas. All business sectors can learn a tremendous amount from these initiatives which, the companies readily point out, still have a way to go to reach their ideal and will continue to mature.

The next wave, however, has different business imperatives. The large catering business Eurest, Australia Post, Aurora Resorts, Museum Victoria, Coles Myer and the accounting firm Hall Chadwick see direct commercial opportunities and a competitive advantage from including indigenous people as employees, customers or suppliers.

Others like Qantas, Lend Lease, Westpac and see the business case more in terms of their responsibilities to the community and the importance of social investment where the benefits are reputation, employee buy in and the other intangible gains from enhancing the social role of business. Others, like the Gwydir Valley Cotton Growers Association conduct activities for the health and well being of their communities.

The activities of 64 companies inform the report. We conducted a survey (49 responses), interviews with 36 organisations, research into Indigenous participants' attitudes and interviews in government, indus-

try and indigenous associations. The study is the first of its kind in Australia.

## Employment, training, business and community development initiatives

Employment initiatives are a logical starting point for companies wishing to initiate collaborative activities but the standards of education and training can be a serious impediment. (Just over one third of Indigenous young people remain at school to year 12 in contrast to over three quarters of non-indigenous young people). Extensive training efforts – with or in spite of government assistance – have developed as a consequence and, although the numbers are small, there have been many successes. A few initiatives now go as far as supporting innovation in school education for indigenous young people and offer scholarships for further study.

Opening up business development opportunities and building indigenous enterprises is a further important strand of activity. While few underestimate the difficulties involved in the development of new Indigenous business, joint venture initiatives or trading contracts, there is recognition that the development of a viable community economic base is essential to self-reliance. Many organizations are adopting innovative approaches to the development of enterprise and self-employment opportunities that cover the spectrum from Indigenous business incubators to joint venture partnerships and the negotiation of long-term supply contracts – construction, finance, catering, gardening, agriculture, cultural promotion, tourism and so on.

For Aboriginal communities to benefit fully from business support, they need a base of good health, transport, access to finance and other elements of social and economic infrastructure. It is often essential to address these broader socio-economic issues from the outset for initiatives to be successful. Many companies understand this and support a range of holistically planned community development and social programs to build community infrastructure, promote health, culture and sport, personal development in areas like leadership.

## Lessons learned

No one says this is easy. Many companies simply did not now where to start – WMC said it was like 'walking into a fog'. The major 'lessons learned' include not being

afraid of making mistakes, building initiatives on negotiation and collaboration and going beyond the enthusiasm of the project champions to embed the activities in the business and make a solid commitment. It is also important to get 'runs on the board' early to learn what works so as to move on to build critical mass.

Neither is it simple for participants. (Mr Charlie Smith the first manager of Gumala Enterprises a joint venture with Rio Tinto, said if a company thought it was walking in a fog, imagine what the mist was like for indigenous people going into negotiations with a mining company!) Participants are mainly supportive of the initiatives but consistently call for the opportunity to compete for sustainable jobs and business opportunities rather than stay on the merry-go-round of short-term employment and training programs. They express disappointment with initiatives that are not really embedded into company systems and do not have structures like career paths and supplier contracts.

Mentoring, establishing role models, providing personal guidance, building critical mass in the numbers and cultural awareness are the really important critical success factors that participants identify. They also want business to play its part in countering the cursory and negative stereotypes of indigenous communities in the mainstream media.

Understandably the place of government programs was raised again and again. Many non-Indigenous companies felt they were entitled to the various incentives that are available but saw the program conditions as unnecessarily restrictive and inflexible. The lessons

for government are less centralised control, support for holistic community development, support for infrastructure not just services and for government to see itself as a partner with the communities and with Indigenous and non-Indigenous business.

## Opportunities

Any aspect of business is a candidate for involvement with indigenous communities and peoples, most of whom live in urban communities. *Human resources* – employment, training, and cultural awareness; *purchasing* – removing procurement barriers and promoting supplier development; *production* – co-operative business ventures; *support functions* – outsourcing non-core functions; *community involvement* – community partnerships and support for holistic community development.

## A mature nation

Relationships with Indigenous Australians are increasingly important for Australian business. Mutual respect between Indigenous and non-indigenous peoples is a requirement of a mature, caring and productive nation. Participating in the mainstream of Australia's economic and social life – in the 'real economy' – and building sustainable communities is crucial for Indigenous Australians to make the transition from disadvantage to inclusion. All sectors of Australian business have a role to play in this important task. Call it good corporate citizenship or just sound business the gains are immense.