DETERMINING THE FACTORS INFLUENCING THE SUCCESS OF PRIVATE AND COMMUNITY-OWNED INDIGENOUS BUSINESSES ACROSS REMOTE, REGIONAL AND URBAN AUSTRALIA

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Background

The motivation for this research was the substantial and entrenched socio-economic disadvantage of Indigenous peoples in Australia and the pressing need to explore the potential of Indigenous entrepreneurship to significantly address this disadvantage and make a sustained difference in the lives of Indigenous peoples in Australia. The development of successful businesses by Indigenous Australians is an important part of the strategy for improving the quality of life for many Indigenous communities and Indigenous Australians. Indigenous businesses provide jobs for the Indigenous community, provide important pathways to Indigenous self-determination and provide new possibilities for Indigenous youth and Indigenous communities in urban, regional and rural Australia.

According to national census data, there has been a remarkable growth of Indigenous businesses in Australia in recent years. The number of Indigenous enterprises increased threefold in the past twenty years: from 4,600 in 1991 to 12,500 in 2011 (Hunter 2014). Nevertheless the rate of entrepreneurship among Indigenous Australians is still very low compared to that of other Australians: Only about 6 percent of Indigenous population were self-employed in 2011 as against 15.2 percent for the non-Indigenous population in Australia. Closing the 'entrepreneurship gap' is a key part of the broader aims to close the socio-economic, health and education gap between Indigenous and non-Indigenous Australians.

There are a number of forms of Indigenous business engagement and Indigenous entrepreneurship in Australia that are very different from each other. One important development over the past decades relates to partnerships between corporations and Indigenous community organisations. Some of these relate to Land Rights and the *Federal Native Title Act*. Other Indigenous enterprises are established as business co-operatives. Others are not-for-profit business enterprises established by Indigenous community organisations to provide goods and services to Indigenous communities that are not provided by non-Indigenous enterprises. Many of these are located in rural and remote areas of Australia. Other Indigenous businesses are micro, small and medium private enterprises.

However, there has been little research into Indigenous enterprises in Australia today, a necessary input into evidence-based policy development. New research into the different types of Indigenous enterprises currently in existence, the issues they face and the factors influencing their success is clearly an important priority. It is for this reason that *Indigenous Business Australia* (IBA) took the initiative to invest considerable money and resources to support this *Australian Research Council*

Linkage Grant as the major Industry Partner[1]. IBA is the major Australian institution with a brief to assist the growth in and success of Indigenous businesses. IBA wanted to get a clear picture of the contemporary Indigenous businesses landscape in Australia to fine tune its policies, programs and services in order to grow and strengthen the Indigenous businesses sector.

This research is the first large-scale study that incorporates a systematic analysis of the issues facing different types of Indigenous businesses across different locations. It is the first large scale (324 Indigenous entrepreneurs) and national (covering Indigenous enterprises in urban, regional and remote areas of all states and territories of Australia apart from Tasmania) quantitative analysis of the contemporary Indigenous business enterprise landscape, with a major focus on micro, small and medium Indigenous private enterprises. Indigenous private enterprises are the main focus of this research, although our research also included community-owned Indigenous businesses and Indigenous co-operatives. Together with qualitative interviews with Indigenous entrepreneurs and key stakeholders, this research project has provided new and important information about the economic, social and cultural dynamics of contemporary Indigenous business and the businesses' experiences of Indigenous entrepreneurs. It has provided important insights into the economic, social and cultural contribution of Indigenous business, the barriers they face and other factors that have an influence on business success and the strategies that they adopt in response to these constraints.

The key outcome of this research partnership between IBA, CIRCA, CSU and UTS is that we now have the clearest picture of complexity, diversity and vitality of the Indigenous small business sector in Australia ever to emerge. We have a much better understanding of the dynamics of Indigenous enterprises and the critical contributions that they make not only to Indigenous employment generation and economic growth but also to community development because Indigenous entrepreneurs care as much about their social contribution as they do about their business profits and sustainability. We also have a much clearer picture of the pathways to Indigenous entrepreneurship, the personal and business barriers that they face and the successful strategies that Indigenous entrepreneurs have employed to overcome these barriers. New insights into new strategies to improve the vitality of the Indigenous business sector have emerged.

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[1] CIRCA was the other Industry Partner for this ARC Linkage Grant.

Aims and Significance

There are *six aims* of this research project. The **first aim** is to *provide an overview of the nature of, and the dynamics of, private and community-owned Indigenous businesses and/or enterprises located in urban, regional and remote locations across Australia today*. There is no available research that provides a contemporary overview of the nature of Indigenous Australian private and community-owned business, and/or Indigenous enterprises in Australia. This research project is designed to generate an understanding of the dynamics of Indigenous enterprises and the economic and social contribution that they make across a wide range of industry types, ownership types and locations. We are also interested in exploring the extent to which, and the way in which, the activities of Indigenous enterprises are linked to Indigenous culture by providing goods and services that are unique to Indigenous culture – such as Indigenous art, tourism, food and artefacts – or by providing general goods and services to Indigenous communities themselves.

The **second aim** is *to identify the key factors contributing to business success* for private and community-owned Indigenous businesses. The research project investigated the relevance of a range of factors, including culture, governance arrangements, human capital, access to financial capital, availability of physical and technological capital and personal characteristics. It also explored how Indigenous social capital (including family, tribal and broader social networks as well as leadership and mentoring capacity) provide a basis to sustain (and to sometimes constrain) the formation of, and survival of, Indigenous enterprises.

The **third aim** is *to identify the key factors constraining business success* for private and community-owned Indigenous businesses, including the barriers to successful Indigenous entrepreneurship. The literature on Indigenous enterprises shows that Indigenous businesses face a wide range of barriers and problems. These are compounded by difficulties faced by potential Aboriginal entrepreneurs in establishing and developing business enterprises. These include problems related to accessing finance and relevant education and training, and those related to lack of support and discrimination. Yet much of this literature is today dated, highlighting the need for a contemporary investigation of these issues.

The **fourth aim** is to investigate *the role that Indigenous women play* in to the formation of, and development of, Indigenous enterprises. Australian and international research has highlighted a trend for the growth of female entrepreneurship in most Western countries today and the important role that women play in the success of male-owned enterprises.

The **fifth aim** is to investigate the *similarities in business aims, formation and dynamics of community-owned and privately-owned Indigenous enterprises*.

The **sixth aim** is to investigate the *role that location (metropolitan, regional and remote) plays in the nature of, success of and dynamics of Indigenous enterprises*.

Methodology

The research project employed ***qualitative*** and ***quantitative*** methodologies. The *qualitative methodology* included in-depth interviews with 38 Indigenous entrepreneurs - 22 male Indigenous entrepreneurs and 16 female Indigenous entrepreneurs - across Australia using a purposive sampling approach, maximum variation sampling. Each interview was conducted face-to-face with at least two researchers, and each lasted about 1.5 to 3 hours.

Figure 1 shows that this qualitative fieldwork was conducted in all Australian states other than Tasmania and in the Northern Territory. *Figure 2* shows that the research was designed to include Indigenous entrepreneurs in urban, regional and rural locations across Australia.

Figure 1: Qualitative informants by gender, State and Territory
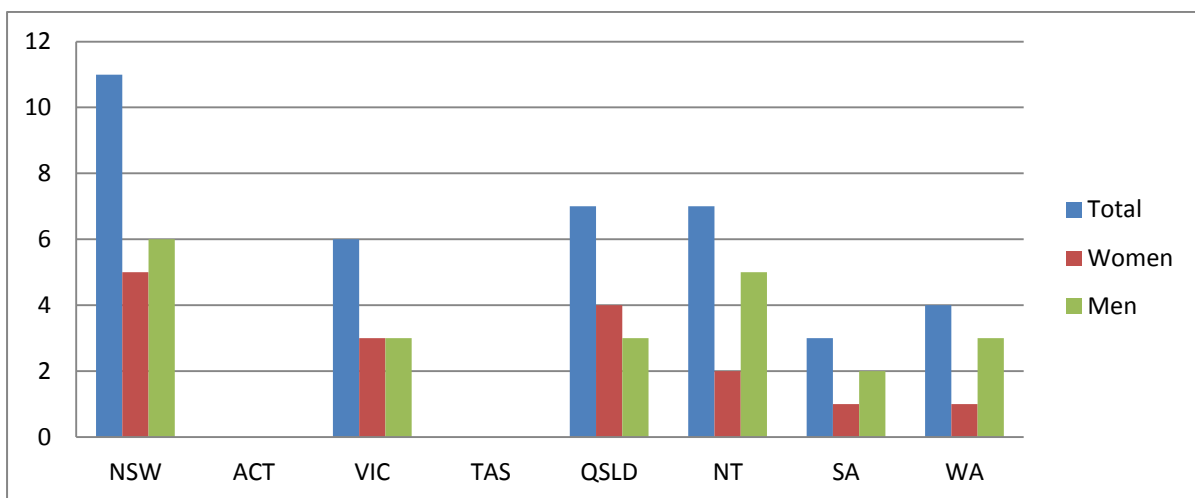
Figure 2: Qualitative informants by metropolitan, regional and remote areas by gender
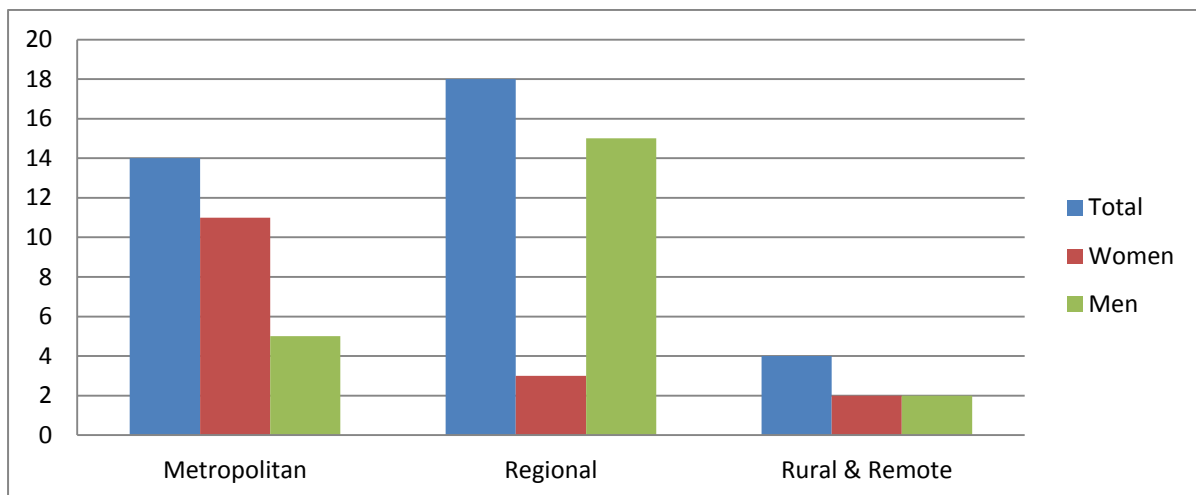
The other part of the qualitative methodology comprised of *key stakeholder interviews* designed to get insights into Indigenous entrepreneurship from government officials with responsibility for Indigenous entrepreneurship, key Indigenous community representatives and leading academics in the field. Interviews were held with Prime Minister and Cabinet, Federal Government (n=2), Victorian government (n=2), NSW government (n=2), NSW Lands Council (n=1), Supply Nation (n=1), academics from CAEPR, ANU (n=3) and UTS (n=1).

The information provided by the qualitative research was used to design a quantitative questionnaire. The survey included a section on potential contributions to community. Nine possible contributions to community were identified, plus three different goals or motivations for running a business. In addition, other questions were asked about engagement with the community, employment, training, provision of goods to the Indigenous community, and the sale of Indigenous products.

The quantitative methodology comprised of a survey of 324 Indigenous entrepreneurs in private (n=263), community (n=51) and co-operative (n=10), enterprises in urban, regional and remote areas of all states and territories of Australia apart from Tasmania. Quotas were set for urban, regional and remote areas of Australia, and for towns of different sizes. Sampling occurred in all capital cities, and a selection of smaller and medium-sized towns were randomly chosen for sampling. The sample was initially recruited probabilistically using the database, however the large turnover of Indigenous businesses over the period of our sampling (two years) and the many new-starts not listed in our database or other directories necessitated the additional use of internet searching to locate new businesses, contacting of local Aboriginal corporations, Chambers of Commerce, local Aboriginal

Employment Services or snowballing to identify potential businesses to survey, especially in regional and remote areas.

Each questionnaire was conducted in person with two interviewers who had completed cultural awareness training, apart from two which were completed over the telephone. Pretesting of the questionnaire was also completed, with twenty pilot questionnaires conducted with Indigenous business owners.

A total of 749 businesses were contacted to participate in the survey. Of these, 98 were out-of-business and 159 could not be contacted. A total of 87 who were contacted were not willing to participate in the survey, 13 were not Indigenous-owned and therefore could not be interviewed, and 12 initially agreed to participate but subsequently withdrew. A final sample of 324 businesses was achieved, representing a response rate of 51.1% based on those businesses still operating and who were Indigenous.

Table 1: Location of businesses across region and state – Quantitative Sample

	NSW	Victoria	Queensland	SA	WA	NT	ACT	Total
Urban	51	27	21	9	31	23	7	169
	44.7%	*58.7%*	*37.5%*	*100%*	*57.4%*	*60.5%*	*4.1%*	*52.2%*
Regional	57	19	34	0	0	0	0	110
	50.0%	*41.3%*	*60.7%*	*0%*	*0%*	*0%*	*0%*	*34.0%*
Remote	6	0	1	0	23	15	0	45
	5.3%	*0%*	*1.8%*	*0%*	*42.6%*	*39.5%*	*0%*	*13.9%*
Total	114	46	56	9	54	38	7	324

Note: column percentages are shown in italics

The industry classification of the quantitative sample based on ANZIC Industry codes is shown in Table 2. The most common classification was Professional, Scientific and Technical Services (21.1%), followed by Construction (13.4%), Arts and Recreation Services (13.4%), Administrative and Support Services (9%), Retail Trade (8.4%) and Education and Training (7.8%). Some gender differences were evident, with females less likely to be involved in construction and more likely to be involved in education and training and health care and social assistance.

Table 2: Industry sectors of Indigenous Australian entrepreneurs – Quantitative Sample

	Male		Female		Total	
	N	%	N	%	N	%
Agriculture, Forestry and Fishing	1	0.5%	2	1.6%	3	0.9%
Mining	3	1.5%	1	0.8%	4	1.2%
Manufacturing	2	1.0%	2	1.6%	4	1.2%
Electricity, Gas, Water and Waste Services	0	0.0%	0	0.0%	0	0.0%
Construction	35	18.0%	8	6.2%	43	13.4%
Wholesale Trade	3	1.5%	2	1.6%	5	1.6%
Retail Trade	15	7.7%	12	9.4%	27	8.4%
Accommodation and Food Services	4	2.1%	5	3.9%	9	2.8%
Transport, Postal and Warehousing	1	0.5%	0	0.0%	1	0.3%
Information Media and Telecommunications	11	5.7%	8	6.2%	19	5.9%
Financial and Insurance Services	1	0.5%	1	0.8%	2	0.6%
Rental, Hiring and Real Estate Services	7	3.6%	1	0.8%	8	2.5%
Professional, Scientific and Technical Services	42	21.6%	26	20.3%	68	21.1%
Administrative and Support Services	18	9.3%	11	8.6%	29	9.0%
Public Administration and Safety	3	1.5%	3	2.3%	6	1.9%
Education and Training	9	4.6%	16	12.5%	25	7.8%
Health Care and Social Assistance	4	2.1%	8	6.2%	12	3.7%
Arts and Recreation Services	28	14.4%	15	11.7%	43	13.4%
Other Services	7	3.6%	7	5.5%	14	4.3%
Total	194	100.0%	128	100.0%	322	100.0%

Findings

Our research provides perspective on the nature of Indigenous businesses across Australia, and how their characteristics differ across location and business type. Our findings indicate that businesses are engaged in a range of industries and are not just involved in culturally related activities, tourism or provision of government-funded services. There are significant numbers of privately-owned small-medium enterprises that are providing employment and also making significant contributions to their communities, particularly in urban areas. Community and cooperative businesses are also developing well in terms of increasing employment, opening additional offices/outlets and purchasing new equipment, although their sales and profit growth is less than for private firms. Community and cooperative businesses were also found to make substantive non-economic contributions to their communities, and more so than privately-owned businesses. A greater proportion of businesses were found to have reported growth in sales and profit than a decline over the past year; however a segment of smaller and older primarily privately-owned businesses was identified that was experiencing significant decline.

Uneven growth was identified across locations. Remote and to a lesser extent regional areas where there was a greater proportion of community-owned businesses and cooperatives experienced higher growth in terms of increasing number of employees, opening additional outlets, moving into bigger premises or purchasing additional equipment. However, in urban areas – where there was a much higher proportion of privately-owned firms – sales and profit growth was much higher than in remote or regional areas. It was also apparent from the qualitative and quantitative research that female entrepreneurs face particular challenges in developing their businesses, yet they were found to be critical for achieving employment for Indigenous females.

An interesting finding was that Indigenous businesses are very open to adopting new technologies and had much higher rates of adoption of internet and social media than other small businesses in Australia.

However, the sophistication of business practices also differed across locations and across business type. The sophistication of most practices was poorest in remote areas and best in urban areas. Community and cooperatively-owned businesses also on average have better practices than privately-owned businesses.

The difference in sophistication of business practices in part reflects the differences in support for Indigenous businesses across location. The quantitative results indicate that the usage of mentors,

completion of business degrees or diplomas and engagement in either Indigenous or non-Indigenous business networks is lowest in remote areas, and highest in urban areas.

Our findings indicate that business success – as measured by growth, number of employees, sales revenue and longevity – depends crucially on the adoption of sound business practices and the receiving of business support. These business practices are not limited to maintaining sound financial accounts, but include a wider range of practices such as sales and promotions, business planning and information technology and the ability to adapt to changing market conditions. However, there is not good recognition of the importance of this range of business practices, with the importance of promotions in particular not well understood by most businesses.

Regarding business support, our findings highlight the importance of higher level business training in the form of tertiary degrees or diplomas and raise questions about the contribution of less substantive business training such as business certificates. Our findings also highlight the importance of business networks, including Indigenous business networks for early stage businesses, and mainstream business networks for older businesses when it is more critical for businesses to "break-out" and engage in more heterogeneous networks. Our findings show that business mentors assist the development of older businesses, but intriguingly were found to have a neutral or negative effect on the growth of earlier-stage businesses. This raises questions about the nature of and effectiveness of mentoring, which is a potential subject for further research. While our research highlights the importance of both network engagement and mentoring for business success, many businesses do not prioritise involvement with either and engagement in such forms of support is relatively low, particularly in remote areas. There are also ambiguous findings regarding commercial bank loans: while there is evidence from the entire sample that commercial loans lead to increased sales revenue, for early stage businesses such loans appear to reduce growth. However, like previous literature, we find that relatively few Indigenous small businesses are successfully receiving commercial finance, and this rate is much lower than for other small businesses in Australia. It is possible that these findings have been affected by the very low number of businesses that receive commercial or other loans. Lastly, our findings indicate that having a spouse (either married or defacto) influences business success, but the effect of a spouse being Indigenous on the success of an early stage business depends on gender.

A range of business challenges have been identified. In the start up phase this includes poor cash flow, challenges with accessing finance and the need to improve basic business practices such as accounting systems and promotions, and access to key business services and advice.

Overall, a picture emerges from these results of what drives the growth of Indigenous businesses across Australia. Business growth is driven by the adoption of a range of quality business practices. Business growth also depends on getting appropriate support to help improve these practices, including a tertiary education, involvement in networks, mentoring (for older businesses), having a spouse and potentially accessing finance. However, it is apparent that many Indigenous businesses do not consider that some of these critical practices and forms of support (eg promotions, involvement in networks, mentoring) to be important.

These findings are suggestive of a new model of Indigenous business development that involves helping early start Indigenous business improve a range of business practices through in-depth skill development, mentoring and network engagement. In this model, skill development would not solely focus on financial skills and mentoring would not primarily be by accountants; businesses need a wider range of skills that need to be taught by mentors and others from several disciplinary backgrounds. This model could also involve support to address cash flow problems in early years using an approach that does not encourage dependency. This recommended model is effectively a hybrid model of business incubation.

Further details regarding our qualitative and quantitative findings are now presented.

1) Indigenous entrepreneurs are mostly satisfied.

Indigenous enterprises play a critical role in Indigenous economic, social and cultural development. But they also provide important opportunities for the Indigenous entrepreneurs themselves. Almost all those interviewed in the qualitative sample are satisfied with the way their business is performing. In the quantitative sample, 71% were satisfied or very satisfied with their business overall, although only 52.3% were satisfied or satisfied with the number of hours they were working. Almost all businesses included in the qualitative sample expressed overall satisfaction with their achievements in running the business although not all of them are making a profit (29 out of 38 were stated they are making a profit). The majority are also satisfied with the contributions they are making to their community.

2) Indigenous culture both enables and constrains Indigenous business success

Indigenous culture permeates the lives of Indigenous Australians and the lives and enterprises of Indigenous entrepreneurs. Like all entrepreneurs, Indigenous entrepreneurs are motivated to achieve profits and the material improvement in the lifestyles and life-chances of themselves and their families. However Indigenous entrepreneurs are also motivated by the opportunity that running a business provides to make a difference to their community in general and their Indigenous

community in particular. Our research has found that Indigenous culture both enables and constrains Indigenous business success. Many Indigenous enterprises situate their business activities within Indigenous culture. For these businesses, their comparative economic advantage lies in their Indigenous culture. Businesses related to Indigenous tourism, Indigenous arts and crafts and the provision of Indigenous services such as Indigenous cultural awareness training and providing access to Indigenous economic, social and cultural networks are examples of this. Indigenous culture thus enables Indigenous entrepreneurship in Indigenous market niches.

However as our research indicates, Indigenous enterprises are located in an amazing variety of business types, including those that that have no apparent basis in Indigenous culture: smash repairs, fitness centres, graphic designers and printers owned by Indigenous entrepreneurs are examples of this.

But Indigenous culture shapes the lives of all Indigenous entrepreneurs, irrespective of whether their business is involved in providing Indigenous goods and services. This has many positive aspects for Indigenous enterprises, including the ability to link to Indigenous social and business networks and being able to access support programs for Indigenous enterprises, such as those provided by *Indigenous Business Australia* and Supply Nation. However Indigenous cultural obligations such as income sharing and absence from the enterprise to attend events related to ceremonial obligations or family obligations can constrain the competitiveness of Indigenous enterprises.

For many Indigenous entrepreneurs, Indigenous culture both constrains and enables their enterprise activities. For example a Darwin-based tourism business owned and operated by an Indigenous woman had a comparative business advantage that derived from the ability to provide Indigenous insights to the experience of local and international tourists. But the Indigenous entrepreneur reported that her main business constraint was in securing reliable Indigenous workers for her business.

3) Growing importance of female Indigenous entrepreneurs

One of the noticeable trends in entrepreneurship internationally has been the growth of female entrepreneurship. This trend is also evident in Australia, with the growth rate of female entrepreneurship in micro, small and medium business enterprises exceeding that of male entrepreneurship. The importance of Indigenous women entrepreneurs is also evident in national census data and in the fieldwork conducted for this research project. Four out of ten (128 out of 324) Indigenous enterprises surveyed during the quantitative phase of this research were owned and operated by Indigenous women. Female-run Indigenous businesses are of particular importance

as they are twice as likely to hire females compared to males, while male-run Indigenous businesses are twice as likely to hire males. Given that male run enterprises hire almost twice the number of employees, these findings imply that growth in the number of female run enterprises is crucial for securing additional employment for Indigenous females. This gendered nature of Indigenous entrepreneurship has important implications for policies and programs designed to support existing Indigenous enterprises and facilitate the establishment of new Indigenous enterprises.

4) Indigenous businesses embedded in family and social values and networks

One of the key findings to emerge from the quantitative and qualitative research (including key stakeholder interview) is that the traditional neoclassical economic approach to private enterprise that is based solely on an individual entrepreneur maximising his or her profits is very wide of the mark for Indigenous private enterprises. Indigenous entrepreneurs who operate private enterprises, community-owned enterprises or cooperatives are motivated to achieve income and opportunity not only for themselves, but for their family and their community. Many Indigenous entrepreneurs were in a formal or informal business partnership with their husband, wife or partner. Many of these husbands, wives or partners are non-Indigenous, the implications of which are discussed below. Like SMEs in general, Indigenous private enterprises are more often than not family affairs. Family considerations shape the enterprise dynamics and activities. Moreover the activities of Indigenous private enterprises are often embedded in Indigenous community networks. In other words, *social capital* is as important to understanding Indigenous entrepreneurship as is *private capital*.

Indigenous entrepreneurs also put a high value on serving community needs. As Table 3 shows, two in three (67%) Indigenous entrepreneurs who operate private enterprises have volunteered their time in local community activities and events that are not related to their business. More than half support local sport teams or cultural events and frequently provide unpaid advice to others. This is even more frequent among Indigenous entrepreneurs engaged in community-owned enterprises or cooperatives. In other words Indigenous entrepreneurs are community leaders at the same time that they are economic leaders, which is remarkable considering how time-poor entrepreneurs are. This is seen in the finding that nine out of ten Indigenous entrepreneurs act as a positive role model for young people in their community.

Table 3: Community Contributions of Private, Community and Cooperative-owned Businesses

Community contributions	Privately owned	Community owned	Co operative
Volunteer time to be involved in local community events or activities not related to their business	67%	61%	90%
Been on management or organising committee	12%	19%	17%
Sponsor local sport teams or cultural events	54%	55%	70%
Provide discounted/free goods or services to Community Groups or Events:			
- Occasionally	36%	20%	0%
- Frequently	36%	57%	80%
Provide advice and support not paid for:			
- Occasionally	22%	20%	10%
- Frequently	56%	69%	80%
Seek to employ Indigenous People	62%	94%	100%
Give percentage of profits to community organisations and initiatives	17%	49%	40%
Act as positive role model for young people in community	89%	92%	90%

5) Indigenous business is important for Indigenous employment creation

Indigenous businesses provided good opportunities of employment for Indigenous people. People with an Indigenous background accounted for about 56% of total employment created by our sample businesses (1,973 out of 3,524 persons). About 73% of businesses mentioned that they would prefer to employ Indigenous over non-Indigenous people. However, on many occasions businesses had difficulty recruiting appropriate Indigenous employees although they would have liked to employ them. About 56% of businesses in our sample indicated that the proportion of Indigenous employment would increase in the next few years.

6) Importance of promotions for business performance

The literature on Indigenous business success is relatively silent on the importance of promotions for business growth. Only a few studies, mostly involving case-studies or qualitative research, have previously been completed. Our findings indicate that promotions are important for achieving growth, especially for smaller and privately-owned firms. Our results further indicate that a large number of firms (50%) are relying only on electronic and social media for their promotions and that a substantial proportion (26%) conduct only limited promotions. Moreover, the firms that use limited promotions are less likely to consider that promotions are an important factor in business success and are more likely to consider that their promotions are adequate, suggesting a lack of understanding of the role and importance of promotions and marketing. Lesser usage of promotions tends to occur more frequently in remote areas especially and to a lesser extent regional

areas. When asked about perceived challenges at start-up and currently, promotions and marketing was one of the most frequently cited challenges both at start-up and currently which suggests a general inability to improve promotions, even with further business experience. This is unlike some other perceived challenges, such as accounting systems, which were found to have improved markedly since start up.

7) Importance of other business practices for business performance

A range of other business practices were found to influence business performance including sophistication of accounting systems, extent of internet (ICT) usage, sophistication of business planning and the ability to adapt and diversify in a changing market. Some of these practices relate to how an entrepreneur runs their business, while diversification speaks to the ability to adaptively manage it. Adaptive management was particularly important in explaining business longevity.

8) Importance of networks for business performance

Networks have been previously linked to Indigenous business success (eg Kristiansen 2004, Foley 2008). However, as far as we are aware, no previous studies have differentiated between non-Indigenous or Indigenous business networks or examined their effect on business growth and success using quantitative analysis. Our findings suggest that networks are very important for growth, however their importance differs according to the type of network, the age of the business and the gender of the entrepreneur. Examined across our entire sample, only non-Indigenous businesses were found to positively influence business success. However, upon closer examination, Indigenous business networks were found to positively influence the success of businesses that had been operating for less than five years for both female and male-run businesses. The effectiveness of these Indigenous networks for female new-start entrepreneurs was surprisingly large when compared to the effect of having a tertiary degree or diploma. This suggests that these networks play an important role in nurturing early-stage female entrepreneurs. Men running new-start businesses, however, benefitted from participating in either Indigenous or mainstream business networks, though they benefitted more from the Indigenous networks. However, for businesses operating more than five years only, mainstream business networks were associated with increased growth, suggesting that over time businesses benefit from branching out and participating in more heterogeneous business networks. This suggests that bridging capital becomes more critical the longer a business has been operating.

9) The effectiveness of business mentors

Relatively few businesses (12%) were found to have used mentors at start up. Mentoring was most likely in urban areas, and very unlikely to have occurred in remote areas. Mentoring was not found to be particularly highly valued by businesses. When asked what were the most important factors influencing the success of their business, it was ranked the second lowest in terms of the percentage of businesses indicating that it was one of the three most important factors of success. Surprisingly, across the entire sample the use of mentors to help establish the business was found to have either an insignificant or negative effect on business performance. However, a more detailed analysis revealed that mentors were particularly effective at encouraging growth among firms operating more than five years, but led to reduced growth for male entrepreneurs running firms that have been operating for five years or less, and had no significant effect on growth for female entrepreneurs operating this length of time. This is a puzzling result. One possible explanation is that mentors hold entrepreneurs back and encourage consolidation among newer firms and this leads to more growth later, although a more negative interpretation is that their recommendations are more suited to established rather than early start businesses. Given the surprising nature of these findings, further research on mentoring and what leads it to be effective or otherwise is warranted. Further funding and promotion of mentors may also be warranted given the relatively low uptake of mentors and the limited awareness of their benefits.

10) The role of Tertiary business degrees and diplomas

Having a tertiary business degree or diploma was found frequently to be an important predictor of business performance, although more so among female entrepreneurs. This contrasts with having a certificate in business, a trade or technical qualification, or a tertiary degree but not in business, where no significant effects were found. Having a tertiary qualification was found to be a characteristic of high growth firms. This level of training appears to be associated with usage of improved business practices. However, when males only were included in the sample, no significant association was identified. This suggests that there is a case for encouraging further university level qualifications among Indigenous business, but it also suggests that there is a need to investigate why they might be less effective in assisting with business performance among male Indigenous entrepreneurs.

11) The role of partners in business success

One of the key features of Australia's Indigenous communities today is the degree of legal or de-facto relationships with a non-Indigenous person. 2011 census data shows that most Indigenous

Australians who have a partner have a non-Indigenous partner. In Australia's large cities and regional areas such as Cairns and Broome more than 70 per cent of Indigenous Australians have a non-Indigenous partner. The 2011 Census shows that 56.9 per cent of partnered Indigenous men had a non-Indigenous spouse. This was slightly lower than the corresponding figure of 59.0 per cent for Indigenous women. These percentages also represented a steady increase from the previous 2006 Census (Biddle 2013, p.2). 2011 was also the first Census in which a majority of both male and female Indigenous people were partnered with a non-Indigenous person (Heard et al. 2009, p.1).

In our qualitative fieldwork the cosmopolitan character of the families of many Indigenous entrepreneurs became evident. A number of the Indigenous entrepreneurs in Darwin, for example, had Chinese heritage and saw this as an important factor in their move into entrepreneurship. Similarly non-Indigenous partners of Indigenous entrepreneurs across Australia come from remarkably diverse cultural backgrounds, reflecting the multicultural cosmopolitan character of Australian society.

Previous studies have observed that many Indigenous entrepreneurs running privately-owned enterprises have non-Indigenous partners (eg Foley 2006a), and that this may be a success factor. Our results partly confirm this previous finding; we found, for example, that for female Indigenous entrepreneurs with a business five or less years old, having a non-Indigenous partner was significantly and substantially associated with increased growth. Indeed the increment to growth was similar in magnitude from the increment due to having a tertiary degree or diploma. However, our results suggest that the role of a partner is more nuanced than previously thought. The highest growth segment did not have the highest percentage of non-Indigenous partners. Further, for the entire sample we found that having either an Indigenous or non-Indigenous partner had similar effects on the number of employees and the magnitude of sales revenue. Furthermore, we found that for businesses five or less years old that having a partner who was Indigenous was significantly associated with increased growth but having a non-Indigenous partner was not; and we found that for men running these new start businesses having a partner who was Indigenous was significantly associated with increased growth but having a non-Indigenous partner was not. Thus, having a non-Indigenous partner appears to increase the success of female entrepreneurs, possibly helping them interact with non-Indigenous Australia and bringing in other skills. However, for men, having an Indigenous partner is beneficial to growth, possibly due to the improved cultural knowledge and community connections that this would create.

12) The problem of cash-flow for new start businesses

Our quantitative results indicated that problems with cash flow were particularly pronounced for privately-owned new-start businesses, operating for less than three years. After that cash flow on average was at a much higher level. Our qualitative findings confirmed that many new start businesses struggled with generative sales and achieving a reasonable cash flow when starting their business. It is likely that this is a reason for the large number of Indigenous business failures in the initial years of establishment, and implies the need for programs to financially support businesses during this crucial phase.

13) The effect of location

Overall, our results suggest that remote enterprises are achieving the highest levels of business growth in terms of establishing new premises, hiring more employees etc, though a higher proportion of urban businesses are reporting increased sales and profit. In terms of business practices we find that for most practices apart from accounting systems, remote businesses have the lowest adoption of quality practices which is highest in urban areas. In terms of support for business, there is a general pattern of urban and then regional businesses having much higher levels of support than regional businesses. This higher adoption of quality practices and higher levels of support could explain the more frequent reported increase in sales and profit among urban businesses. While remotely located business are performing well for many measures (ie growth index, employment, sales revenue) these results suggest that better practice adoption through improved support could lift the performance of remote and also regionally-based businesses.

14) The role of finance and its effect on business performance

Previous qualitative studies of Indigenous businesses have identified a lack of finance as negatively impacting the success of Indigenous businesses. Our qualitative fieldwork also revealed that lack of access to bank finance was commonly considered a major constraint to establishing the business in the first instance and in successfully operating that business once established. Most relied on personal savings or on borrowing funds from family members. Very few had bank loans. Our quantitative survey findings confirm that relatively few Indigenous businesses were able to attract finance for their business, with 55% relying on personal savings and a further 21% not relying on any of the forms of financing mentioned. Furthermore, businesses had limited success in raising funds: out of 324 businesses, only 22 businesses reported receiving a commercial bank loan or mortgage, 19 received an IBA loan, while 28 reported being refused a commercial bank loan. It seems that many Indigenous entrepreneurs are not seeking commercial loans because of a perceived likely lack

of success, or for other reasons, and even when they seek a loan from a commercial bank they are more likely than not to be unsuccessful. Interestingly, access to finance was one of two perceived challenges related to business activities (the other was promotions and marketing) that was a significant challenge for a large proportion of business at both start-up and currently.

However, apart from a marginally significant positive effect on sales revenue, no other effects on business growth (as measured by number of employees or age of business) were identified. This raises questions about the importance of access to finance in influencing the success of Indigenous businesses, relative to addressing other challenges. However, the lack of significance could also reflect the low proportion of Indigenous businesses able to attract finance; further research would clarify this finding. It also suggests that existing approaches used to judge the suitability of Indigenous businesses to receive funding may be inappropriate.

IBA is an important source of finance for Indigenous entrepreneurs. However further consideration about ways to increase the loan rates to newer and less established and successful Indigenous entrepreneurs could pay great dividends in terms of the growth and vitality of Indigenous businesses in Australia. Moreover much more needs to be done to bridge the great divide between Indigenous entrepreneurs and bank finance in Australia.

15) Consequences of selling Indigenous products and Indigenous branding

Selling Indigenous products was found to either have no or a negative effect on business performance. For the entire sample, selling Indigenous products was negatively related to number of employees and sales revenue, suggesting that such firms tend to be smaller in size. However, no effects on growth were identified from selling Indigenous products.

With respect to Indigenous branding, this was found to be positively related to the number of employees for the entire sample, but negatively related to growth for community and cooperatively-owned businesses.

16) The effect of business type

Our results suggest that community/cooperatively owned enterprises are outperforming privately-owned businesses in terms of the growth index, sales revenue and employment. However, like urban businesses, a higher proportion of privately-owned businesses are reporting increased sales and profit.

We found that the overall adoption of quality practices is higher among community/cooperative businesses than privately-owned businesses. However, quality business practices appear to be more critical to the success of privately-owned businesses than for community/cooperatively-owned businesses, with a larger number of explanatory variables related to business practices significant in the regression for privately-owned businesses. We find that for businesses that are privately owned certain types of support are more likely to occur (mentors, technical or trade qualification, participation in Indigenous business networks), however other forms of support are more likely to be realised by community/cooperative businesses (non-Indigenous networks, degrees). It is apparent that there is potential to increase some forms of support among privately-owned businesses (eg engagement in non-Indigenous networks and tertiary business qualifications) which is likely to have a significant benefit given the effect of improved practices on the performance of privately-owned businesses. For community-owned businesses there is also the opportunity to improve other forms of support for community-owned businesses (eg use of mentors, engagement in Indigenous business networks).

17) Opportunities for Improving Policy Support for Remote and Female-run businesses

Two specific disadvantaged groups of businesses identified in this research are female-run businesses and those located in remote areas.

Female-run businesses accounted for 40.1% of the sample, while the proportion of female Indigenous employees in sample businesses accounted for 42.4% of total Indigenous employment. Analysis of the data reveals that female-run businesses were clearly disadvantaged in growth of sales revenue, employment, growth and survival (age of business) – regression coefficients were found to be negative and significant. However, female entrepreneurs benefited from various forms of support such as Indigenous business networks, mentoring and completing a tertiary level diploma or degree in business. Having a partner from the non-Indigenous population also helped early-stage female entrepreneurs to achieve growth in their business. Thus, providing appropriate assistance can improve the performance of female entrepreneurs.

In our sample 14% of businesses are located in remote areas. Our results show that older businesses in remote areas performed well in terms of growth, particularly male-run businesses. However, the extent of their community contributions was less than in urban or regional areas. The results reveal that remotely located businesses generally have quality accounting systems but perform poorly in terms of other business practices. Remote locations were found to be particularly disadvantaged with respect to business support such as business networking, mentoring services and receiving financial support such as bank loans. In particular, no mentoring support was found to have occurred

for our sample businesses located in remote areas. Participation in tertiary degrees or diplomas in business was also much lower than in urban areas. As business support plays an important role for new entrepreneurs there is a rationale for seeking to improve such services in remote areas. If this was to occur, the levels of growth as well as their capacity to contribute to their community would be likely to increase.

18) **Need for new approaches for supporting new-start Indigenous Business in Australia**

One of the strong findings of this research project is that while there is a strong appetite for entrepreneurship among Indigenous Australians today – evident in the very strong growth of Indigenous entrepreneurship over the past two decades – there are many constraints that stifle the potential of Indigenous entrepreneurship to make a greater difference in the lives of Indigenous Australians by closing the gap in Indigenous socio-economic outcomes in Australian, particularly Indigenous employment. A major constraint is the lack of easy access of Indigenous entrepreneurs to business finance. New innovative ways of bridging this finance gap for Indigenous entrepreneurs could prove effective in increasing the number of Indigenous enterprises in Australia in future decades eg microfinance and equity-based finance. There is a great need for new ways to support newly-established Indigenous enterprises and to support and facilitate Indigenous Australians to take the risky move into entrepreneurship. Indirect policy support to improve Indigenous outcomes in education and employment will clearly assist in this regard. But these policies need to be supplemented with new policy initiatives to more effectively tap the potential of Indigenous entrepreneurship in Australia, particularly with respect to income support during the establishment phase of the business. This is particularly relevant to female Indigenous entrepreneurs because of the historical gender bias in business finance in Australia and to Indigenous entrepreneurs in remote regions who face the biggest constraints, including very constrained market opportunities and high cost structures.

Recommendations

1) Changing the definition of Indigenous business

One key recommendation to emerge from this research project is the need to rethink how we define Indigenous enterprises. The existing Supply Nation definition of Indigenous enterprises requires more than 50 per cent Indigenous ownership and control for an enterprise to qualify for access to their supply-chain networks. Other public and private organisations also utilise this definition in

deciding which enterprises can access their programs to support Indigenous enterprises. The problem with this definition is that it excludes private enterprises that are jointly-owned by an Indigenous person and his or her non-Indigenous partner. Our research showed that this is a common situation in Indigenous private enterprises in Australia today. But these enterprises are prevented from access to many support programs. Another problem with the Supply Nation definition is that enterprises owned by Indigenous community organisations with an Indigenous Board directing enterprise activities and strategy but employing a non-Indigenous manager(s) are also excluded from these programs. Our field work in Darwin found a number of community-owned Indigenous enterprises could not get access to the economic activities designated for Indigenous enterprises from Darwin's large liquid natural gas developments for this reason.

The Forrest Review (2014, p.186) suggested that in the implementation of procurement policies the definition of Indigenous Business (or, as the report calls them, first Australian firms) be changed to include "those that have 25% or more first Australian ownership and management and can demonstrate significant first Australian employment outcomes". This move may dilute Indigenous ownership and control too severely and be open to manipulation by firms who put in token Indigenous involvement to get access to fairly lucrative support programs that the Forrest Review recommends. Our quantitative research findings suggest that there are very few existing Indigenous businesses with less than 50% Indigenous ownership. Nevertheless the case to review the definition of Indigenous Business is strong. We would recommend that the definition be marginally changed to include businesses with 50% Indigenous ownership to enable private enterprises that are jointly-owned by an Indigenous person and his or her non-Indigenous partner to access existing programs of Indigenous business support. We note that this recommendation is consistent with the current IBA definition of Indigenous Business as being at least 50% Indigenous owned.

2) Change approach used to evaluate Indigenous business suitability to finance

The findings from our quantitative research indicate that only a minority of Indigenous businesses are successfully receiving finance from commercial banking institutions, and our qualitative findings indicate that even successful Indigenous businesses have been refused finance. This has been, for example, because of a poor credit history due to incidents from, in some cases, when the entrepreneur in question was a teenager (eg failure to pay a mobile phone bill). This suggests that the approach used by lending institutions to evaluate the suitability of Indigenous businesses needs to be re-evaluated and be based more on current capacity to pay, the existence of critical supports (eg a mentor, participation in a network, business qualifications, evidence of good systems) and potential for the loan to leverage business growth.

3) Develop new strategies, policies and programs to improve Indigenous business access to commercial bank finance

Our research has identified problems related to access to Indigenous enterprises to finance as a major constraint to their business success. Many Indigenous enterprises, particularly those in micro and small businesses, are marginal in their first few years of establishment. They struggle to make ends meet. A challenge for new-start Indigenous businesses is to deal with a relatively low cash flow during the initial period of operation. We found that cash flow was substantially and significantly lower in the first three years of operation for privately-owned business which potentially affects the viability of the businesses.

Problems of accessing business finance is not only a characteristic of micro and small Indigenous businesses: all micro and small businesses go through a difficult establishment phase. The main difference is that Indigenous entrepreneurs are very much less likely to be able to get access to business loans from Australian banks. Indeed only 19 out of 324 Indigenous entrepreneurs (5.9%) surveyed reported that they had secured a bank loan to support their business. Our research was not able to probe this aspect in the detail necessary to provide a nuanced understanding of why Indigenous entrepreneurs are not accessing bank business finance to a commensurate degree to other Australian entrepreneurs. This is an aspect that needs further research, although it is clear that the lack of access to collateral and/or histories of financial difficulties restrict many Indigenous entrepreneurs in this regard.

One option to deal with this issue could be the introduction of a HECS style loans program for Indigenous enterprises. Such a program could involve a declining amount of funding such as 100% in year 1, 50% in year 2 and 25% in year 3 to assist in covering living expenses during establishment. To continue receiving funding, key business milestones would need to be achieved, such as establishing key business practices and participating in a business network, or receiving mentoring. Entrepreneurs would then pay the loan back when their income passes a certain threshold.

Another option could be the introduction of new micro-finance initiatives to bridge the gap in Indigenous business finance, particularly for marginal businesses in the set-up phase or in their first years of establishment. Experience with a new program attempting to assist newly arrived refugees establish enterprises in Sydney suggests that access to small loans at favourable rates through micro-finance organisations could potentially be very successful in terms of strengthening the success of existing Indigenous private enterprises and increasing new Indigenous private enterprise formation. This will be non-collateral based funding. The program administrator would preferably

need to be a group that is not directly connected with commercial banks so that they are seen to be approachable by Indigenous businesses.

Another alternative is to seek to develop other non-loan based forms of funding, such as equity-based financing. This could also involve provisions whereby over time Indigenous businesses have the opportunity to "buy" back this equity at reasonable rates.

4) Support early-stage businesses through a new Business Development Program

One of the strongest findings of this research project is that there are few programs to support new Indigenous enterprises to be established or to support Indigenous enterprises in their first difficult years, apart from IBA's "Into Business Workshop" and IBA provided mentoring. In addition to problems related to business finance, this is the major policy gap related to supporting Indigenous enterprises in Australia. In this regard we recommend that a pilot program to facilitate the creation of new Indigenous enterprises be established. Experience with a new program attempting to assist newly arrived refugees establish enterprises in Sydney provides insights to key features of such a program. First two *Enterprise Facilitators* would be hired for three years. They would play the role as a broker between aspiring Indigenous entrepreneurs and volunteers who would comprise a Resources Team with expertise across a wide range of skill sets required by new business owners: finance, accounting, marketing, IT, Web design, supply chains, business and consumer networks and the like. The Resources Team would meet bimonthly with the Enterprise Facilitators who would go thorough different business needs of their Indigenous entrepreneur clients. Eventually on-line contact replaces bi-monthly meetings, easing the time pressure on Resources Team experts. This program – *Facilitating New Indigenous Enterprises* - could be trialled in the first instance in one major city like Sydney, as well as a regional area like Bathurst, and a remote location like Bourke. The program would be independently evaluated and revised during the three years. If the program is successful and the evaluation positive, such a program could be rolled out to urban areas in other states and to other regional and remote communities as well.

Another possible approach to assist new Indigenous enterprise formation could be to relaunch the NEIS program whereby Indigenous unemployed could get advances on their unemployment benefits to provide start-up capital for their business. If the business is successfully established any financial obligation of the new Indigenous entrepreneurs related to future unemployment benefits would be erased. Moreover, some scheme modelled on the HECS type scheme described above could be introduced to provide much needed capital injection into the business in the first two to three years. Such a scheme could also assist other Indigenous enterprises in their first three years. Like HECS,

repayment of these business loans would only begin once the entrepreneur's income or the business' profit reached a certain level commensurate with the HECS program.

5) Evaluation of Mentoring Programs

While the findings from our qualitative research indicated that mentors are important for business success, our quantitative findings suggest that the impact of mentors was more nuanced. Specifically, early stage businesses did not benefit from using mentors, while usage of mentors negatively effects the growth of early stage male-run businesses. However mentors had a positive effect on more mature businesses run by either males or females. These findings are puzzling, and raise questions about the effectiveness of mentoring for businesses at different stages of development, and for male versus female run businesses. It suggests the need for a review of what materials are covered in mentoring programs, its robustness and its appropriateness for different types of business. Such a review should include both industry experts and academics with expertise in entrepreneurship, including Indigenous entrepreneurship.

6) Development of Mentoring Programs in Remote Areas

A notable finding was the absence of mentoring among remote businesses in our sample. Given the comparative poor levels of business skills of remote businesses, this suggests a need for the establishment and resourcing of mentoring programs for businesses in remote locations.

7) Development of Business Incubators that draw on best practice

There are a number of business incubators that have been developed nationally and internationally to develop non-Indigenous, ethnic and Indigenous business. This includes non-Indigenous incubators at the University of Melbourne and University of Technology, Sydney. University of Technology, Sydney has also recently developed a specific refugee business incubator which is being co-led by Professor Jock Collins, who is one of our research team. This incubator is proving to be very successful in encouraging the development of new refugee businesses. In addition, Indigenous incubators like the Darebin Enterprise Centre, although not linked with a University partner, are providing business support. Overall the evidence suggests that incubators can be very effective at accelerating the development of businesses, and we believe that it is likely that this will transfer to the Indigenous context, and that further efforts could go into establishing Indigenous business incubators that are linked to universities so that best-practice advice is imparted.

8) Establish networks for remote businesses

Our results demonstrate that involvement in business networks is low among remote businesses, even though this has been found to be an important factor in influencing growth. An alternative would be to fund or organise the establishment of networks among remote businesses, or encourage the development of links between remote businesses and other networks in urban or regional areas using modern technologies.

9) Establish network for community and cooperative-owned businesses

Similarly, our results indicate that the engagement of community and cooperative businesses in Indigenous business networks is relatively low. It is possible this is because of a perception that Indigenous business networks are primarily for privately-owned businesses. Given the benefits of networking and the specific needs and challenges of Indigenous community and cooperative businesses, there is a case for establishing a network or networks for such businesses.

10) Encourage engagement of mature Indigenous businesses in mainstream business networks

Another finding was that more mature businesses benefit substantially from participating in mainstream business networks, and more so than participating in Indigenous business networks. This is akin to the notion in the ethnic entrepreneurship literature of "breaking out". Mainstream business networks could be identified and contacted about inviting Indigenous businesses to participate. Mentors, government business advisors and development officers and other support agents could also be urged to encourage participation in such networks.

11) Develop a how to guide for effective promotions among Indigenous businesses

Promotions was found to be an important factor in business growth, yet only 25% of businesses were making use of both traditional and electronic promotional techniques. A guide on effective promotions for Indigenous businesses could be developed. This would focus on effective promotional activities for micro, small and small to medium sized businesses. It would need to recognise that cash-flow is limited for micro and small businesses, so the array of possible promotional techniques is fewer. It would need to focus on both advertising and public relations (that is, zero cost promotional approaches). Case study examples should also be included.

12) Encourage higher level skill development among Indigenous businesses

Having a tertiary diploma or degree in business, as well as employing a range of sophisticated business practices were found to significantly influence business success. However, having a non-

business related tertiary degree, a business certificate or having TAFE/technical qualifications, were not found to positively affect business success. This suggests a need for policies to encourage business education among Indigenous entrepreneurs at the tertiary level.

Given that specific skills were found to be related to business success (eg promotions, accounting systems, ICT), programs could be developed to address these skills. This could include development of information guides (see Recommendation 11), but also mentoring of businesses in these key areas, particularly in remote areas and among female entrepreneurs.

13) Additional support needed for female entrepreneurs

A concerning finding was the poor performance across multiple indicators of the success of female owned or managed businesses. Furthermore, some standard forms of assistance for early stage businesses such as mentors and participation in mainstream business networks was not found to be helpful in encouraging the success of female entrepreneurs. However, some other forms of support were found to be helpful, including participation in Indigenous business networks, mentoring and achieving tertiary business diplomas and degrees. Given the relatively poor performance of female run businesses relative to their male counterparts, there is a rationale for increasing funding for activities that have been found to encourage growth. Further research could also investigate why mentors have not been effective at increasing growth for this cohort, and why participation in mainstream business networks have not been effective for early stage female entrepreneurs but is effective for encouraging growth for later stage female entrepreneurs.

14) Improving information to match Indigenous employers with potential Indigenous employees

Our research indicated that many businesses are wanting to increase numbers of Indigenous employees but often have trouble finding suitable Indigenous staff. An alternative is to support the development of Indigenous jobs databases such as Indigenous Jobs Australia. This could involve providing information to Indigenous businesses about the existence of such databases, and advertising to the Indigenous community about it. Virtual or actual job fairs could also be held.

1. Introduction

1.1   Motivation and Importance of the Research

This is the final report of a three year Australian Research Council Linkage Grant titled "Determining the Factors Influencing the Success of Private and Community-owned Indigenous Businesses across Remote, Regional and Urban Australia". The Industry Partners for this ARC Linkage Grant were Indigenous Business Australia (ABA) and the Centre for Indigenous Research and Community Action (CIRCA). The main industry partner, Indigenous Business Australia (IBA), made a financial commitment to the project of $200,000 over three years ($100,000 in Year 1 and $50,000 in Years 2 and 3). In addition, they provided substantial in-kind support (valued at of $90,000) over the three years of the research project. As part of this in-kind support, two IBA staff members (David Brudenall, Senior Manager, Research and Strategic Engagement and Matthew Nogrady, Research Officer – later replaced by Rebecca Devitt) participated on the research team. As members of the research team they assisted at all stages of the project, including (1) providing advice with respect to the design of moderator's outlines for the in-depth interviews and questionnaires, (2) sample selection, including identification of expert interviewees and information about Indigenous Business Networks, (3) providing access to documents, (4) assistance with data analysis and (5) participation on the Indigenous Advisory Committee. Our second industry partner, the Cultural and Indigenous Research Centre Australia (CIRCA) - a non-profit research agency that focuses on issues facing multicultural and Indigenous communities - provided $30,000 in-kind support for each year of the project. Ms Anne Redman who is the research manager at CIRCA assisted the project team in providing contacts with Indigenous businesses and provided feedback on the survey instruments, draft reports and papers arising from the project.

The motivation for this research was the substantial and entrenched socio-economic disadvantage of Indigenous peoples in Australia and the pressing need to explore the potential of Indigenous entrepreneurship to significantly address this disadvantage and make a sustained difference in the lives of Indigenous peoples in Australia.

The development of successful businesses by Indigenous Australians is important for improving the quality of life for many Indigenous communities. Indigenous businesses provide jobs for the Indigenous community, provide important pathways to Indigenous self-determination and provide new possibilities for Indigenous youth and Indigenous communities in urban, regional and rural Australia. A strategy designed to improve the rate of Indigenous enterprise creation must be based on solid, evidence-based foundations. However, there has been little research into Indigenous

enterprises in Australia today, a necessary input into evidence-based policy development. New research is needed into the different types of Indigenous enterprises currently in existence, the issues they face and the factors influencing their success. This research is the first large-scale study that incorporates a systematic analysis of the issues facing different types of Indigenous businesses across different locations. It is the first large scale quantitative analysis of the economic, social and cultural dynamics of contemporary Indigenous business and of the perceptions of Indigenous entrepreneurs about their businesses, the barriers they face and other factors that have an influence on business success, and the strategies that they adopt in response to these constraints.

This study is of practical importance as it will provide our industry partners (IBA and CIRCA) as well as Commonwealth (eg Prime Minister and Cabinet) and State Government (eg Trade and Investment NSW) policy makers, and others from the private sector (eg Indigenous Chambers of Commerce), with a solid and needed information base for developing programs to assist the development of Indigenous businesses in urban, regional and rural contexts. It is apparent that there is a need to review and revise the existing policies and programs to support existing Indigenous enterprises and Indigenous entrepreneurs. At the same time it is evident that there are few policies or programs to facilitate the start-up of new Indigenous enterprises and to assist potential Indigenous entrepreneurs to successfully establish a new business. This research aims to provide contemporary evidence-based research that will provide insight into policies and programs to support existing Indigenous enterprises and Indigenous entrepreneurs.

The research is *innovative* in a number of respects. First, it involves a mixed methodology, which includes a substantial quantitative study of Indigenous businesses complemented by qualitative research instruments in the form of individual in-depth interviews with Indigenous entrepreneurs. Second, the research will be the most extensive yet carried out in Australia, covering Indigenous businesses located in metropolitan, regional and rural areas of Victoria, NSW, ACT, South Australia, Queensland, Western Australia and the Northern Territory. Third, the research involves the use of a range of constructs (described in the conceptual model) including the enabling and constraining impact of Indigenous social networks (social capital) on enterprise formation, success and innovation (ATO 2009), that have rarely been used to evaluate business success, though there is emerging evidence in the literature of their importance (Klyver and Foley 2010). We investigate the importance of a range of variables including personal disposition, cultural capital, institutional capital (such as governance arrangements), human capital (including knowledge and business skills), social capital, availability of government services and other infrastructure, and availability of financial capital in influencing business success. Fourth, the research investigates the factors

influencing the success of female Indigenous entrepreneurs. This is particularly important, given the role of Indigenous women in achieving economic independence for their families, which has not previously been examined in the Australian context. Fifth, we critically review existing and past support policies, and policy areas that are in particular need of support or strengthening.

The *national benefit* of this research project stems from the fact that it is the largest and most comprehensive research into contemporary Indigenous entrepreneurship in Australia. Indigenous enterprises (private and community-owned) are critical to helping to increase Indigenous unemployment and wealth creation (economic benefit), and to promoting community development in a wide range of metropolitan, regional and rural areas of Indigenous settlement (social benefit). They can achieve this within a framework of Indigenous self-reliance and Indigenous control and often using Indigenous culture as the basis of the business enterprise (cultural benefit). Specifically this research project provides our major Industry Partner (IBA) with detailed, contemporary information about the scope and dynamics of contemporary Indigenous entrepreneurship in metropolitan, regional and rural Australia. This activity is a central part of IBA's current research priorities. This research project also provides our minor Industry Partner (CIRCA) with insights into Indigenous entrepreneurship and access to research expertise that will be invaluable to CIRCA in developing its research initiatives within Australia's Indigenous community sector. This research project will also benefit the wide range of industries that have an Indigenous enterprise presence, particularly tourism and community services and particularly those in regional and rural Australia. Therefore this research addresses the National Research Priority "Frontier Technologies for Building and Transforming Australian Industries", and the associated goal of "Promoting an Innovation Culture and Economy". There are also significant economic, cultural and/or social benefits to the broader Australian community. Strengthening economic self-reliance among private and community-owned Indigenous enterprises will strengthen economic growth in Australia and contribute to the vitality of the local government areas where Indigenous enterprises are located. The success of Indigenous enterprises also challenges negative cultural stereotypes about Indigenous Australians and their communities, thus contributing to social cohesion in Australian society. It also provides employment opportunities for Indigenous men and women, particularly youth undergoing the transition from school to work.

This research addresses two National Research Priorities and associated Priority Goals identified by the Australian Research Council. The first of these Priorities is "Promoting and Maintaining Good Health" and the goal it satisfies is "Strengthening Australia's Social and Economic Fabric". The goal emphasises understanding and strengthening key elements of Australia's social and economic fabric

to help families and individuals live healthy, productive and fulfilling lives. This research is targeted at developing Indigenous businesses, and many in the Indigenous community are among the most socially disadvantaged in Australian society. An outcome of improving the success of Indigenous businesses is improved well-being in Indigenous communities, through further employment opportunities for youth and others in Indigenous communities. It is well recognised by the Australian Government (2003) that improving the success of Indigenous businesses is critical for helping members of Indigenous community's live healthy, productive and fulfilling lives.

The second National Priority that this research addresses is "Frontier Technologies for Building and Transforming Australian Industries", and the associated goal of "Promoting an Innovation Culture and Economy". The emphasis of this goal is on maximising Australia's creative and technological capability by understanding the factors conducive to innovation and its acceptance. This research aims to understand the factors constraining the development of Indigenous businesses. This will include an investigation of the uptake of physical and technological capital in order to understand what factors lead to the use of innovative technologies and other forms of innovation, and what influences the acceptance of innovative practices within Indigenous communities.

1.2 Structure of this report

The structure of this report is as follows. Section 2 provides a background to this current research project. It reviews Australian research on Indigenous entrepreneurship, looks at census data on Indigenous entrepreneurship and briefly reviews the policy framework to support Indigenous entrepreneurship in Australia. Section 3 provides an overview of the quantitative and qualitative methodology employed in this research project, summarises the key ethics issues underlying this research, and outlines the research arrangements and the nature and spread of the fieldwork conducted for this research. Section 4 provides an overview of and analysis of the qualitative field work conducted for this research project. First the characteristics of the informants in the qualitative field work involving interviews with 38 Indigenous entrepreneurs is outlined. Their personal narratives are then presented and analysed. This section then analyses the responses of these informants from a number of angles: gender; family; culture; education and training pathways; barriers and red tape; and employment. Sections 5 and 6 are then devoted to an analysis of the quantitative survey of 324 informants involved in running private and community Indigenous enterprises. In Chapter 5 univariate and bivariate statistics are presented to provide an overview of Indigenous businesses in our sample. Then in Chapter 6 more sophisticated multivariate and additional bivariate statistics are presented to better understand the drivers of business success and the community contributions of Indigenous businesses. The aims of the research, an overview and

summary of key findings and recommendations are presented in the Executive Summary. In the appendix copies of the qualitative and quantitative survey instruments used in this research are presented.

2. Background

2.1   Forms and definitions of Indigenous enterprises

There are a number of forms of Indigenous business engagement and Indigenous entrepreneurship in Australia that are very different from each other. One important development over the past decades relates to partnerships between corporations and Indigenous community organisations. Some of these relate to Land Rights and the *Federal Native Title Act*. Other Indigenous enterprises are established as business cooperatives. Others are not-for-profit business enterprises established by Indigenous community organisations to provide goods and services to Indigenous communities that are not provided by non-Indigenous enterprises. Many of these are located in rural and remote areas of Australia. Other Indigenous businesses are micro, small and medium private enterprises. It is the later that are the main focus of this research project.

One of the best known of the corporate-Indigenous business partnerships is the Cape York Business Partnerships (CYBP) Framework which sets up a partnership between the Aboriginal community organisations in Cape York and other major stakeholders in the area, such as the State and Federal Governments, the health and community services and business groups. The strategy includes: a family income management system to allow families to pool their finances; Community Economic Development Planning; the establishment of an Indigenous Business Institute to develop and nurture business and entrepreneurial skills among Indigenous people; Community Enterprise Hubs in each Indigenous community to facilitate business development and management; Community Employment, Training and Development mechanisms; the Cape York Credit Union; a regional art and cultural resource centre to promote business opportunities related to Aboriginal art and culture; the Regional Housing Authority and a Cape York digital network (The Allen Consulting Group 2001, p.109).

In addition there are two major agreements in the Cape York region between mining transnational corporations Pasminco and Comalco. The Pasminco Gulf Communities Agreement was negotiated between Pasminco Century Mine, the Queensland Government and the Waanyi, Mingginda and

Kutatji peoples. The agreement covers business development, employment, education and training, cultural and environmental protection, transfer of pastoral properties and compensation. The deal with Comalco relates to the Weipa bauxite mine and includes 15 traditional owners, four Western Cape Councils, the Cape York Land Council and the Queensland Government. The agreement was negotiated as an Indigenous Land Use Agreement under the *Federal Native Title Act* (The Allen Consulting Group 2001, p.110).

Cooperatives are another form of Aboriginal entrepreneurship. Aboriginal cooperatives began in NSW with the Cooperative for Aborigines Ltd (also known as Tranby College, Glebe) in 1957. In 1973 the first Aboriginal Housing Cooperative – Widgeri Co-op Ltd – was registered. There are now 32 Aboriginal cooperatives operating in areas ranging from housing, art, agriculture, education and fishing to community services, family services and medical services. Byrnes (1989, p.17) reviewed Aboriginal enterprise development and argued that cooperative Indigenous business enterprises provide good opportunities for Aboriginal education and training: "Cooperatives and similar broadly-based structures may be one of the best vehicles for disseminating knowledge and skills about small business operation and management."

Cooperatives are also a significant source of Aboriginal entrepreneurship in Canada. There are 133 Aboriginal cooperatives in Canada which make significant contributions to Indigenous employment generation and to Indigenous education and training (Ketilson and Macpherson 2001). Cooperatives often have different ambitions related to entrepreneurship than do traditional enterprises where ownership is not collective. Jayahanthan (1993, p.61) reported that the objectives of the early Aboriginal cooperatives that were established in NSW were to lead to "the advancement of the Aboriginal community" and for "the promotion of self-determination within the Aboriginal community."

Given that there are a range of types of Indigenous enterprises, how do we define Indigenous entrepreneurship and Indigenous enterprises? Hunter (2013, p.16) suggested that there is a "rather loose or flexible definition of what constitutes an Indigenous business". The most authoritative definition comes from Supply Nation, which uses a majority equity definition of an Indigenous business where there is "at least 51 per cent owned by Indigenous Australians and the principal executive officer is an Indigenous Australian and the key decisions in the business are made by Indigenous Australians." But as Hunter points out, this definition is contestable because it excludes a business partnership of an Indigenous and non-Indigenous couple and hence many firms that may otherwise be classified as Indigenous. As a consequence, many Indigenous enterprises cannot qualify for support from organisations such as Supply Nation: "It is not surprising that Supply Nation

currently certify only 198 Indigenous businesses, which is a small fraction of the Indigenous entrepreneurs identified in recent census data", he argues. "Clearly the definition of an Indigenous business will always be contestable, but policy-makers need to clearly identify which economic agents are being targeted and articulate what outcomes the policies are seeking to influence." Hunter (2013, pp.16-17).

The Forrest Review (2014, p.186) suggested that the definition of Indigenous Business (or, as the report calls them, first Australian firms) be changed to include "those that have 25% or more first Australian ownership and management and can demonstrate significant first Australian employment outcomes". This is a much looser definition that that enacted by Supply Nation.

These definition issues are important because they relate to how policies to support Indigenous enterprises are enacted, deciding which Indigenous enterprises are able to participate in programs designed to support Indigenous entrepreneurship. This policy framework is discussed in detail later in this section, but access to public and private sector procurement for Indigenous enterprises generally requires certification of that Indigenous enterprise by Supply Nation. In our fieldwork we found enterprises owned by Indigenous community organisations and controlled by a board comprised of Indigenous directors employed non-Indigenous managers to run the day to day operations of the business. For example two informants in the qualitative phase of the fieldwork conducted in Darwin for this research project fit into this category. One was an Indigenous art distribution business that served as a retail outlet for Indigenous artists from remote communities. The other was an architectural design and building enterprise that designed buildings for Indigenous communities and trained Indigenous workers to build them and was owned by 14 Aboriginal communities. Both businesses were not-for-profit and were owned and controlled by Indigenous community organisations and Indigenous Directors but employed non-Indigenous managers. Both were clearly Indigenous enterprises but fell outside of the Supply Nation definition. This meant that government support was not available for them. Moreover, for the architectural design and building enterprise, this non-compliance with the Supply nation definition of Indigenous enterprise meant that they could not take advantage of the large $20 billion Japanese business venture, *Inpex* which was investing substantial funds in Darwin to build onshore facilities to process LNG from the Ichthys Field, about 820 kilometres southwest of Darwin. *Inpex* has introduced an Aboriginal and Torres Strait Islander engagement strategy designed to support local Indigenous businesses in Darwin through access to the *Inpex* supply chain. (http://www.inpex.com.au/suppliers/aboriginal-and-torres-strait-islander-engagement.aspx). The architectural design and building enterprise could not take advantage of this program because *Inpex* adopted the Supply Nation Indigenous enterprise definition.

Other definitional issues arise for Indigenous private enterprises. In our qualitative and quantitative fieldwork, reported in Sections 4 and 5 of this report, we found that a large number of Indigenous entrepreneurs (over 50% of our qualitative informants and 71% of our quantitative informants) who owned micro or small businesses had a non-Indigenous partner who was also a business partner. This is consistent with 2011 census data (Biddle 2013) which shows that 56.5 per cent of partnered Indigenous males and 59.0 per cent of Indigenous females had a non-Indigenous partner. The figure was over 75% in the major cities. If these businesses were owned and controlled equally (50/50) by the Indigenous entrepreneurs and their non-Indigenous partner – which was often the case for our informants and is normally the case in such micro and small private enterprises in Australia - they also fall outside the Supply Nation definition of what constitutes and Indigenous enterprise.

The other issue relates to terminology. The Forrest Review (2014) uses the terms 'first Australians' and 'first Australian business' to refer to Indigenous Australians and enterprises in Australia. Other sources prefer to use Aboriginal and Torres Strait Islanders and Aboriginal and Torres Strait Islander enterprises (or Aboriginal enterprises). In this report we use the terms Indigenous Australians and Indigenous enterprises and Indigenous entrepreneurs.

2.2   Research into Australian Indigenous Enterprises.

One of the earliest surveys of Indigenous businesses in Australia was conducted by Byrnes (1989, p.10), who estimated that there were 500 Aboriginal commercial businesses in Australia by the late 1980s and that "more are starting all the time". This is quite low when compared to the rate of self-employment among the Australian born or immigrant minorities. In the late 1990s it was estimated that 2.7 per cent of Australian Indigenous people in the labour market were self-employed (The Allen Consulting Group, 2001, p.7). Hunter (1999) provided 1991 and 1996 census data on Indigenous self-employment in Australia, New Zealand and Canada, which is shown in Table 4. In 1991, for example, when the rate of self-employment among Australian born males was 7.6 per cent, the rate of self-employment among the Australian Indigenous peoples was 4.0 per cent.

TABLE 4: Indigenous Self-Employment Rates, Australia, New Zealand and Canada, 1991 and 1996

	1991	1996
	Self-employed (%)	Self-employed (%)
Australia – Employers & Self-employed	4.0	2.4
Australia – Self-employed only	2.7	1.7
New Zealand*	7.4	8.2
New Zealand**	4.4	NA
Canadian Indians on reserves	2.2	NA

* Household Labour Force Survey; **Census.

Source: Hunter 1999, p.2.

One of the critical arguments for the establishment of Indigenous enterprises in Australia is that they provide an opportunity for generating employment of Indigenous people while at the same time allowing self-determination and a way out of welfare dependency. Byrnes (1989, p.31) reported that the 101 Aboriginal enterprises surveyed employed 403 workers, or an average of four workers per enterprise. Two thirds of these employees were themselves Aboriginal. The other one third were non-Aboriginal employees and were over-represented in the management jobs in these Aboriginal enterprises.

A more recent survey of 38 Indigenous enterprises in New South Wales (NSW) (Collins 2004) was designed to inquire into a range of aspects of the business, including the establishment of the business, its ownership structure, the links of the business to Indigenous culture, the response of banks to requests for business finance, the employment structure and matters related to education and training. All businesses were located in NSW, with 18 located in Sydney and the remainder located in NSW country regions such as Newcastle, the Central Coast (Woy Woy, Wyong), the far South Coast (Eden, Ulladulla) and Northern NSW (Grafton, Tweed Heads). Of the 38 Indigenous enterprises, 20 were individually owned, nine were owned with business partners and nine were community-owned. Put another way, 29 businesses, or three quarters of the sample, were traditional capitalist enterprises while one quarter were Indigenous community enterprises.

One key issue in the Indigenous entrepreneurship literature relates to the motivations of and goals of Indigenous entrepreneurs. Traditional entrepreneurship literature stresses that the main goal of business enterprises is profits or the maximising of the material returns of the individual entrepreneur. This is the fundamental backbone of neoclassical free market theory (Cassidy 2009; Quiggan 2010). The minority of Indigenous entrepreneurs in the NSW survey reported that they did

it for the traditional materialistic reasons embedded in the capitalist spirit: 13 enterprises were started in order to make money and another 9 for "financial independence." However the majority, more than two in every three enterprises surveyed, did it for communitarian reasons: 19 to provide Indigenous education and training; 19 to provide Indigenous people with employment; 13 for community development and 10 for cultural enhancement. The final 18 enterprises answered "other" to this question. Thus the majority of the responses to the question "Why was this business established?", including all of the community-based enterprises, were expressed in terms of the needs of the Indigenous community.

The setting up of any enterprise is a difficult procedure. Much of the literature on entrepreneurship, and the policy responses to it, emphasizes the need for appropriate help in this initial phase. Only one in three Indigenous enterprises surveyed in NSW received any help in this setting up period. Raising sufficient start-up capital is a problem for all small businesses but seems to be a much more significant issue for Indigenous entrepreneurs. Only one in four (nine of the 38) of the Indigenous enterprises surveyed attempted to borrow funds from banks, probably because they did not think that they would be successful. The survey reported by Collins (2004) found that of the nine Indigenous entrepreneurs who did summon up the courage to approach banks, four reported that they faced difficulties.

One of the critical arguments for the establishment of Indigenous enterprises in Australia is that they provide an opportunity for generating employment of Indigenous people while at the same time allowing self-determination and a way out of welfare dependency. Three out of four Indigenous enterprises surveyed in NSW employed five or less people, with five enterprises employing between six and ten workers, three employed between 11 and 20 workers and five employed more than 20 workers. It is not surprising that community-owned Indigenous enterprises employed the largest number of workers. This finding provides a strong argument to support the growth of Indigenous enterprises in general, and community-owned Indigenous enterprises in particular. Analysing a Queensland business database, Hunter (2014, p.16) estimated that "Indigenous businesses are still about 100 times more likely to employ an Indigenous Australian than non-Indigenous businesses. Majority-owned Indigenous businesses have only a slightly higher rate of Indigenous employment than joint-owned Indigenous businesses (with 50% Indigenous equity)". For these reasons Indigenous entrepreneurship in Australia plays a central and growing role in the Indigenous economy in Australia and in reducing Indigenous socio-economic disadvantage in Australia.

There is an anxiety about Indigenous business enterprise failure, particularly within cooperative or community-owned businesses. In part, this is shaped by reports of Aboriginal misadministration of

Lands Councils and other organisations. It may also be shaped by the stereotypical association of Aboriginals with an inability to succeed. However, it should be pointed out that small enterprise failure is part of the generic nature of small business *per se* rather than a result of particular Aboriginal entrepreneurial inadequacies based on some primordial and static view about Aboriginal culture. Research shows that "only about 3% of small businesses are truly successful, with 17% providing a reasonable result for their owners where they are at least maintaining the values of their assets, 40% are vulnerable in that their equity is steadily devaluing, 25% are at risk with their asset base rapidly eroding and 15% are at a critical stage in terms of survivability as their equity runs out or their positions become insolvent" (Standing Council on Employment, Education and Workplace Relations, 2000, p.188).

In the NSW survey of Indigenous enterprises reported by Collins (2004) just over half of the business enterprises surveyed made a profit in the previous year. Not a bad result, it could be argued, although no information was collected on rate of profit or other more detailed accounting measures of business success. But despite the fact that nearly half of all Indigenous business enterprises surveyed did not make a profit, all reported that they thought that their business was a success.

This is a remarkable finding and deserved probing further. Is it possible to have legitimate business goals other than profitability? And what benchmarks do the Indigenous enterprises surveyed use to judge the success of their entrepreneurial endeavours? For some survival is the measure, for others growing the business in employment size, for others improving community relations with Indigenous and non-Indigenous peoples or improving their community's outcomes are the benchmarks of success. For still others, a good reputation and continued usage by local Aboriginal peoples is critical. Interestingly, even sole-owned enterprises often include some measure related to their community while calculating business success – not just profits.

Education and training are key aspects of business enterprise development. One of the dimensions of Aboriginal inequality in Australia relates to relatively poor educational outcomes. Education and training for entrepreneurs in the small business sector is a very important ingredient in the success of their business (Collins et al., 1997). Results from the survey of Indigenous enterprises (Collins 2004) reveals that half of those Indigenous entrepreneurs surveyed had not had any specific vocational education and training related to their business, while another 45 per cent did report training. Another issue in enterprise success in the small business sector of the economy relates to the training that employees of small business entrepreneurs have had. Only one in three of the employees in the enterprises surveyed had received any business education and training.

Byrnes (1989, p.34) reported on the problems encountered by Aboriginal enterprises. One third of reported problems fall within the issue of inadequate or uncertain seed funding and red tape, while another 22 per cent reported problems in the area of organizational matters (including management inexperience, controlling finance, stock and cash). The NSW survey of Indigenous enterprises reports similar results. About one in ten Aboriginal enterprises surveyed reported problems with staff (inadequate training, unreliable) while another 11 reported training problems (need for more relevant and adaptive training schemes). Finally, 26 per cent of responses to the major problems encountered ranged across other issues, such as remoteness, lack of government support and cultural difference between staff and non-Aboriginal management.

Foley (2003, 2006) highlighted the importance of Indigenous entrepreneurship to achieving self-determination through economic independence. Yet the literature on Indigenous enterprises in Australia suggests that Indigenous businesses face a wide range of barriers and problems in establishing and developing business enterprises. Foley (2006a) and a research paper from the Australian Taxation Office (ATO 2009) have suggested that Indigenous businesses face both racial and gender discrimination from non-Indigenous society (as well as discrimination from Indigenous communities, emerging from a lack of Indigenous understanding of entrepreneurs) (Foley, 2006). Other barriers faced by potential Indigenous entrepreneurs include a lack of basic business skills and financial literacy (Schaper, 1999; Collins, 2004; Baguley, 2007); a limited pool of skilled labour (Flamsteed and Golding, 2005; Schaper, 1999); poor mentoring and inadequate business advisory support in the establishment phase (Altman, 2001; Collins, 2004) and a lack of access to finance and education (Collins, 2004; Foley, 2006). These have been identified by some scholars as a colonial impact, resulting in the underdevelopment of Indigenous social and human capital (Klyver and Foley, 2010). Low levels of human and social capital have led to other social and economic problems, including an undermining of the incentive for individuals to engage in entrepreneurial activity, welfare dependence and substance abuse (Baguley, 2007). Other problems attendant with low levels of social capital include low self-esteem, lack of confidence, as well as limited Indigenous role models and/or Indigenous business networks, and ensuring that the Indigenous nascent entrepreneur is forced to operate their enterprise within the business structure of the dominant culture, that is settler society (Flamsteed and Golding, 2005; Foley, 2010). Indigenous entrepreneurs also face challenges in raising capital for establishing businesses, because of low incomes combined with some Aboriginal cultural beliefs, and a lack of asset ownership (which is also intergenerational due to colonial practices) (Baguley, 2007; Flamsteed and Golding, 2005). Altman (2001) has also highlighted the poor management practices in differentiating commercial from non-commercial objectives in Indigenous enterprises and the

tension between property rights as defined in Australian law and in customary law (Altman, 2002). Moreover, the "metro-centrism of service delivery" has resulted in the inaccessibility of government and banking services in remote areas (Altman, 2002, Flamsteed and Golding, 2005). The extremely small size of most Aboriginal communities also has a negative impact on the commercial viability of Indigenous enterprises (Altman, 2001), an argument supported by Beer et al. (2003) who noted that the 21 percent of Australian Aboriginal people who live in remote locations have limited opportunities to engage in entrepreneurial activities. There also appears to be an inadequate incentive for the private sector to engage with Indigenous business (Australian Government 2003, Indigenous Business Review), while Government support programmes for Indigenous business are sometimes designed without consultation and inefficiently administered (Australian Government 2003, Indigenous Business Review).

A further issue when considering the factors influencing Indigenous business success is that success is often evaluated differently from the perspective of the Indigenous entrepreneur. For many Indigenous people and communities, profit is not seen as the definitive measure of business success, and other measures such as securing employment of community members have greater importance (Schaper, 1999; Foley, 1999). For many Indigenous entrepreneurs, there is the challenge of balancing cultural integrity with the concept of commercialisation, an expression of which is found in the problems of aligning sensitivity of cultural expressions and marketing by Indigenous tourism enterprises (Fuller et al. 2004).

While these studies have revealed a number of the issues facing Indigenous businesses, there are several limitations. Many are descriptions of specific constraints faced by particular Indigenous communities and are not based on rigorous generalisable research. It is not possible to know from these single case studies how widespread these problems are. Are they relevant for both privately and community-owned businesses? Are they relevant for Indigenous businesses in urban, regional and remote communities? The studies by Foley (2003, 2006) and Collins (2004) suggest that Indigenous businesses are not homogenous, with the issues facing these businesses differing according to location (urban vs regional/remote) and business type (community vs privately owned). However further research is needed to clarify whether the challenges facing Indigenous businesses previously identified in the literature are unique to a particular business type and location or are more widespread. Second, most studies have focused on single issues rather than mapping the prevalence of a range of critical success factors. Third, these studies have not investigated many of the factors that we know to be important in influencing business

success, such as social capital (Van Es and Dockery 2003, Hindle and Lansdowne 2005 and Foley 2008).

The implication is that policy designed to encourage the development of Indigenous businesses draws on an inadequate information base, and consequently may be poorly targeted. There is evidence of this in the lack of success of recent initiatives to develop Indigenous businesses, such as the lack of uptake of micro loans. These programs were established after studies indicated that lack of access to finance was inhibiting the development of Indigenous businesses (eg Collins 2004, Foley 2006). However, the uptake of these loans has been poor, despite the existence of generous terms. This raises the question of why uptake has been so poor, and what other factors are influencing the development of these businesses? Is it because Indigenous entrepreneurs are uncomfortable with banks, a lack of trust, administration issues, a lack of access to bank infrastructure, cultural obligations or discrimination? Thus it is evident that we need newer and more comprehensive research on Indigenous enterprise in Australia across a range of business types and industries across metropolitan, regional and remote areas. Hence the first aim of our research is to understand the Indigenous businesses in operation in Australia and our second and third aims are to identify the factors contributing to the success of or constraining various types of enterprises, including early stage businesses.

The experience of female Indigenous entrepreneurs also lacks serious research in Australia and other countries; we were unable to identify any previous published research that has investigated the uniqueness of female Indigenous entrepreneurs and the challenges that are specific to female Indigenous entrepreneurs in Australia. Anecdotal evidence from Canada suggests that female entrepreneurs are (1) more conservative and more risk averse, and hence less likely to overreach, and (2) have different kinds of networks to their male counterparts (Anderson and Gibberson 2003). Hence our fourth aim is to investigate the role of Indigenous women in the development of Indigenous businesses in Australia.

2.3   Conceptual framework

The initial conceptual framework that underpins our methodology is presented in Figure 3, which builds on the frameworks developed by Foley (2006a) and ATO (2009). The framework illustrates the factors influencing business success, which in this context is measured by various indicators such as a business lasting more than one year, being able to raise finance, having a positive cash flow, increasing sales, achieving a net profit, as well as other indicators more specific to Indigenous businesses, such as generating Indigenous employment, assisting with community development and the achievement of personal goals. Business success is seen to be directly influenced by the existence

of various forms of capital. This includes human capital (Altman, 2001a, Collins, 2004, Baguley, 2007), social capital (Van Es and Dockery, 2003, Flamsteed and Golding, 2005, Hindle and Lansdowne 2005 and Foley 2008), financial capital (Collins 2004, Foley 2006), physical and technological capital (Altman, 2002, Flamsteed and Golding, 2005) as well as institutional capital which relates to governance structures. As well as directly influencing business success, these forms of capital also have effects on each other. For example, recent work by Foley (2008) suggests that social capital leads to the development of human capital, and vice versa. Social capital may also influence governance arrangements because of social learning about more effective structures from contact with a larger array of information sources. Work by Altman (2002) and Flamsteed and Golding (2005) suggests that a lack of physical and technical capital in remote areas has led to an inaccessibility of banking services in remote areas, which affects the availability of financial capital. Ability to access financial capital would also be expected to be a function of human capital, as human capital is likely to influence entrepreneurs' "ability to complete administrative processes required to secure loans".

Figure 3: Conceptual Model of the Factors Influencing Business Success
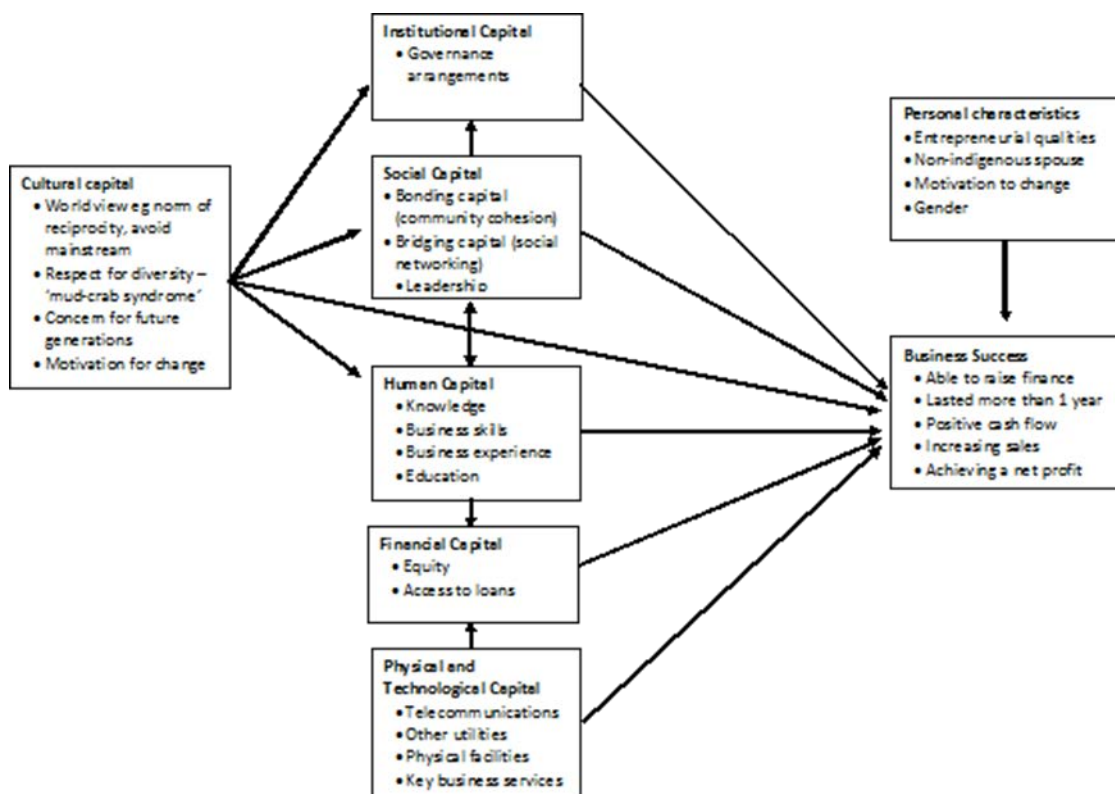
In addition to these forms of capital, it is hypothesised that business success will be directly and indirectly influenced by cultural capital. Cultural capital incorporates entrepreneurs' worldview, and includes such facets as attitudes towards non-Indigenous Australia, respect for diversity (including

the success of others and attitudes towards commercial activity), desire for change and concern for future generations. Previous research by Fuller et al. (2004), Flamsteed and Golding (2005), Foley (2006a) and Baguley (2007) has demonstrated the influence of cultural capital on business development. In the conceptual model, cultural capital is also hypothesised to influence institutional capital because governance structures will be determined in part by what is acceptable to Indigenous communities. Cultural capital also influences social and human capital as it affects the acceptability of developing business skills and relating to non-Indigenous Australia (Foley, 2006).

Lastly, Indigenous business success is hypothesised to be a function of several individual characteristics of the entrepreneur. These include the entrepreneurial qualities of the entrepreneur (Foley, 1999); whether the entrepreneur has a non-Indigenous spouse (Foley 2006); motivation for change (as a strong motivation to achieve self-determination through economic success has been found to be a pre-cursor of business success) (Foley 2003, 2006), and gender.

2.4   Indigenous Business enterprises in Australia

The key feature of Indigenous entrepreneurship is that it lags way behind that of immigrant and non-immigrant Australians. The rate of Indigenous entrepreneurship is much lower than the Australian average. Most business enterprises in Australia are micro, small or medium enterprises. The ABS defines a *small* business as a business enterprise employing between zero (ie, a self-employed person) and 20 employees, with those small enterprises employing between 0 and 4 employees being defined as a *micro* business enterprise. A medium business enterprise employs between 20-199 workers while a large business enterprise is one employing 200 or more employees (DIISR 2011, p.3). In 2009 there were just over 2 million (2,051,085) actively trading business in Australia, and 96 per cent of these (1,961,337) were small (DIISR 2011, p.1). Like all Australian businesses, most Indigenous business enterprises are micro or small businesses located in the large Australian cities or large regional centres. Two in three small businesses (64.8%) in Australia are located in Australian cities, one in five in major regional centres (20.9%), and just over one in ten in rural (or outer regional) areas. Very few small business enterprises in Australia - less than 3 per cent - are located in remote areas (DIISR 2011, p.23). The Australia Tax Office defined small or medium enterprises in terms of turnover: between $2 million and $250 million dollars per annum.

The Australian census produces data on those in the workforce who are employers, self-employed and employees. The rate of entrepreneurship can be established by adding those who are employers and those who are self-employed as a percent of those in the labour force.

The rate of Indigenous entrepreneurship is, and has been, much lower than the Australian average. Boyd Hunter (2013) has examined the 2011 national census data to give the most accurate portrait of the rate of Indigenous entrepreneurship in Australia today. Figure 4 shows trends in self-employment for Indigenous and non-Indigenous Australians from 1991-2011. It shows that the rate of entrepreneurship for non-Indigenous Australians is about five times that of the rate of Indigenous entrepreneurship. But it also shows a growth in the rate of Indigenous entrepreneurship over the past twenty years and a slight closing of the gap between Indigenous and non-Indigenous entrepreneurship in Australia.

Figure 4: Trends in self-employment by Indigenous status, 1991-2011
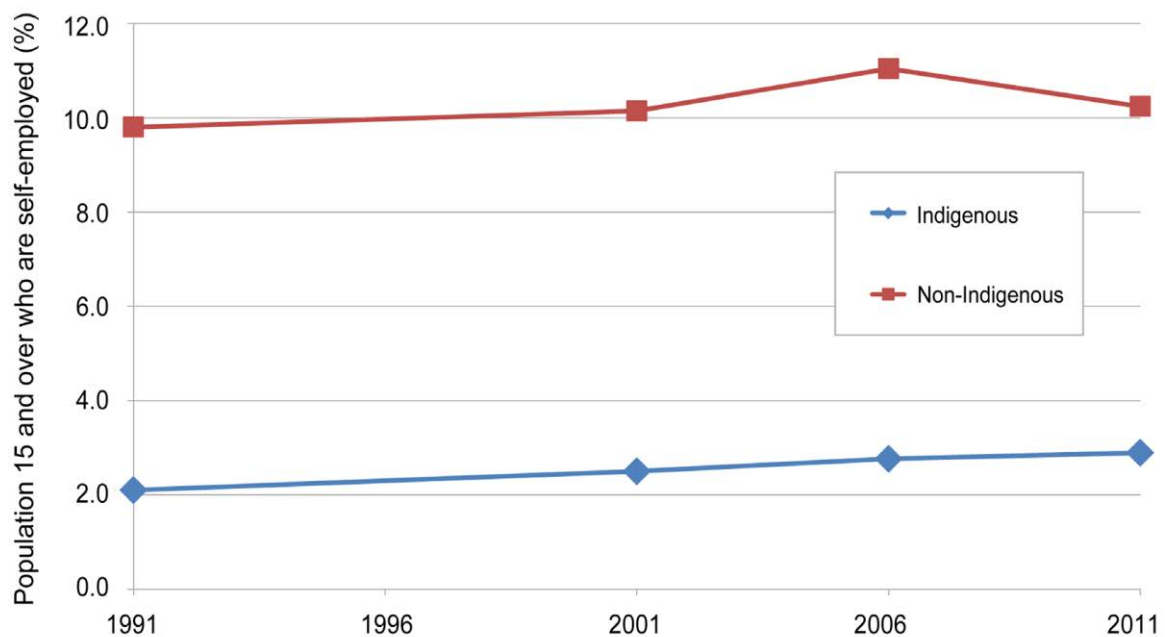
Source: Hunter 2013, p.9

Figure 5: Estimated number of Indigenous self-employed, 1991-2011
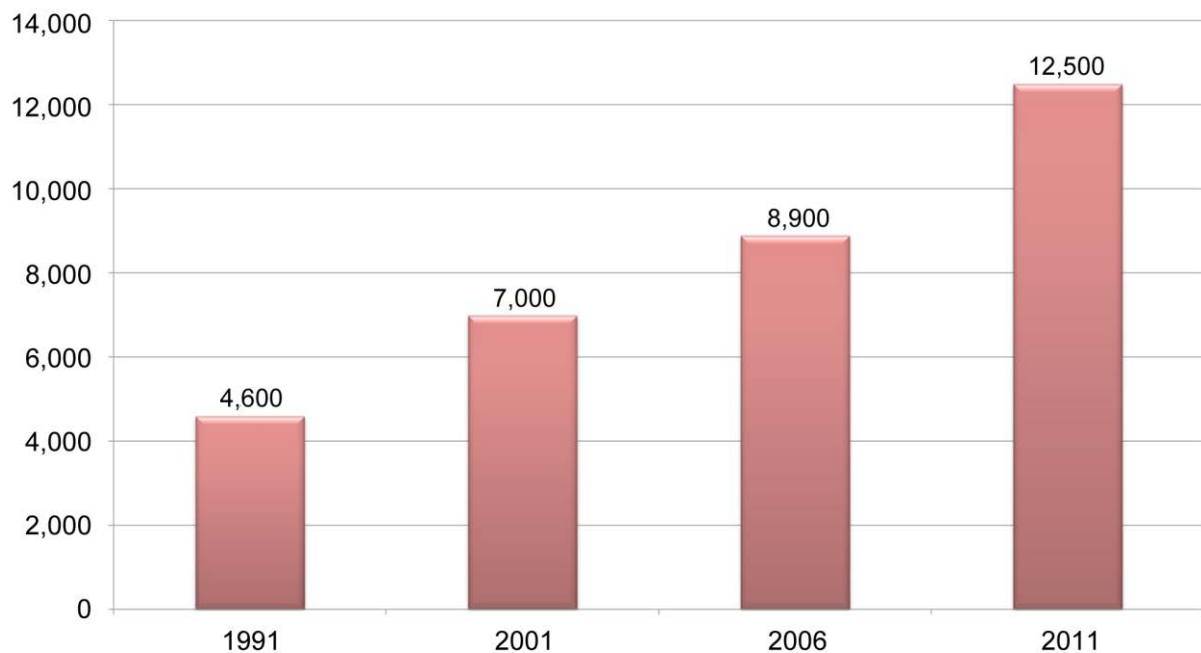
Source: Hunter 2013, p.9

This growth in Indigenous entrepreneurship in recent years is more evident when the numbers of Indigenous people in self-employment is taken into account. As Figure 5 shows, the number of Indigenous self-employed has increased by more than 271% in the twenty years until 2011.

As mentioned previously, most Indigenous and non-Indigenous business enterprises are located in large Australian cities and major regional centres. But given the relatively higher settlement of Indigenous Australians in remote areas and the importance of investigating Indigenous entrepreneurship in these remote areas it important to note a higher rate of Indigenous entrepreneurship in remote areas than in Australia as a whole. According to the 2006 Census data 6% of the Indigenous population were self-employed in remote areas compared to 16% of their non-Indigenous counterparts (Rola-Rubzen 2011, p.5). As Hunter shows (Figure 6) the number of Indigenous employers in remote areas has grown in the five year inter-censal period between 2006 and 2011 while the gap between Indigenous and non-Indigenous entrepreneurs in remote areas is closing.

Figure 6: Recent trends in Indigenous employer status and remoteness
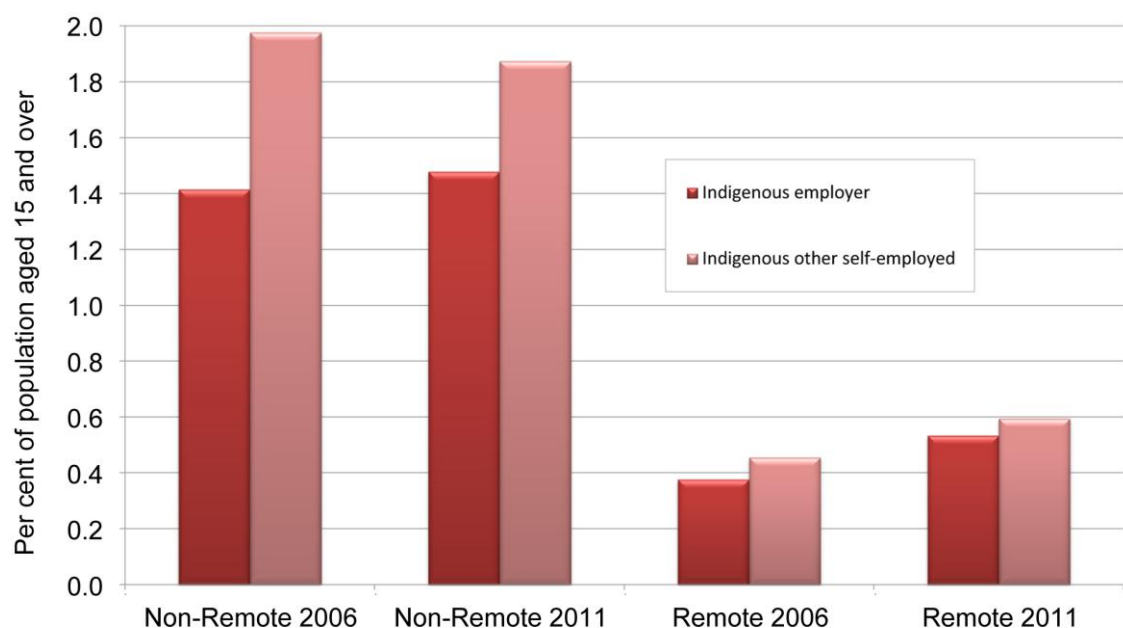
Source: Hunter 2013, p.11

Table 5: Average weekly personal income by self-employment status and remoteness

	Non-remote $		Remote $	
	2006	2011	2006	2011
Indigenous				
Employer	1,126	1,160	1,038	1,239
Self-employed	738	725	660	652
Non-Indigenous				
Employer	1,353	1,376	1,129	1,216
Self-employed	796	812	762	800

Source: Hunter 2013, p.12

There is also an earnings gap between Indigenous and non-Indigenous employers and self-employed in non-remote areas, though as Table 5 shows this gap is not very large. It is also interesting to find that Indigenous employers in remote businesses have not only closed the earnings gap between Indigenous and non-Indigenous entrepreneurs in remote areas but in fact Indigenous employers earned more in 2011 than non-Indigenous employers in remote businesses, as Table 5 shows.

One important comparison between Indigenous and non-Indigenous entrepreneurship relates to the Industry concentration of these business enterprises. Overall small businesses contribute just over

one third (35. 3%) of gross value added by Australian business. Industries where small businesses are most prominent are Agriculture, forestry and fishing (82.9% of gross value added), Rental, hiring and real estate services (74.1% of gross value added), Other services (66%), Construction (55%), Professional, scientific and technical services (46.2%), Accommodation and food services (43.4%), Health care and social assistance (41.8%) and Services (40%). More than one third of businesses in Retail trade, Health care and Administrative and support services are also small (DIISR 2011, p.5). Over two thirds of small business operators are male (68.5%) while just under one third are female (31.5%) (DIISR 2011, p.21).

Analysing disaggregated 2011 census data of the "top ten" areas of self-employment by industry, Hunter (2013) shows (see Table 6) that the top-three Industries for both Indigenous and non-Indigenous entrepreneurship are similar: Building and Industrial cleaning is the second highest area for both Indigenous and non-Indigenous enterprise; Carpentry in the third highest area of Indigenous entrepreneurship and the ninth highest area of non-Indigenous entrepreneurship. Hairdressing and Electrical services are important to both Indigenous and non-Indigenous entrepreneurship. The only differences in the "top ten" are House Construction, Creative Arts, Gardening and Plumbing – which are in the Indigenous "top ten" – and Road Freight Transport, Accounting, Beef cattle farming, Cafes and Restaurants and Computing, which are in the non-Indigenous "top ten" areas of business concentration.

Table 6: Top ten industries (disaggregated) for self-employed businesses, 2011

Indigenous	Non-Indigenous
House Construction	Road Freight Transport
Building & Other Industrial Cleaning Services	Building & Other Industrial Cleaning Services
Carpentry Services	Accounting Services
Creative Artists, Musicians, Writers & Performers (*2.2)	Beef Cattle Farming (Specialised)
Painting & Decorating Services (*1.5)	Cafes & Restaurants
Hairdressing & Beauty Services	Hairdressing & Beauty Services
Gardening Services (*1.4)	Computer System Design & Related Services
Plumbing Services	Carpentry Services
Electrical Services	Electrical Services

Note: the industries are identified by 4-digit Australia and New Zealand Standard Industrial codes

Source: Hunter 2013, p.14

2.5   Policy Support for Indigenous Business: government procurement

A key issue related to Indigenous enterprise development in Australia, as in other countries, relates to the establishment of agencies, policies and programs to support Indigenous enterprises and Indigenous entrepreneurs. There has been a range of policy initiatives introduced to increase the rate of Indigenous entrepreneurship in Australia, with the now abolished Aboriginal and Torres Strait Islander Commission (ATSIC) administering a number of policy initiatives in this area. One of these was the Indigenous Small Business Fund which became IBA's Business Development and Assistance Program following the abolition of ATSIC. Over time, Australian Federal and State Governments have established policies to support Indigenous entrepreneurs.

Indigenous Business Australia (formerly the Aboriginal and Torres Strait Islander Commercial Development Corporation), is a service delivery agency operating under the ATSI Act primarily to encourage Indigenous economic engagement through home and business lending and investment support. In Australia a number of other organisations deal, in part, with the Indigenous enterprise brief. These organisations include the Indigenous community organisations, Land Councils and other grass roots initiatives. The Australian Government's Indigenous Opportunities Policy requires government officials responsible for projects involving expenditure of over $5 million ($6 million for construction) to ensure tenders include a plan for providing training and employment opportunities to local Indigenous communities and for the use of Indigenous suppliers that are small and medium enterprises (DEEWR 2013).

Other countries have also developed agencies, policies and programs to support Indigenous entrepreneurship. In New Zealand there is the *Te Puni Kokri*, or the *Ministry of Maori Development*, in Canada *Aboriginal Business Canada* and in the USA the *Minority Business Development Agency* and the network of *Native American Indigenous Development Centers*. The Forrest Review (2014, p.182) cited evidence from countries such as the United States and Canada where government procurement policies have been used to stimulate minority or Aboriginal business sectors for decades. The US Government has a procurement target of 23% of all procurement from small business, with a sub-target of 5% from disadvantaged small businesses (which includes minority-owned businesses) (United States Minority Business Development Agency, http://www.mbda.gov/main/businesscertification/how-certifications-can-help-grow-your-business).

A similar policy applies in Canada, where Aboriginal businesses are growing at five times the rate of other businesses which the Forrest Review attributes to government procurement policies.

In Australia, like other countries, procurement policies have also been introduced to encourage private and public sector organisations to support Indigenous business enterprises. According to the Forrest Review (2014, p.183), private sector procurement has been effective, particularly in the mining industry, but public sector procurement has not been effective because of lack of accountability:

> "Government and private sector procurement is a major lever to drive both first Australian employment and the growth of first Australian firms as suppliers. The experience of the mining sector in Western Australia highlights the power and importance of using procurement effectively. It is a strong motivator for private sector contractors to offer opportunities to first Australian employees and businesses. To date, government procurement has not been effective in driving first Australian employment. The policies have enabled contractors to pay lip service to their contractual obligations, often because of loose 'best endeavours' clauses. Penalties or other ramifications for non-delivery are rare. In contrast, contractors have shown great flexibility and adaptability to employ first Australians when there is a contract at stake."

In 2012–13 *Indigenous Business Australia* estimated that only a handful of first Australian businesses secured procurement arrangements from the Australian government. This amounted to only 0.02% of the overall Australian Government spend or about $6.2 million of the $39 billion spent). [Indigenous Business Australia, unpublished analysis of data extracted from Austender 2012–13 matched with known first Australian business lists, including Supply Nation, the ICN gateway and Digedi directories. The figure is likely to be an underestimate due to difficulty in identifying first Australian businesses, cited by the Forrest Review 2014, p.184].

The Forrest Review (2014, p.186) identified a strengthening of government procurement policy as a key measure to support Indigenous Business. Its Recommendation 18 stated: "That the Commonwealth Government purchase at least 4% of its goods and services within four years (either directly or through subcontractors) from first Australian businesses (with a minimum of 25% Indigenous ownership) and in particular from the new first Australian commercial enterprises once they are established."

In making this recommendation the Forrest Review (2014, p.186) suggested that in the implementation of these procurement policies the definition of Indigenous Business (or, as the report calls them, first Australian firms) be changed to include "those that have 25% or more first

Australian ownership and management and can demonstrate significant first Australian employment outcomes".

Another policy incentive recommended by the Forrest Review relates to introducing tax free status for 'new and innovative' Indigenous enterprises "that create real jobs by providing the training grounds to eliminate the disparity for the most disadvantaged job seekers". The Forrest Review (2014, p.41) provided a number of caveats to the introduction of this scheme: "These commercial operations should benefit normally from existing assistance, but not more than any other employer can. They should be designed to allow one-to-one volunteer mentoring by peers of a new disadvantaged employee. This will be achieved by the Commonwealth Government taking the following implementation steps: legislating to give effect to tax-free status for first Australian commercial enterprises that are designed to allow one-to-one mentoring by peers within the workplace—which in my experience is the optimal ratio of volunteer mentors to disadvantaged employees—and that have: a minimum of 25% Indigenous ownership and Indigenous board membership; a minimum of 60% of all employees who are Indigenous people; a minimum of 40% of all employees from the most disadvantaged job seekers (currently defined as sourced from streams 3 and 4 in Job Services Australia); at least 10% of Indigenous employees from remote areas."

One of the advantages of supporting a 'looser' definition of Indigenous enterprises than that adopted by Supply Nation is that a number of Indigenous family enterprises who have 50/50 ownership structure between the Indigenous and non-Indigenous partner could get support that is now not available to them. Similarly, community-owned Indigenous enterprises often fall outside the Supply Nation definition because while they are owned by Indigenous communities and have mainly Indigenous Directors, they often employ non-Indigenous managers. To exclude these Indigenous enterprises from public and private sector support does not seem good policy. Indeed Altman (2001a, p.5) argued that in Indigenous businesses owned by the Indigenous community that separation of ownership and control is a factor critical to their success: "An additional important issue at the community level is the need to understand that success results from separating management from ownership (in much the same way as with most non-Indigenous big business)." Altman also stressed the advantages gained for community-owned Indigenous enterprises by having the expertise of non-Indigenous Directors and joint business ventures between Indigenous communities and non-Indigenous business enterprises. This also speaks to a broader, not narrower, definition of Indigenous enterprises.

Policies to support community-owned Indigenous enterprises will necessarily be different to those designed to support Indigenous private enterprises and Indigenous self-employment. Moreover

policies should be tailored to the different needs and circumstances of community-owned Indigenous enterprises, Indigenous cooperatives and community-owned Indigenous enterprises directly linked to the Native Title Act and land rights. There is no one-size-fits-all policy framework to support Indigenous enterprises and Indigenous entrepreneurs. Governance and accountability are critical factors that determine the viability and success of Indigenous community-owned enterprises. As Altman puts it: "Appropriate governance frameworks should be developed to emphasise direct accountability to government for financial (including economic rate of return targets) and non-financial performance and, more importantly, accountability to Indigenous business and community participants." Policy support for Indigenous community-owned enterprises would be sensitive to this issue and build it into the support conditions and agreements.

Moreover there are few programs to support Indigenous private or social entrepreneurs to establish a business enterprise in the first instance, such as IBA's *Into Business Workshops* and mentoring programs. An enterprise facilitation program that is designed to assist new Indigenous enterprise formation and establishment holds the potential to increase the growth rate of Indigenous enterprises in Australia. One model for such an Indigenous enterprise facilitation program comes from an innovative program being trailed in Sydney to assist newly-arrived refugees to establish a business in Australia. The program, called *Ignite: Small Business Start-ups* was established by Settlement Services International (SSI), a service provider for some 8,000 newly arrived humanitarian immigrants in Sydney per annum. Two Enterprise Facilitators were hired for two years to assist new humanitarian immigrants enthusiastic about establishing a business in Sydney to achieve their task. They were assisted by volunteers who joined a Resources Team which meets regularly to provide advice to the Facilitators about their clients. In 12 months of operation, over 70 humanitarian immigrants have entered the program. Seven have established a business with another 14 at the stage where they are preparing to launch their business (Collins 2014). The program is cost effective – two salaries for two years plus 0.5 of an SSI staff member designed to oversee the program. While humanitarian immigrants are very different to Indigenous Australians and this Ignite program cannot be simply transferred and copied to facilitate new Indigenous enterprises in Australia, it demonstrates there is a case for developing and trialling an enterprise facilitation program that is designed to assist new Indigenous enterprise formation.

One area of government policy related to assisting new Indigenous enterprise formation are programs designed to assist the unemployed to become economically self-sufficient by establishing a business enterprise. One of the new strategies identified by Altman in 2001 to assist Indigenous enterprises related to revising the CDEP program to better enable unemployed Indigenous people to

establish enterprises: "it should be possible to revamp the CDEP scheme (with capital component) to assist micro-businesses for income generating and socio-cultural objectives" Altman (2001a, p.4) argued. Despite the fact that the CDEP has been abolished by the Australian government, initiatives to assist unemployed Indigenous people to establish enterprises should be revisited. The New Enterprise Incentive Scheme (NEIS), has been in place for decades – it was established in 1985 - in order to assist unemployed people become entrepreneurs. Under the NEIS, unemployed people can take advantage of business training and of immediate financial access to (future) unemployment benefits during the period in which the business enterprise is established. In addition, mentor support is available, with visits to the enterprise by the mentor four times a year. This is designed to help the cash-poor unemployed in the setting-up phase. However, the NEIS is not available to those who want to buy a franchise or an existing business. About 6,000 people entered the NEIS per year (Standing Council on Employment, Education and Workplace Relations, 2000, p.68).

Under the current iteration of NEIS (Job Services Australia 2014[2]), NEIS directs applicants to undertake a Certificate III in Micro-business Operations or a Certificate IV in Small Business Management, depending on the type of small business the applicant is planning. During the training the applicant develops a business plan which, if approved, entitles the applicant to NEIS Assistance which includes a NEIS Allowance for up to 39 weeks, NEIS Rental Assistance for up to 26 weeks (if the applicant is eligible) and business mentoring and support during your first year of business operation.

According to DEEWR (2013), the NEIS is successful: "NEIS is DEEWR's most successful labour market program. Post program monitoring figures show that three months after completing NEIS (about 15 months after starting the business), 84% of participants are on unsubsidised employment and 12 months after completing NEIS (about 2 years after starting the business), 82% of participants are in unsubsidised employment or training. NEIS also creates secondary employment. For every 10 NEIS businesses, on average, a further 8 new jobs are created.

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[2] http://docs.employment.gov.au/system/files/doc/other/20140630_neis_fact_sheet.pdf

3. Methodology

The research project employed *qualitative* and *quantitative* methodologies.

3.1   Qualitative Methodology

The *qualitative methodology* included in-depth interviews with 38 Indigenous entrepreneurs – 22 male Indigenous entrepreneurs and 16 female Indigenous entrepreneurs – across Australia using a purposive sampling approach, maximum variation sampling. Each interview was conducted face-to-face with at least two researchers, and each lasted about 1.5 to 3 hours. A copy of the moderator's outline is presented in Appendix 1.

Figure 7 shows that this fieldwork was conducted in all Australian states other than Tasmania and in the Northern Territory. *Figure 8* shows that the research was designed to include Indigenous entrepreneurs in urban, regional and rural locations across Australia.

Figure 7: Qualitative Informants by gender, State and Territory
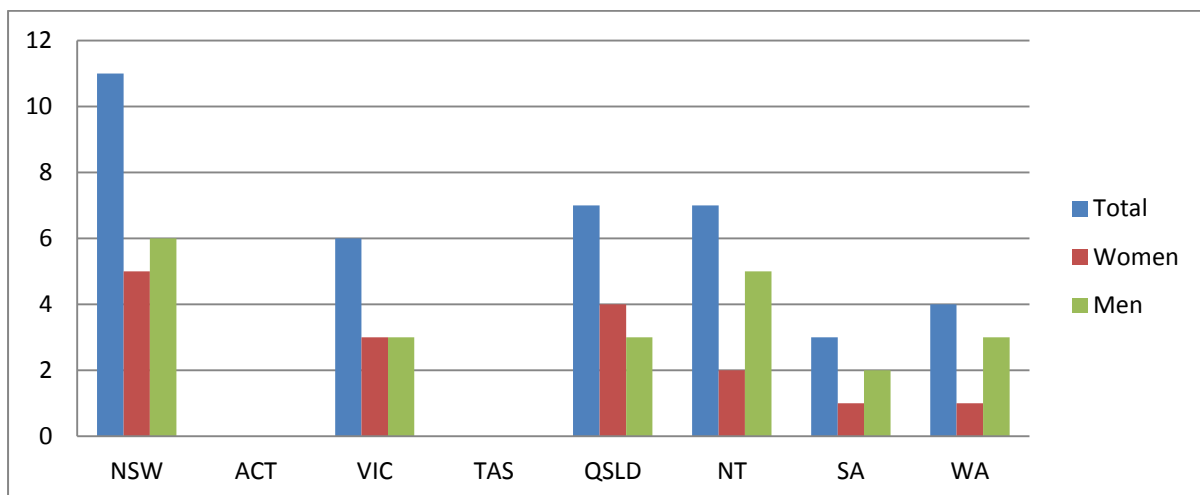
Figure 8: Qualitative Informants by metropolitan, regional and remote areas by gender
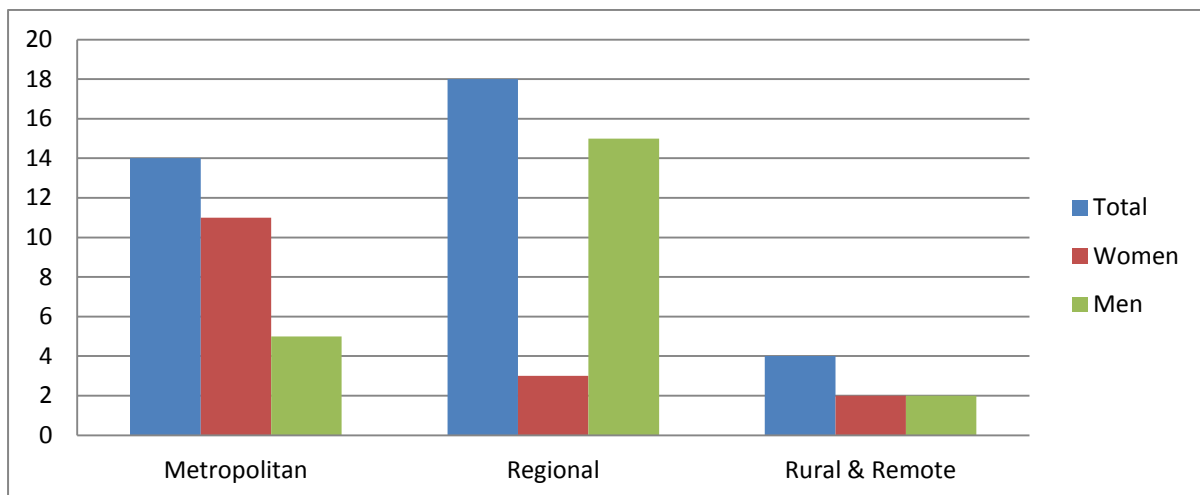
The other part of the qualitative methodology comprised of *key stakeholder interviews* designed to get insights into Indigenous entrepreneurship from government officials with responsibility for Indigenous entrepreneurship, key Indigenous community representatives and leading academics in the field. Interviews were held with Prime Ministers and Cabinet, Federal Government (n=2) Victorian government (n=2) and NSW government (n=2), NSW Lands Council (n=1), Supply Nation (n=1), academics from CAEPR, ANU (n=3) and UTS (n=1). A copy of the moderator's outline used for stakeholder interviews is presented in Appendix 2.

3.2 Quantitative Methodology

Questionnaire Description

The information provided by the qualitative research was used to design a quantitative questionnaire. The questionnaire was 17 pages long and included 15 sections as follows:

- Background information about the business – what the business does, goods produced, whether produced for the Indigenous community, years of operation, percentage Indigenous ownership, private or community ownership, type of enterprise

- Information about mentoring support provided in setting up the business

- Finance for your business – questions about where initial capital raised, grants sought and whether they were received, and whether capital has been sought since the business was first established

- Experience and training – whether the entrepreneur worked in a related industry prior to establishment, years of experience in this industry, family member experience in business, training for self and training for employees

- Business employment – questions about how many Indigenous and non-Indigenous people are employed, their gender, preferences for employing Indigenous people and expectations for employment changes in the next two years

- Promotions – questions about the use of various communication channels and branding of the business. The questions on usage of communication channels drew on the scale developed by Morrison et al. (2012).

- Business practices – questions about the use of business plans, diaries, accounting systems, industry experts, internet, diversification and adoption of new technologies. Many of these questions drew on the business orientation scale developed by Morrison et al. (2012).

- Business success – questions about sales revenue, growth in sales revenue and profit, other measures of growth (increased number of staff, moving into bigger premises, purchasing additional plant and equipment, and establishing additional offices, outlets or shopfronts), questions about what are the most and least important factors driving success, question about perceived cashflow and satisfaction with different aspects of the business

- Business challenges – questions about perceived challenges at start up and now

- Business going forward – questions about how long the entrepreneur will remain in business and succession plans

- Links within and outside business – questions about community connectedness that drew on the scale developed by Morrison et al. (2012), a network engagement that drew on a scale developed by Morrison and Lockwood (2013) and a sense of place scale based on the one developed by Williams and Vaske (2003).

- Contributions to community – questions on specific contributions made, and community support motivations for participating in the business

- Views about the government – a trust in government scale that is based on a scale developed by Morrison et al. (2012)

- Classification questions – sociodemographic questions, including about education, and whether partner is Indigenous or non-Indigenous and involved in the business

- Section for other comments

Separate versions of the questionnaire were designed for owners and managers, though the two versions only differed slightly.

A copy of the owners' version of the questionnaire is in Appendix 3.

Pre-testing

The quantitative questionnaire was initially piloted with 20 interviews. Only minor amendments to the questionnaire were required, as follows:

- An initial category for sales revenue was included for micro firms (less than $50,000)
- A manager's version of the questionnaire was created which allowed respondents to indicate that they were not at the business at start up and thus some questions related to start up were skipped
- A question on actual cash-flow was deleted as respondents had difficulty differentiating between sales revenue and cash-flow
- A couple of sections were switched in order to improve flow of the questions

Given the relatively minor changes made to the questionnaire, the pilot responses were included in the final sample.

Survey Sample

Each questionnaire was conducted in person with two interviewers who had completed cultural awareness training, apart from two which were completed over the telephone.

A database of Indigenous businesses across Australia was initially developed for this research. This database drew on a range of publically available lists of Indigenous businesses, including government databases, Black Pages and listings from various Aboriginal business chambers and networks.

Quotas were then set for urban, regional and remote areas of Australia, and for towns of different sizes. Sampling occurred in all capital cities, and a selection of smaller and medium-sized towns were randomly chosen for sampling. The sample was initially recruited probabilistically using the database, however the large turnover of Indigenous businesses over the period of our sampling (two years) – which is common among small business (DIISRTE 2012) – and the many new-starts not listed in our database or other directories necessitated the additional use of internet searching to locate new businesses, contacting of local Aboriginal corporations, Chambers of Commerce, local Aboriginal Employment Services or snowballing to identify potential businesses to survey, especially in regional and remote areas. However, it should be acknowledged that there are likely to be a significant proportion of predominantly privately-owned Indigenous businesses that are not branded as Indigenous businesses, are not listed on any Indigenous business databases and have limited

participation in Indigenous networks. It is very difficult to identify such businesses and consequently this group will be under-represented in our sample.

A total of 749 businesses were contacted to participate in the survey. Of these, 98 were out-of-business and 159 could not be contacted. A total of 87 who were contacted were not willing to participate in the survey, 13 were not Indigenous owned therefore could not be interviewed, and 12 initially agreed to participate but subsequently withdrew. A final sample of 324 businesses was achieved, representing a response rate of 51.1% based on those businesses still operating and who were Indigenous.

The quantitative sample was conducted in urban, regional and remote areas of all states and territories of Australia apart from Tasmania, and included both privately-owned and community-owned enterprises (including cooperatives) (Table 7). Of the 324 businesses, 263 (82%) were privately owned and 61 (18%) were community/cooperatively owned. The distribution of these businesses is shown in Table 8.

Table 7: Location of businesses across region and state

	NSW	Victoria	Queensland	South Australia	Western Australia	Northern Territory	ACT	Total
Urban	51	27	21	9	31	23	7	169
	44.7%	*58.7%*	*37.5%*	*100%*	*57.4%*	*60.5%*	*4.1%*	*52.2%*
Regional	57	19	34	0	0	0	0	110
	50.0%	*41.3%*	*60.7%*	*0%*	*0%*	*0%*	*0%*	*34.0%*
Remote	6	0	1	0	23	15	0	45
	5.3%	*0%*	*1.8%*	*0%*	*42.6%*	*39.5%*	*0%*	*13.9%*
Total	114	46	56	9	54	38	7	324

Note: column percentages are shown in italics

The industry classification of the quantitative sample based on ANZIC Industry codes is shown in Table 8. The most common classification was Professional, Scientific and Technical Services (21.1%), followed by Construction (13.4%), Arts and Recreation Services (13.4%), Administrative and Support Services (9%), Retail Trade (8.4%) and Education and Training (7.8%). Some gender differences were evident, with females less likely to be involved in construction and more likely to be involved in education and training and health care and social assistance.

Table 8: Industry sectors of Indigenous Australian entrepreneurs – Quantitative Sample

	Male		Female		Total	
	N	%	N	%	N	%
Agriculture, Forestry and Fishing	1	0.5%	2	1.6%	3	0.9%
Mining	3	1.5%	1	0.8%	4	1.2%
Manufacturing	2	1.0%	2	1.6%	4	1.2%
Electricity, Gas, Water and Waste Services	0	0.0%	0	0.0%	0	0.0%
Construction	35	18.0%	8	6.2%	43	13.4%
Wholesale Trade	3	1.5%	2	1.6%	5	1.6%
Retail Trade	15	7.7%	12	9.4%	27	8.4%
Accommodation and Food Services	4	2.1%	5	3.9%	9	2.8%
Transport, Postal and Warehousing	1	0.5%	0	0.0%	1	0.3%
Information Media and Telecommunications	11	5.7%	8	6.2%	19	5.9%
Financial and Insurance Services	1	0.5%	1	0.8%	2	0.6%
Rental, Hiring and Real Estate Services	7	3.6%	1	0.8%	8	2.5%
Professional, Scientific and Technical Services	42	21.6%	26	20.3%	68	21.1%
Administrative and Support Services	18	9.3%	11	8.6%	29	9.0%
Public Administration and Safety	3	1.5%	3	2.3%	6	1.9%
Education and Training	9	4.6%	16	12.5%	25	7.8%
Health Care and Social Assistance	4	2.1%	8	6.2%	12	3.7%
Arts and Recreation Services	28	14.4%	15	11.7%	43	13.4%
Other Services	7	3.6%	7	5.5%	14	4.3%
Total	194	100.0%	128	100.0%	322	100.0%

Data Analysis

The quantitative data collected was analysed using univariate and bivariate statistics, and two multivariate statistical techniques: cluster analysis and regression analysis.

Univariate and Bivariate Statistics

A range of univariate and bivariate statistical techniques are used to present an initial overview of the data. The univariate statistics are primarily means and frequencies. For the bivariate statistics, basic tables have been used to identify how means and frequencies change across location and across business type.

Cluster Analysis

Cluster analysis is a technique used to identify different segments within the data. In this report, three different segmentation analyses have been conducted: on usage of promotional techniques, on engagement in networks, and on measures of business performance. The goal of each of these analyses is to better understand the drivers and/or consequences of different business activities or levels of performance.

Cluster analysis is a method used to group objects or cases together based on their similarities. Objects or cases tend to be like those in the same cluster and unlike objects in other clusters. It involves the use of mathematical algorithms to group data so the similarities are maximised and differences limited. The responses across clusters are tested for significant differences using Chi square tests and ANOVA. This testing is used as an indicator of external validity in cluster analysis (Aldenderfer and Blashfield, 1984).

Ordinal Logit Regression Analysis

Regression analysis is used to identify the variables associated with improved firm performance. Ordinal or ordered logit regressions were used because of the nature of the dependent variables selected, which were four or five point indexes. Ordinal logit regressions are similar to ordinary least squares regression in their inclusion of independent variables, and they have similar or related evaluative statistics (eg t-statistics, pseudo-R^2). The ordered logit model is commonly specified as follows:

$$y_i^* = \beta x_i + \varepsilon_i$$

where y_i $= 0$ if $y_i \leq \mu_0$

                $= 1$ if $\mu_0 < y_i \leq \mu_1,$

                $= 2$ if $\mu_1 < y_i \leq \mu_2,$

                …

                $= J$ if $y_i > \mu_{J-1}$

The free parameters μ represent the cut-off between ranks. Further details about this model can be found in Greene (1993) and Train (2002).

4. Qualitative Fieldwork

4.1   Characteristics of Informants

Age Group and Gender of Indigenous Entrepreneurs

The qualitative fieldwork in this research consisted of in-depth, semi-structured interviews with 38 male and female Indigenous entrepreneurs across Australia using a purposive sampling approach, maximum variation sampling. There were 22 male (58%) and 16 female (42%) Indigenous entrepreneurs (Table 9).

TABLE 9: Gender of Indigenous entrepreneurs – qualitative sample

	N	%
Female	16	42%
Male	22	58%
Total	38	100%

Indigenous entrepreneurs in this research were spread across the age groups, with 24 out of all 38 entrepreneurs (63 %) being between the ages of 30-49 (Table 10).

TABLE 10: Age group and gender of Indigenous entrepreneurs – qualitative sample

Age	Female	Male	Total
18-29	3	0	3
30-39	5	8	13
40-49	4	7	11
50-59	2	2	4
60+	0	2	2
Unknown	2	3	5
Total	16	22	38

State, Region and Gender of Indigenous Entrepreneurs

The sampling process of the qualitative fieldwork was designed to include informants from urban, regional and remote Australia. Indigenous entrepreneurs who participated in this study lived in every state except the ACT and Tasmania, and were most likely to reside in NSW (Table 11). They were located in urban, regional, and rural and remote Australia. Women were more likely to live in an urban area, while men were more highly congregated in regional locations (Table 12, Figure. 9).

TABLE 11: State and gender of Indigenous entrepreneurs – qualitative sample

Location	Female	Male	Total
NSW	5	6	11
ACT	-	-	-
VIC	3	3	6
TAS	-	-	-
QSLD	4	3	7
NT	2	5	7
SA	1	2	3
WA	1	3	4
Total	16	22	38

TABLE 12: Region and gender of Indigenous entrepreneurs – qualitative sample

Local	Female	Male	Total
Urban	11	5	16
Regional	3	15	18
Rural/Remote	2	2	4
Total	16	22	38

FIGURE 9: Region and gender of Indigenous entrepreneurs – qualitative sample
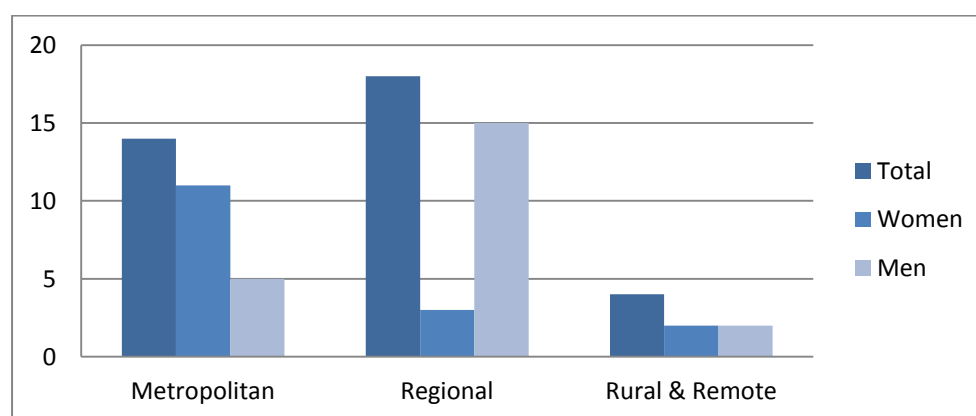
Industries

The sampling process of the qualitative fieldwork was also aimed at recruiting informants from a range of different industries. The most common industry sectors of female Indigenous entrepreneurs were business management, consultancy and financial analysis; the cultural sector; and retail. For men, the most common industries were business management, consultancy and financial analysis; and the cultural sector (Table 5).

TABLE 13: Industry sectors of Indigenous entrepreneurs – qualitative results

Industry	Female	Male	Total
Hospitality	2	1	3
Cultural	4	3	7
Tourism	1	1	2
Sport and recreation	0	1	1
Retail	3	2	5
Tradespersons and construction	0	2	2
Manufacturing	0	1	1
Auto industry	0	1	1
Agriculture, forestry and fishing	0	1	1
Media and telecommunications	0	2	2
Education and training	1	2	3
IT services	0	2	2
Labour hire and recruitment	1	0	1
Business management, consultancy and financial analysis	4	3	7
Total	16	22	38

The Business Enterprise

There are two distinct forms of Indigenous business ventures. These are stand-alone commercial businesses, be they sole traders, partnerships, or proprietary limited companies incorporated under the *Australian Commonwealth Authorities and Companies Act 1997* (ACAA), and 'community'-based businesses incorporated under the *Aboriginal Councils and Associations Act 1976* or one of the many state association Acts (Foley 2006a). These two distinct forms differ in their processes of incorporation, their business philosophies that assign relative priorities to commercial and social interests, and their governance and reporting requirements. The community ventures also often have taxation concessions, are usually not-for-profit, and can be a registered charity (Foley 2006a).

In this research, seven out of 38 entrepreneurs were in a community-based business. Of the remaining 31 participants, eleven were registered as sole traders, ten were in a partnership, eight were in a propriety limited company, one entrepreneur had a trust, and one person managed a franchise (Table 14).

TABLE 14: Business type and gender of Indigenous entrepreneurs – qualitative results

Business Type	Female	Male	Total
Sole trader	7	4	11
Partnership	3	7	10
Trust	1	0	1
Company	2	6	8
Franchise	1	0	1
Community-owned	2	5	7
Total	16	22	38

The Community Enterprise

Seven businesses in this research were community enterprises. Three of these businesses were in the cultural industry, two in the education and training sector, one in agriculture, forestry and fishing, and a seventh in business management, consultancy and financial analysis (Table 15). These organisations were managed by two women and five men respectively. We also included in this section of the qualitative research two enterprises which were owned by Indigenous Community organizations and controlled by a Board comprised of Indigenous Directors who employed non-Indigenous managers to run the day-to-day operations of the business.

TABLE 15: Industry and description of Indigenous community enterprises – qualitative results

Industry	Description	State	Region
Cultural	Arts and crafts centre	QSLD	Rural
Cultural	Art centres alliance	NT	Regional
Cultural	Art centre	SA	Urban
Education and training	Community education services	NT	Regional
Education and training	Job network, community services, landscaping	VIC	Regional
Agriculture, forestry and fishing	Marron farm	WA	Regional
Business management, consultancy and financial analysis	Architectural consultancy	NT	Regional

Defining Indigenous businesses

Within the two broad business models – stand-alone commercial businesses, and 'community'-based businesses – Supply Nation (formerly the Australian Minority Supplier Council) stipulates that Indigenous entrepreneurs must be at least 51 per cent owners in the enterprise for it to be classified as an Indigenous business. Supply Nation was established to foster an Aboriginal enterprise sector by integrating Indigenous SMEs into the supply chains of Australian companies and Government agencies (Foley 2013, pp.26-27). The executive officer must also be an Indigenous Australian, and the key decisions in the business must be made by Indigenous Australians. It is assumed that circumstances associated with this definition will result in a significant degree of Indigenous control.

However, the Supply Nation definition of an Aboriginal business has also been critiqued for excluding many companies that may otherwise be classified as Indigenous (Hunter 2013, p.16). This majority-controlled definition is inconsistent with the practices of Indigenous Business Australia (IBA), Australia's foremost lender and promoter of Aboriginal enterprises. IBA provides business support services and finance to Indigenous Australians to assist them in establishing, acquiring and building small to medium businesses. Their eligibility criteria for support or funding is that at least 50 per cent of the ownership of the business belongs to a person of Indigenous Australian descent (Foley 2013, p.27). The Supply Nation criteria is also problematic in light of the number of businesses established by couples that consist of one Indigenous and one non-Indigenous spouse (Foley 2006a, p.18).

The research findings here support these concerns by drawing attention to the large number of businesses established and managed, both formally and informally, by such intercultural spousal partnerships, as well as the community business model which employed non-Indigenous managers. In this example, both community businesses were clearly Indigenous enterprises but fell outside of the Supply Nation definition.

Spouses of Indigenous entrepreneurs

Across the total sample, Indigenous entrepreneurs were more likely to have a spouse than be single. 26 out of all 38 entrepreneurs (68.5%) were either married or in a defacto relationship (Table 16, Figure 10). These spouses were also more likely to be non-Indigenous. 20 out of these 26 spouses were non-Indigenous, four were Indigenous, and two were unidentified.

Across the genders there was a considerable difference in the entrepreneurs' relationship status, with female entrepreneurs more likely to be single. Of the 16 women interviewed, 7 (44% of all

women) had a spouse, 8 (50% of all women) did not have a spouse, and one was unidentified. Of the 22 men interviewed, 19 had a spouse (86.5% of all men), with the other three being unidentified.

Indigenous male entrepreneurs were also more likely to be in a relationship with a non-Indigenous female. 14 out of the total 22 male entrepreneurs (63.5% of all men) had a non-Indigenous spouse. In contrast, while 7 out of the total 16 female entrepreneurs had a spouse, 6 of these spouses were non-Indigenous (37.5% of all women).

Such high rates of exogamy among Indigenous people are not unusual. Data from the five-yearly Census shows that in 2011, 56.9 per cent of partnered Indigenous men had a non-Indigenous spouse. This was slightly lower than the corresponding figure of 59.0 per cent for Indigenous women. These percentages also represented a steady increase from the previous 2006 Census (Biddle 2013, p.2). 2011 was also the first Census in which a majority of both male and female Indigenous people were partnered with a non-Indigenous person (Heard et al. 2009, p.1). Australian residents have also shown an increased propensity to identity as Indigenous (Biddle 2013), and it is likely that this growing propensity has implications for data on intermarriage (Heard et al. 2009, p.2).

TABLE 16: Indigenous and non-Indigenous spouses of Indigenous entrepreneurs – qualitative results

	Female			Male			Total	
	N	% of Total	% of Female	N	% of Total	% of Male	N	%
Spouse	7	18.5%	44%	19	50%	86.5%	26	68.5%
--Indigenous	1	2.5%	6.5%	3	8%	13.5%	4	10.5%
--Non-Indigenous	6	16%	37.5%	14	37%	63.5%	20	52.5%
--Unknown	0	-	-	2	5.5%	9%	2	5.5%
No spouse	8	21%	50%	0	-	-	8	21%
Unknown if has spouse	1	2.5%	12.5%	3	8%	13.5%	4	10.5%

FIGURE 10: Indigenous and non-Indigenous spouses of Indigenous entrepreneurs – qualitative results
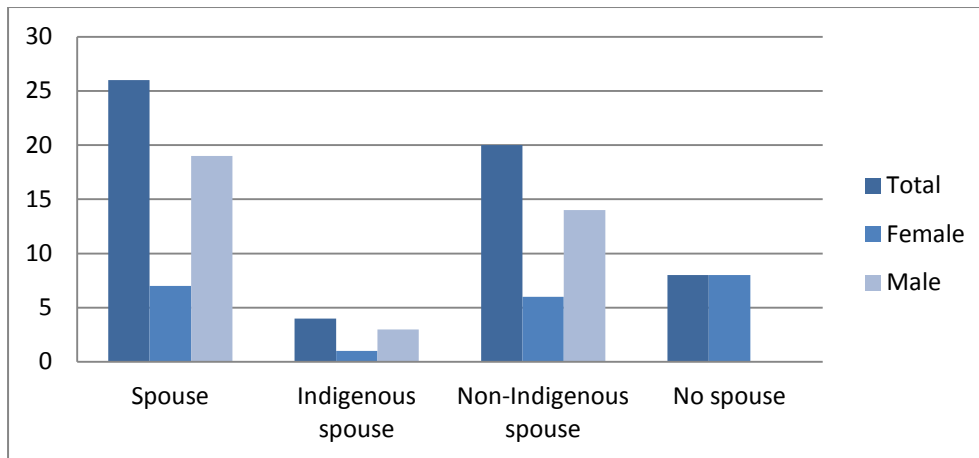
The data shows further variation in the regional location of entrepreneurs with an Indigenous spouse as opposed to a non-Indigenous spouse, as well as for entrepreneurs who were single. Entrepreneurs with a non-Indigenous spouse were more than twice as likely to be living in a regional location, while entrepreneurs with an Indigenous spouse, or no spouse, were more likely to be based in a metropolitan location (Table 17, Figure 11). These results differ from those of the 2011 Census, which identify urban areas as being the location of the majority of Indigenous Australians with a non-Indigenous partner. However, in the 2011 Census data, the proportion of couples consisting of an Indigenous and non-Indigenous spouse was still much higher in regional centres than in rural and remote areas (Biddle 2013). 2006 Census data also showed that fewer Indigenous persons living outside capital cities were living in an exogamous relationship.

Data from the 2006 Census further highlighted that outside the capital cities, a strong association existed between the income of persons and exogamous relationships, particularly for men. The higher the income, the more likely the partnered Indigenous person was to be living with a non-Indigenous spouse (Heard et al. 2009, p.10). While the sample here does not reflect the 2006 Census trend of inter-marriages being highest in the capital cities, it does reflect the pattern of income status and exogamy in regional areas, particularly among men. Socio-economic factors are fundamental in shaping partnering decisions, with people tending to look for partners with similar educational and class backgrounds to their own. Intermarriage could therefore be interpreted as a significant measure of socio-economic mobility (Kalmijn 1998 in Heard et al. 2009, p.2). Intermarriage is also linked importantly with geographic mobility. Historically, much of the Indigenous community has lived in relative geographical isolation from the non-Indigenous community. While the Indigenous population remains less urbanised than the non-Indigenous

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population, there has been a longstanding shift in the distribution of Indigenous persons from the North and West of Australia to the East and South towards the urban locations. For most of the twentieth century, this isolation has been accompanied by low levels of educational and occupational mobility among Indigenous persons (Heard et al. 2009, pp.2-6).

TABLE 17: Regional location of inter-cultural relationships among Indigenous Entrepreneurs – qualitative results

	Urban	Regional	Rural/ Remote
Indigenous spouse	3	1	0
Non-Indigenous spouse	6	12	2
No spouse	7	1	1
Spouse unidentified	0	1	1

FIGURE 11: Regional location of inter-cultural relationships among Indigenous Entrepreneurs – qualitative results
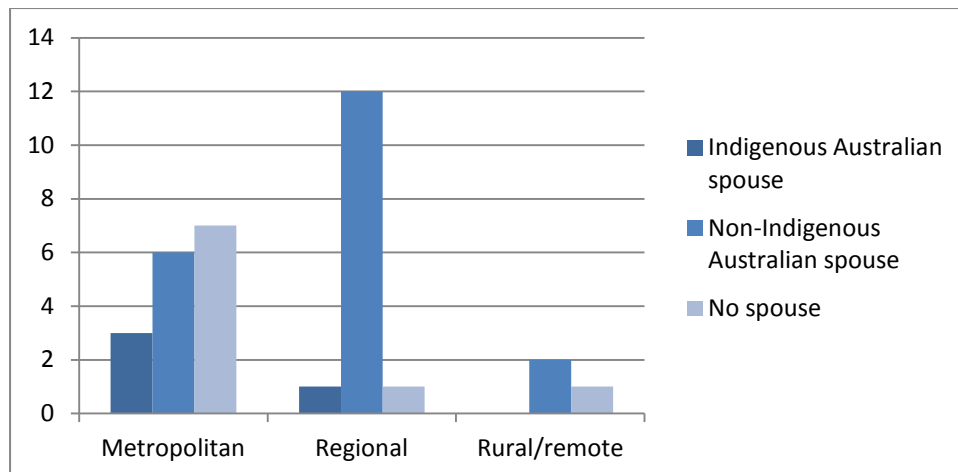
4.2   Personal Narratives

This section outlines important themes in the qualitative data around Indigenous entrepreneurs' personal narratives. Drawing on the interview responses, it provides insight into entrepreneurs' motivations for starting their business, the personal and social factors contributing to their business development success, and the role of the business in their life history. Among the respondents, key themes in the motivations to work in their business included being a "self-starter" and stressing the role of personal "will"; identifying and seizing a gap in the market; the role of passion and purpose; business as form of self-actualisation; being a role-model; and demonstrating responsibility and care

for family and kin. These themes emerged and overlapped in the entrepreneurs' personal narratives. However clear similarities emerged across people's motives, key moments in their life history, and ways of conceptualising the business venture.

Individualisation and having "a will to succeed"

The narrative of self-starting and being industrial, motivated and enthusiastic for business was evident in many entrepreneurs' biographies. This was a motivation considered innate in which people described themselves as having had a "will to succeed", being "driven", and having been adept at seeking out opportunities. Such people stressed an "entrepreneurial" spirit, focusing on their individual motivations and the way that their personality traits responded to their specific environment (Collins et al. 1995, p.142). As will be outlined, these entrepreneurs emphasized that they had taken control of their lives and made key decisions to better their opportunities, and this sense of personal strength was a very significant theme in their narratives. These participants also highlighted intelligence, confidence, risk-taking and determination as contributing factors, stressing the individuation of such qualities which were perceived as necessary to succeed. Embedded in these narratives was also "permission" to achieve success and their obligation to provide for others.

Despite this emphasis on self-ability and will, these biographies were not strict stories of autonomy and self-sufficiency. Such individuals frequently recognised the support of their family or spouse in this process. Many people claimed to have sourced their inner drive through family influences, or had a spouse who not only shared their enthusiasm but also contributed substantially to the business, both formally or informally. For example B1, a man in his sixties who had developed an industrial product, had previously opened and managed a café with his wife. This venture was embedded in his history of "doing things for myself" and "just wanting to better myself". B1 insisted on being perceived as humble and struggling, and promoted his self-achievement as being the result of determination and hard work, particularly in the early years of his business. This had required "a sense of purpose", claiming "if it's worthwhile doing, do it now". He also drew on the sales training he acquired in the early years of his adult life, as well as motivational advice for guidance and strength, citing as "whatever the mind of a man can conceive and believe that man can achieve".

This "entrepreneurial" ethos was an identity from which many business owners also drew moral worth. Such individuals aligned themselves with values of achievement, success, personal and financial growth, and responsibility. This was the case for B2, a man in his thirties who ran a painting and decorating company in a regional town of regional NSW, had always "wanted to achieve … wanted to get somewhere down the track … I was never the sort of person that wanted to just sit

around and be a bum". Likewise B9, a woman in her thirties in Melbourne who was a business consultant, explained "I made that decision ... that I was going to be something one day".

B8, a female entrepreneur in her forties, ran an industrial laundry in Melbourne. The company had been started by her father who, she explained, had sometimes also worked up to four jobs at once to make a living. When her father first ventured into the industrial laundry business, "most people laughed at him, told him he was a fool for even considering it. But thankfully, he had the guts to believe in himself that he could make a difference". Her father had also established a good reputation with people who were "willing to give him a chance", B8 explained. "He was clever enough to say 'I'll do it myself' rather than pass it on". The laundry remained a success today, she continued because of "just bloody hard work" and a "determination to succeed". Interestingly, while B8 drew on this entrepreneurial heritage of hard work and innovation in her family, she also identified herself against her father in other ways, notably in his being "old school ... without working within the rules and regulations and the law".

This ambition to be successful and overcome hardship played a part in several participants' narratives, such as B19, a business consultant in Darwin who described herself as "driven". B19 had started her first business when she was 16 years old. Her current enterprise focused on identifying and developing the key principles that make a business sustainable in the marketplace. In her narrative was the struggle to overcome the limited ideology of the environment in which she had grown up. "It takes a lot of battles to challenge your mindset when you come from an environment where people don't think like you do," she explained, and cited her father as her greatest mentor and inspiration:

> "because he actually said that I could achieve and do whatever I wanted, as long as it took hard work and dedication, you'd be fine ... You need to be given permission to say that you can actually dream big, and then go and do it ... to release you to go and do it."

Likewise B12, a man in his forties, was an owner of a clothing retail store in Victoria. He had described himself as "a goer, tenacious. I just keep going, because we have to". B12's parents did not have a business background, but had "just worked and they knew how to make a dollar".

In describing their business identities, a small number of participants also highlighted their dissimilarities from Indigenous businesses which receive government funding. B16, a man in his forties who managed a media company in Brisbane, was keen to explain that while his company partly served the needs of Indigenous people, the financial stability and sustainability of the company was just as important. "We're also out to make money and to make a living and make enough money to be sustainable". "I'm entrepreneurial" he continued:

"and one of the precepts is, we don't get any government funding, so we have to live by our wit and our strategies and our ability to sell our contents and be creative and do those sorts of things. In a purely commercial sense."

Like several others, B12 distinguished his personal and businesses identity as being severed from government-funded organisations or assistance. His narrative around the company's business success drew on broader national sources of pride within Australian cultural ideology. "Australians will always think of innovative ways around that problem" he argued, referring to geographical distance from technological developments in the U.S.A. He also employed the most strongly aligned neoliberal ideologies among the cohort in his perspective regarding government-funded Indigenous businesses (Lamont 2000). This was particularly evident in his insistence that markets should be separate from government, and that "you don't go to government for funds".

As already highlighted, among the narrative of the self-starters were those whose parents either came from a business background, or who had raised their children in a family culture of hard work and risk-taking. Such participants stressed the moral imperative of hard work that was instilled in them from childhood as a form of cultural capital. B26, a woman in her thirties who ran an Indigenous cultural workshop company, explained how her parents, who had also owned a business, identified her positively as a risk-taker when she was young:

"growing up in [location] my parents had, my dad always had his own business. He was a truck driver, and had his own business with cutting grain and doing lots of that sort of work. My parents separated about twenty years ago, and so my dad's always, they've always had their own business. But my mum always worked in, was always a hard worker within the business. She used to drive trucks as well, and work in health, nursing and that as well. So I come from a background where we've worked hard. Growing up out in the bush, we sort of had to work hard. We didn't have much growing up."

This extended to her view of childrearing today, as she stated:

"I would like to see lots of younger people have a bit more drive. They seem to, this whole generation now seems to be, they don't want to work hard."

This also underpinned her approach to Indigenous economic development, explaining, "we don't want any handouts, just give us a go. Give us a hand up, not a hand out".

A strong theme which frequently interwove with "having the will" was the role of the family, notably parents and spouses. Some participants had a key moment, event or theme from their childhood which was incorporated into their business narrative identity today. For example, B18, a woman in her twenties who managed a hairdressing salon in a rural Queensland town, had been strongly encouraged and supported by her family. "Ever since I was 4", she explained, "I've always wanted to be a hairdresser …. Well, the business was for sale, and Mum kind of asked me if I was interested,

and I thought, yeah, why not, we'll give it a go. And so far, so good". For others, parents loomed large over their ventures and ambitions, instilling belief in their ability to achieve.

As already touched upon, partners also played a crucial role in the development and success of many businesses, particularly for men. Partners also played important roles in participants' personal narratives and motivations. This ranged from entrepreneurs wanting to share their work with their life partner, to being supported financially and/or emotionally. For example, B7, a woman in her twenties, ran a drive-through cafe with her fiancé in Melbourne. She described how she and her fiancé had been "looking for something to do together, something that could provide an income on the side". They liked the idea of a drive-through coffee shop and her partner's family also lived close by. Another male entrepreneur in his forties, B35, was working as a chef in Western Australia where he met his now wife and business partner. With a background in sales and marketing, she suggested they venture into managing hotels, and the couple embarked on this new career in a formal business partnership.

Seizing an opportunity

Another strong theme in entrepreneurs' personal narratives was having recognised a market niche and built on previous skills and industry experience. Seizing an opportunity was a way to generate immediate and/or projected financial and emotional security, and engender feelings of certainty and control, especially by providing for one's family. As evident in these narratives, several entrepreneurs stressed the role of other people in encouraging and supporting them to taking steps towards their business venture.

B12, who ran a retail outlet in regional Victoria, explained that his decision to start the business was that "we just wanted a better life for our family and our kids. And a better income". This was "sort of the lifestyle and the whole thing, it's been trying to be in control of things together" he explained. While he "probably" got advice from friends or mentors, he also stressed that "I just saw an opportunity so I grabbed it". For B19, who ran a business consultancy in Darwin, part of the reason that she had taken on her current consulting venture was because it "gave me a sense of security".

B28, a woman in her fifties who maintained a cultural training and conflict resolution business, had previously undertaken volunteer work in the area. "It just seemed a natural progression" she explained. "I could see a big need, in the areas that I have worked. In women's services, in children's services, in welfare". In search of financial stability herself, B28 followed the advice of a colleague and started operating as a registered sole trader. She already knew a specific organisation in need of the training that she was skilled to offer, and launched herself as a specialist in this area.

B4, a man in his sixties who owned a panel beating business, had also seen a fundamental gap in the market where he lived in regional NSW. With 25 years' experience in the industry, B4 had felt confident branching out on his own. He was also strongly mentored in this process by a previous employer who was a current business owner, and who continued to pass on work to him as his business developed. Likewise B2 had recognised there was enough demand to open up his own business. "I was sort of all ready" he explained, "so there was only one other contractor here in town … I thought there was demand enough".

B30, a woman in her forties who ran a childcare consultancy in regional Queensland, built her business both through her exposure to her family business growing up, and her previous experience working in a community kindergarten. Her parents had run a catering business, and as B30 described, "that's how I think I learnt a little bit about business, seeing them run a little business like that". B30 had previously worked in an Indigenous community kindergarten, which she felt was being held back by the stipulations of government funding. She completed a degree in child care and recognised the profit potential of setting up her own centre, which she designed to complement the existing community kindergarten. During this time there was also a growth in the childcare market, and B30 perceived the people starting such as companies as being "just business people", rather than experts in the field. With her own background, however, she was confident that she could pursue this industry successfully.

B14, a man in his fifties in rural Queensland, also recognised a market gap in the town where he lived. B14 had wanted to stay living in this environment but "needed something to do", explaining "I just saw there was an opportunity to keep myself in work". He opened a store in the food and service industry and also ran a consultancy on the side, the latter of which he saw as an opportunity to keep himself in work. "I tend to get out of my comfort zone a bit", he elaborated, which he saw as having from a lifetime of taking and adapting to opportunities that arose, or "kept jumping into things".

B36, a woman in her thirties who ran an Indigenous labour hire and recruitment company in Perth, had recognised an enormous market gap of benefit to both Indigenous people and mining companies. In her previous job in a rapidly growing local mining company, B36 had occupied a position created for her by her employers when they recognised her networking potential and managerial skills. Yet she remained unhappy with the process through which mining companies were hiring Indigenous people – notably going through labour hire companies. B36 decided to form her own such company, foreseeing that mining companies would be compelled to employ her clients, and she now recruits both Indigenous and non-Indigenous labour.

B5, a man in his fifties in urban New South Wales, ran a company which offered employment training. He discussed his own a desire to be self-employed prior to starting this venture, which had appealed to him for being "better than working for government agencies" as he did at the time. This business had rolled on from his previous one, in which he had an established working partnership with a non-Indigenous colleague. He and this colleague:

> "started I think doing some different things. We were looking at a different client base; we were doing some more projects, and stuff …. [we] were interested in Indigenous people… we were already together anyway … it was just like a seamless transition, really. We just moved from one structure to another."

Taking an opportunity was also a matter of applying talents and skills and interests to an area you felt there were opportunities. B10, a man in his thirties who ran an Indigenous graphic design and promotion company, had "always wanted to be in a business". B10 had had experience of running other businesses but not owning them, so "when the opportunity came, well, obviously I grabbed it". He stressed the benefits of having a business already set up to manage, while being able to pursue his own goals. B2, a painter and decorator in regional New South Wales, explained that he had been naturally inclined to creative hands-on work. In his view, his poor maths skills had deterred him from a desired career as an architect, and he had sought out a pathway where he could use his hands:

> "I've always been on the artistic side of things. And growing up at school, I wasn't the best achiever at school … I enjoyed certain things. Anything to do with my hands, like woodwork. "

Seizing an opportunity could also come from being recognised by others. For B31, training led her to the business at the request of others. A woman in her forties living in Sydney, B31 was now running a consulting enterprise, and revealed that she had never intended to have a business:

> "But in order for me to be able to do the training and assessing, I needed an ABN number. And so therefore, I started up this enterprise. And I've just kind of gone from there. People have seen me do things and asked would I be interested to do stuff … So it kind of all, there was no real plan."

B21, a woman in her thirties who ran a cultural tours company in the Northern Territory, set up the business because she had "wanted to show that people have a lot of opportunity now, while the iron is striking warm, that there are businesses that anyone can go into. Not just into tourism". Coupled with this was a sense of contributing to something larger than herself, which she described as "contributing to the bigger picture".

The family business

Two entrepreneurs in this study had taken over or developed an inherited family business. These enterprises had developed from their parents identifying a market gap and mobilising the resources available. B8, who ran the industrial laundry in Melbourne which was started by her father, recalled that he had identified an opportunity to improve the service delivered by his current employer. B8 was now in the process of purchasing the entire company from her father, and in this relationship was a feeling of both debt and gratitude, as B8 worked hard to honour her father's work. "We don't want to see the hard work my dad's done go down the drain" she explained, and detailed that she would like to pass this on to her children in the future:

> "[the business has] provided me probably as a single mother a better lifestyle financially, maybe not emotionally, but financially it has. And we've had, you know, plenty of nieces and nephews, cousins, you know, one of my daughters now works here, so it's had plenty of good benefits to it."

B32, a man living in rural South Australia with his family, ran a cultural tourism company with his brothers. Prior to the business he had been a teacher for 20 years, he and one of his brothers, who had worked in government, and one of his brothers had worked in government. Their grandfather, B32 explained, had been an entrepreneur who "had all kinds of little operations out here. A well-siting business, a fencing business, a freight business, he also had a mining business". Their father also worked as a tourism operator in the area for many years and was heavily involved in the early establishment of a tourism business in the region, such as "making the [name] roads and stuff like that". He had also recognised the need for the cultural aspect to this growing tourism sector, and having no formal training in the industry himself, "used to take tourists around", B32 continued. "[D]ad was involved with tourists so now I've learnt a lot of stuff from him". This history and experience with their father had deeply influenced the brothers' goals for their own business, their father having "brainwashed us with the concept that cultural tourism was going to be the way of the future … people were coming to the [local tourist attraction] but the Aboriginal flavour was missing …". Though they did not expand on this concept until B32 later visited cultural tourism sites in North America and Canada. It was here, B32 explained, "being a tourist, I suppose, I became more interested in what tourists, being a tourist myself, found quite interesting." His father had recently passed away and the brothers began "talking about what he wanted us to achieve in our lives":

> "This tour idea came to the forefront, you know. So I then put pen to paper and convinced my other brother and I to draw up a bit of a business plan, and then I must have been excited by it because I came here at the beginning of 1996 and put the first shovel in the soil. And then, the six brothers we put a hundred bucks each in. Six hundred dollars and I went and bought at an auction sale, I bought a

> little tin shed for five hundred dollars and bought some tools with the other hundred dollars."

> "Our father laid the foundation and the thinking of cultural tourism ... We had the knowledge of promoting our culture, it's the business side that we developed … We are basically sowing the seed, we say the next generation will grow the produce and probably the generation after that may see some of the fruits of it."

B32 further explained that he and his brothers felt a cultural responsibility to share this knowledge with others while also identifying a market gap. They had since completed several training courses through TAFE and visited the Kimberleys to learn more about cultural tour operations.

Community businesses

The narratives of entrepreneurs working within community businesses were considerably different to those of people in companies, partnerships or acting as sole traders. Community businesses were designed with the explicit need to serve the community, establish pathway opportunities and employment networks, offer community services, alleviate poverty and provide a cultural space. This planning was evident in the business managed by B15, which focused on art production and cultural maintenance in a rural Queensland town. B15 had developed from a popular art course which had been offered for three years by the local TAFE and had attracted between 40-50 people:

> "…the majority of the community participated in that course, because, well, you know, they wanted to learn more about art and I guess, a lot of people are creative in Indigenous communities. So it was a good opportunity to come and do a year's course and get Abstudy and learn the skills to paint, and they also then had access to quality materials and the advice from Steve, you know? And it was for the community, it became this thriving hub."

The TAFE was unable to continue the course, so one artist and the TAFE teacher, formed an organisation to keep it going. The main premise of this collective was to continue the development of the artists' work, getting together and "yarning", "making art" and expressing themselves. The business provided Indigenous people with a space to show their works, and a smaller emphasis was placed on developing income opportunities.

B38, a woman in her fifties in Adelaide, also worked for a community centre with a strong arts component, though she outlined a much stronger emphasis on the selling of art work in this business. This centre had grown out of a community development program at the local TAFE, started by an Indigenous and a non-Indigenous woman and later expanded into becoming an Indigenous community-owned business. Similarly, B37 explained that the marron farming business he managed in regional WA came from an opportunity which arose to take over a project previously administered through a regional campus of a University.

B11, who ran an Indigenous training and employment business in regional Victoria, explained his father's goal of providing support for Indigenous people who became unemployed when the Community Development Employment Projects (CDEP) scheme was disbanded. A man in his thirties, B11 described his father as "a go-getter" and "not afraid to do anything", and having already run a business in Vietnam. B11 himself had no formal business training and did not describe himself as a business person. It was his father's flexibility, he continued, that he perceived as having saved the business after the CDEP scheme was terminated, with new funding models being focused on supporting individuals rather than being "community" focused. "We're not going to say what the community wants", B11 elaborated. Their work was now "really tailored to the individual wants and desires, what they wanted to get in the labour market", their business having survived because his father had "adapted":

> "It comes down to that. I don't want to brag about the mentality of a co-op, but it comes down to the mentality. They pulled the money, we had no security to continue, so we had to adapt to what the Government was giving us, and you had to do it. And you had to get the outcomes".

B11 compared this to other "co-ops" (community cooperative organisations) who "just locked the doors and walked, basically ... You can't just let them shut down", and stressed the need for community businesses to serve individuals rather than the 'community'. His father had also experienced issues around embezzlement with a non-Indigenous bookkeeper, which was currently going through court. B11 further appeared sceptical of "cultural awareness" sensitivity and training because it separated Indigenous people and their businesses from everyone else, which he perceived as a "cop-out".

Purpose, passion, taking control and self-actualisation

A clear pattern across these narratives was socialisation to self-employment being a process of biographical self-socialisation (Apitzsch 2003) and self-actualisation. Entrepreneurs, due to unemployment or other disadvantageous conditions, often become self-employed to escape this predicament, and in their narratives there was a process of emancipation. There was thus significant biographical meaning to be gained in being self-employed. This meaning stemmed from connecting with cultural heritage, having a purpose, and experiencing sincere passion for a field of practice. Among the participants, this experience was particularly acute among single women who were also sole parents. Such individuals worked hard to reshape and re-narrate their ongoing biographies (Giddens 1991).

In fact desire for independence and autonomy, and the need to feel a sense of control over their lives, was particularly evident among female entrepreneurs. Through their businesses, many women

gained respect, independence, mobility and flexibility that would have been much more difficult or unattainable to find as an employee in the non-Indigenous labour market. Women are generally more vulnerable than men to social exclusion from the labour market, and self-employment is a way to gain autonomy, escape discrimination and other constraints (Heard et al. 2009). For example, B21, who ran a cultural tourism company in the Northern Territory, had striven "to be more self-independent, and to contribute back to the economy". Her family had experienced welfare quarantining under the Northern Territory Intervention, and B21 spoke of a strong desire to retain control of her income, opportunities and future.

B13, an aromatherapist and massage therapist, had previously trained and worked as an accountant, a line of work she had found stressful:

> "While I was still working as an accountant, in the accountant field, I was having headaches, and having Panadol and stressed and my sister's a beauty therapist, and she said, use these oils. And I thought, no, they're not going to um, I didn't know that they would help me, and then I realised that actually not having Panadol like I used to, and I went, just started reading about it, and my daughter was only four, and she was misdiagnosed and run down and got hospitalised, and that was when I started reading up and I thought, mmm, that's when I seen the course and I thought that's what I wanted to do".

A woman in her forties, B13 had studied an aromatherapy course at her local TAFE in the greater Sydney region, plagued by a feeling that "there's got to be something more for me to do, and more authentic to what I really am about". During this course, B13 formed networks with like-minded people in the industry and came to believe that this knowledge and skills were "needed in society". While unsure what to do with this idea:

> "… I knew I just wanted to make my products, sell my products and I started doing the massage, and I was getting really good feedback. And I enjoyed that I was helping people".

She recognised there was an oversupply of aromatherapy in her region and explored options of opening a business in a low-cost environment. As a sole-parent, B13 also wanted to raise her daughter "in a place where I was happy to live in and where she could have a good environment to live in". The area she settled on was close to Brisbane, affordable, and she "felt right here, and so that's when I took the plunge and moved up here." Her sister had studied social welfare at university and also worked in beauty therapy, and helped her to organise demonstrations in her home in the early days of the business. B13 also chose this region because it had a number of weekend markets:

> "To me, that was the best way to help, because coming from accounting, where I'm just sitting at a computer. Dealing with people, but not selling, so it was a good way for me to help me come out of my shell to market my products at these

markets, to get used to dealing with people, and then for the people to then get to know me. Because not having any one introduce me … there's a lot of retired people and a lot of people on social security. And it was new to them … they would just look at me for weeks, and it took months before some of them would come up to me, and then one lady, she said, 'I seen something on *TodayTonight*, and I thought I should ask you, because you should know. You'd be the best one to ask'. And from that, it helped me in my confidence, and it also made me more of a known face around the area. Now I can walk down the street, and people go, 'oh, that's the young aromatherapy lady'".

B29, a female textile designer and business owner in her twenties in Sydney, had developed her skills through university. It was here that she created "a range of prints based around my identity and my family and where I come from and who I am … as a contemporary expression of Aboriginal identity". After receiving positive responses from her peers and lecturers, B29 had been "really shocked and overwhelmed by it … it made me think, I really want to do this as my life, as my job".

B27, a woman in her thirties who ran an Indigenous food café in Sydney, had also found a sense of purpose in her business that was deeply embedded in her identity:

"I was going through some hard times financially and was trying to figure out what to do with life … I worked, never seen a vision, you know, just thought my life was about working and trying to survive. And it wasn't getting me anywhere".

B27 had wanted to learn more about Indigenous culture as she "didn't have a lot of it growing up", then completed a free course on bush tucker in Newcastle which had been recommended to her by a friend:

"Straight away I just knew that this is where [my heart lay] … because there was so much that I didn't know, but the more that I found out about it, and the more that I knew, I could actually tell that this is where my heart was and this was what I needed to do as a person to find myself and to re-innovate my culture into myself, so that I was feeling like a better person. And for [my son] as well, I wasn't giving him anything, and I didn't feel like I had the strength as a mother to say, I have this knowledge. So anyway, that's where it started. It started with me going to this bush food sensation program over the weekend in Newcastle, and from there it just took off. There was programs in Coffs Harbour and I'd pack [my son] in the car and we'd go up there for the two weeks and just stay, you know, and the more I got involved in it and the more that I went to these things, the more my heart was getting better and I wasn't so depressed anymore."

These findings align with outcomes presented by Apitzsch (2003, p.170), who drew on research data with female migrant entrepreneurs in Europe. Apitzsch argued that such women experienced business expansion as an economic risk, and that this was most noticeable in cases where 'autonomy', 'healing' and 'development of the self' were the biographical goals towards which self-employment was the means.

Ethics and Justice

Embedded in many such narratives was a strong sense of personal, cultural and social ethics. Research on immigrant entrepreneurs recognises how experiences of exclusion from established networks of the dominant cultural group may contribute to their later decision to become entrepreneurs in order to raise self-esteem and to grapple with a sense of injustice at being denied the same rights as other citizens (Kupferberg 2003). For many Indigenous people in this Australia-based research, a history of lacking legal, political and cultural rights certainly played a key role in the new found empowerment which underpinned their passion for their business venture and their role in society. B17, a male consultant in his thirties who worked in Indigenous cultural information management in regional Queensland, made this clear when he talked about the lure of getting a less meaningful but more well paid job instead of running his business:

> "Living in a town like this, I can get a mining GIS job and make heaps of money. But ethically, for me, that's not what I want to do".

B19, a business consultant in Darwin, also stressed:

> "the financial success will come, but that's not the motivation. Like I said before, we can always go and make money. We can always go and get a job, and we can always bring the cash in. It's not the issue here. It's just about what you leave as a footprint in your community, the fact that people will see it as a brand to trust".

B3, a man in his forties who ran a building company in regional New South Wales, was also driven by wanting to see Indigenous people paid decent wages and obtaining qualifications, and carried a long-term goal of building Indigenous employment equity:

> "I've got a five year plan to kick on, and I'm going to employ 100 blackfellas before I'm finished".

B3 had previously worked in a financially stable position for a government department, where he had struggled to encourage the company to employ Indigenous labour. B3 now employs fourteen Koori staff out the sixteen employees on his payroll, and focuses on employing young Koori men. He expressed a sense of duty to equip such people with skills and meaningful work:

> "I won't give anyone a job if it's not for full-time. This thirteen week traineeship crap, that's all it is, just puts everyone behind the eight-ball … If I can't give them fulltime employment I definitely give them traineeships."

In this identity was a sense of fairness and meeting his employees as equals, as he stated, "I've done all the hard jobs, even the crappy jobs, I've done them and I still do them today". In this transference of skills and purpose to his staff were the themes of self-determination and self-reliance. "Don't look

for the handouts", he elaborated, "don't look for someone to throw you a little pot of gold, you know? Build your [own] little pot of gold".

For B20, a man in his forties who ran a fitness centre in Darwin, his company had developed through a combination of passion and opportunity after he noticed a vacant building. "It was just a passion that I had through martial arts and through boxing and I thought it would be a great gym and training area". B20 now has a strong Indigenous client base and a history of training and mentoring Indigenous youth. A similar passion by many business owners in this research came through them actively seeking to improve opportunities for Indigenous people as one of their central business motivators. This derived from a sense of responsibility to family and community, as entrepreneurs wanted to contribute to reducing inequality for Indigenous people and overcoming prejudice, as well as recognising a gap in the market which they felt they were uniquely skilled to address.

The need to provide opportunities, stability, security and control for their family and children was tantamount for many business owners. For example B28, a woman in her fifties who ran a cultural training and conflict resolution course in Sydney, felt that her daughters could now "see the future … see that business is possible". B20 also had two sons, one of whom did not intend to finish high school. Opening the gym was a part of him looking into alternative career paths for his children who may not be well adapted to the formal market place. Providing alternative pathways for children was thus evident where children were perceived as not showing signs of being well adapted to the non-Indigenous market. B8, whose father started the industrial laundry, explained that part of her father's business motivation had been to support her brother who has a permanent disability:

> "[his son] was extremely slow, and he knew [his son] would never hold down a job in the normal workforce, and so that was the whole reason the company was started. It was to make sure [his son] had work for the rest of his life".

B27, who had come from "not having a single belonging", also explained that her children were "very proud now":

> "they're happy to just go with the flow now, until everything's running and everything's going smoothly, and do what they have to do in order to, and they're both so proud of it as well … So it's sort of turned over a value for them, you know? They know that mum owns Business 27 and they're proud of that."

Another business owner, B26, was determined to show her children how to succeed and create an environment that was "positive for the kids to see and be in a working environment". After separating from her husband, B26 explained, she:

> "went through a really rough time getting back on my feet. But I made the decision then that I could have either closed the business then and just went back

to work in a government department or something, or take a chance and carry on with the business, and do it for my kids. And I chose that path and I'm glad that I did, and so my kids can see that they can be anything that they want, they can do anything that they want, as well. And it's not just a job and they see that they can create or be whatever they want as they get older, too".

Biographies of being a role model

Being a role model for others greatly strengthened this sense of purpose. Many entrepreneurs spoke of the desire to offer a positive symbol and pathway for Indigenous people, and to receive respect and garner pride as part of their business narrative. As B21, a cultural tours operator in the Northern Territory explained, "I wanted to show that Indigenous people have a lot of opportunity now, while the iron is striking warm, that there are businesses that anyone can go into. Not just into tourism." This was a role model to both Indigenous people and family members. B29, the textile designer in Sydney, outlined her low self-esteem prior to going to university and starting her business:

> "if I can share my story with kids or with anyone else who are looking to do similar things, I jump at the chance. Because I never even thought that I would get through high school, I didn't think I'd end up at uni, and I certainly didn't think I'd be running my own business. So it's about sharing your story, I guess, because maybe if I'd heard those kinds of things I would have a bit more belief in myself. And as it happens, those things do happen and you do talk to people, but I was a bit down and I had very low self-conscious".

B9, who runs a successful business recruitment agency, wanted to provide a "one stop shop" for Indigenous people looking for jobs after encountering her own employment hurdles. "My initial goal was I wanted to be the *SEEK* of Indigenous employment" she explained. Likewise, B32, the tourism operator in rural South Australia, found that "people were coming to the [location] but the Aboriginal flavour was missing". His father was heavily involved in the early establishment of a tourism business, and he had been raised to believe that "the concept that cultural tourism was going to be the way of the future". B34, who retailed Indigenous-designed clothing, desired Indigenous youth "to wear something that represents their own culture". He had felt uncomfortable that young Indigenous people were aligning themselves with African American street culture, and was inspired by his Maori friends' products for whom "their culture through their clothing is strong and powerful and worldwide":

> "Because most people when they think of Aboriginal culture they think of art and dots paintings and stuff like that, and that's just not me. So I want to show people that we can actually do other things rather than do some art and put it on a shirt. So that was the main reason. Also, along with making us proud of who we are, the business sort of evolved … And my kids wear my clothes with pride".

In this dignity was the sense of ability, in that the business provided his children with:

"an understanding that you can do whatever you want. There's no rules, when you leave home, you can go live in Bali and no one can tell you what to do with your own life, you know? There's no boundaries … That's what I want to teach my kids, is that the world is your oyster, as they say, and it's do whatever you want to do. Don't let anyone say you can't do it, because you can, and that's probably, the business is teaching me to teach them how to do that … The business is cleansing my soul, it's making me become a better person".

Summary

The qualitative data shows that Indigenous Australian entrepreneurs' motivations to establish their business ranged from pre-existing employment conditions and perceiving a market opportunity, to feelings of responsibility for the family and a desire to feel in control of life and its outcomes. The role of the individual's innate strengths, such as personal will, determination and perseverance were highly praised attributes, with many participants seeing themselves as having made a conscious decision to achieve success and overcome hardship and inequality. These biographies drew on a range of cultural, national, cosmopolitan and neoliberal ideologies. However entrepreneurs' personal narratives also recognised the important and often crucial roles played by spouses and family, colleagues, friends and business networks in the development and continued growth of their enterprises. The research further highlights the importance of the business as a defining moment or period in these people's lives. For some, particularly women who were sole parents, the business had been a pathway to self emancipation and self-actualisation, diverting their biographical histories to one of control, empowerment and purpose.

4.3   Education and Training Pathways

Indigenous entrepreneurs frequently had long histories of employment. These included previous business ventures and two entrepreneurs had managed more than one company consecutively. The role of on-the-job training, formal education, industry mentors, strong mentorship from spouses and/or family, and government-funded training and support programs all contributed strongly to the skillset of Indigenous entrepreneurs. This resulted in a range of education and training pathways which encompassed career changes, retraining, and learning from previous and existing businesses.

These working histories were also filled with cross-cultural networks, later drawn on by entrepreneurs. As Estlund argued in the US, the workplace is where working adults are most likely to associate regularly with someone of another race (Estlund 2003 in Biddle 2013, p.10). With Australian Indigenous people being increasingly employed in similar industries to the non-Indigenous population, they are more likely to interact with non-Indigenous people in the types of settings that lead to long-term partnership formations (Biddle 2013, p.11).

Qualifications and training

Entrepreneurs had qualifications ranging from TAFE to postgraduate degrees. Ten entrepreneurs had completed an apprenticeship and/or attended TAFE to obtain a formal qualification in their trade. A further nine entrepreneurs had obtained, or were in the process of obtaining a Bachelor degree. Six entrepreneurs had completed, or were in the process of completing, a Postgraduate degree. The overall tertiary education of women was slightly higher than men (Table 18).

TABLE 18: Formal qualifications of Indigenous entrepreneurs (obtained or in progress) – qualitative results

	Female	Male	Total
Apprenticeship and/or TAFE	5	5	10
Bachelor Degree	5	4	9
Postgraduate Degree	4	2	6

This accumulation of experiences and opportunities was evident in the narrative of B3 who managed the building company in regional NSW. Now in his late forties, B3 had been in the industry for ten years, having previously worked in underground mines as well as in the cotton industry. He learnt his current trade through on-the-job experience and later went on to gain formal training, and had also worked as a concreter and technical officer. B3 was now a licensed builder and currently completing a Certificate IV in Building at TAFE. Following this qualification, he planned to undertake a Diploma in Building which would qualify him to build three-story structures. His wife was also pursuing further training and both were strong advocates of their employees gaining proper accreditation in order to be paid properly and have a stable career path.

It was also common for entrepreneurs to come from a non-business background. B27, a woman in her thirties who ran a café in Sydney, had started on this career path after a friend recommended that she complete a free Bush Food Sensation program. This program was administered by the NSW Department of State and Regional Development and co-funded by DEEWR and Indigenous Business Australia. B27 then completed TAFE courses in hospitality, while also receiving great help in establishing the business from an industry mentor, as well as a mentor provided by IBA.

B29, a Sydney-based textile designer in her twenties, came from a family with no business experience. Her mother was a teacher and her father an opal miner, and B29 had not finished high school but attended UNSW on an Indigenous cadetship. In her interview with the Aboriginal Education Program, it was recommended that she study design, and she enrolled in a Bachelor of Design and undertook a subject on professional practice. Being ineligible for Abstudy, B29 deferred her degree to work as a freelance graphic designer, money which she then used to support herself

through university. The Aboriginal Education Program also gave her an Administration Assistant position so she could study part-time, support which played an instrumental role in her career development. "Places like the Aboriginal Education Program, you know, the Koori Centre, that was like this place that I always knew I could go to". B29 was then selected as one of "ten or twenty graduates" from across the country to showcase their work in the exhibit at *Design Now!*, a graduate exhibition at an Australian design centre in inner city Sydney. From university she went on to receive funding from Industry and Investment which was $15,000 for marketing, as well as $5000 for her website and promotional material. She also received assistance from the Australian Council in the form of a $10,000 grant for recent graduates who were starting their own business. Marrickville Council further provided her with a studio space within their artist in residence program, all of which made an enormous difference to B29's current success. "All those preliminary things, those start-up costs that can really be difficult to get over to be able to go into production". B29 also had a consultant visit her from Industry and Investment, whom she found extremely supportive.

B28 was a consultant in cultural training, mentoring and conflict resolution. A woman in her fifties, her family had been fruit pickers and B28 had never undertaken business training of any sport. Being self-taught in her field, she had since undertaken a Diploma in Business Governance which had focused on running Aboriginal organisations. B31, a consultant in her forties, had also not undertaken formal training prior to starting the business but learnt from a colleague and mentor. "There was no real big vision for me to be a business woman of any kind", she explained.

B4, a man who ran a panel beating and spray painting company in regional New South Wales, had forty years in the trade, both as a panel beater and spray painter. He had learnt business principles from his father, who had been a farmer, and he took this approach of imparting knowledge with his own children. B4's training was also informal and on-the-job. He had been mentored by a local car dealer who gave him a lot of work both in detailing and preparing cars, and also suggested that he start a business. This dealer assisted him to rent a work space and provided him with a steady stream of work as well as business advice for over the next 20 years. B4's son now had the trade qualifications of his father, and B4 was hoping his son would undertake a business course in the near future.

B1 had previously worked in the insurance industry as a salesperson. He had received formal training with the Combined Insurance Company of America, about which he remained very positive, and still followed industry developments. He placed considerable emphasis on this experience, feeling it had greatly advanced his ability to run this business later in his career:

"That was a commission-basis business, where you were taken in to a classroom situation, and you were given a two-week training course to memorise and learn the sales pitch. And then you were taken out and then you would call on each and every house or business on the street and you sold to each and every person in that place, including the whole family".

From a business background

Entrepreneurs outlined forms of human capital they had developed through industry learning and experience as well as through relationships with employers, business networks and spouses. These people came from a mix of business and non-business backgrounds within their families, and entrepreneurs frequently identified qualities from non-business backgrounds which translated positively into running a business for themselves.

For example B12, who managed a retail company in regional Victoria with his wife, had no prior retail experience but had to learn on the job. He explained that no member in his family had previously run a business, but his parents had "just worked and they knew how to make a dollar". B30 on the other hand described her parents as "business people" and felt they had greatly influenced her career. "I really um, got my grounding from my parents who put the idea in my head that a black person can actually run a business, can actually be in business and have people come and work for you. So I already had that idea". She had both a childcare business and a consultancy. Prior to these businesses, B30 ran a "take-away business" for approximately two years and "a real estate business" in Cairns, and through that had a development company with her husband which they continued to run. At the time of staring these businesses, her then husband was an active member of the Rotary Club, and they had many Rotary friends who were also "business people".

B36 ran a labour hire and recruitment company in Perth after having commenced several other businesses. Her first business was an Indigenous Emporium shop in Broome which started when she was 21 years old. Her second was a contracting company, also in Broome, where her husband was involved in a native title claim, and her third an Indigenous inspired swimwear company. In hindsight, she could see that her first three businesses were excellent learning experiences for her current venture, as she emphasized "You've got to have a good story behind it … got to have an X factor".

B38, a woman in her fifties who co-managed a community art centre in Adelaide, described herself as having had "had no qualifications or education behind me". While no-one in her family was in business, her father had worked in the mining industry for a long time and had been a smart and effective business mentor. B38 recognised that the business language used by her father played an important role in her current position, and when she identified a problem her father automatically

knew how to tackle it. B34, a man in his thirties who ran an Indigenous designed clothing company, had no background in business and nor did his family. Prior to this venture he had predominantly worked in the airline industry and would soon be embarking on a new job with BHP. He conceded that working in the airline industry with tourists may have helped generate the idea behind his current business.

B26, who ran a cultural workshops company in Sydney, explained that she had "come from a background where we've worked hard". Her father had "always had his own business":

> He was a truck driver, and had his own business with cutting grain and doing lots of that sort of work. "... so my dad's always, they've always had their own business. But my mum always worked in, was always a hard worker within the business. She used to drive trucks as well, and work in health, nursing and that as well."

B8, who ran the industry laundry started by her father, had worked in the business her entire life and was in the process of buying it from her father. In this transition of taking over the company, she had connected up with Darebin Enterprises via IBA, and was "a lot more comfortable now". She was also completing a course with them called "Doing Lean Business" which was teaching her how to manage business processes more efficiently and giving her confidence in the process.

From government sector to private enterprise

Thirteen participants had worked in the government sector at some point prior to undertaking their current business. It was here that they often gained considerable training, skills and future business networks, and there may be several reasons why this trend was prominent. As Lahn (2012) outlines, the Australian Public Service Commission encourages flexible workplace practices to accommodate a range of cultural differences. These include specific obligations associated with extended Indigenous familial networks. The government sector also offers job security, a stable career path, flexible and family friendly working polices, and is a strong employer of equity and diversity. All of this makes it an ideal stepping stone for some Indigenous people, and the data here suggests there were clearly opportunities available to Indigenous people in the public sector which were less available in private businesses. The government sector thus appeared to be an important place from which Indigenous entrepreneurs gained training, skills, credential, opportunities and financial stability before venturing out on their own. For some, maintaining a position in government was also an asset in the business in the early years, with this job acting as a financial safety net. Other entrepreneurs moved into part-time employment or left the sector entirely.

For example, B16 had a background in political science and policy and had previously worked for the Aboriginal and Torres Strait Islander Commission in the field of land rights. In this role he frequently

communicated and networked with people who he perceived as being "very innovative in terms of websites and other technological areas", and these strengths had clearly informed his current venture. There had also been no existing template for his type of company, and, "from our perspective", he explained, "we're still learning". B16 had no training in media per se, "that's not what I bring to the table" he elaborated. "To run this, to do this, you have to have management training. I don't need to hold a camera, that's not my job". Rather, he had an MBA and saw himself as a professional manager, a "CEO type person … I've got strong business planning, strong budget planning, marketing". His company also provided on-the-job-training to staff which was seen as a way to train the whole company by, "updating our capabilities, not necessarily just their capabilities. So, it's more of a collective thing". He was also inspired by News Corp and Rupert Murdoch, "those sorts of people … what they've achieved", and was influenced by "the abilities to adapt, change, management and those sorts of things".

B14 ran two businesses in North Stradbroke Island, a consultancy and a pizza shop, and both developed from very different industry and personal networks. He had started his career working in the mining industry before attending university and joining the government sector. B14 then worked in the field of community development and was involved in training advisory bodies and organisations. He later joined a Queensland government department before taking on his current branch of consultancy work. "Mostly I always sort of attached myself to a colleague, or business mentor", B14 explained. His current shop was "unlike anything" he had undertaken previously. He developed this business in partnership with his wife, neither of them having background experience in the industry, and primarily learnt the business from a neighbour. He also undertook informal training under this mentor's direction and purchased much of their store equipment from him. B14 later became involved with the Franchise Association of Queensland, explaining "I always associated with people that we are the same, I guess. We started this whole process", and continued to draw inspiration from encountering new businesses.

For some, the pathway from the government sector to private enterprise was far more explicit. For example B17, a male IT consultant, had a background in mapping and cultural heritage and had also been a park ranger. While employed in the public service, B17 worked in a heritage-related area. A non-Indigenous contact suggested he branch out on his own, and had continued to mentor him in this new business venture. This working history underpinned his current networks and skills-set, and B17 now subcontracted work to this mentor as they worked very closely on most of the projects. "I co-tender with Environmental System Solutions, which is my business mentor, in a sense". With his help, the two effectively identified a growing area. "The Government wasn't funding these projects

as often as they are now. They see now that there's a need for this, supporting these types of technologies and they've come on board". B17 felt he had played an instrumental role in helping to identify this need to government, facilitated through his previous employment in the public sector, though this was often extremely frustrating:

> I've talked to the policy makers themselves, I know them, in their Department … I've met them through contacts and conferences and meetings. We've written letters to them about having long term funding … about issues of data management and the current situation … we're banging our heads against the walls sometimes, but just trying to educate them from our perspective, like what's going on, on the ground, and taking that information up to the top. A lot of the project officers in the Department are not seeing the people on the ground, and they're managing the funding. They go and visit for one day or two days and, 'oh, everything's right'. But there's a lot more in the background that's actually happening".

Like many entrepreneurs, B6 did not come from a business background. Nor did he have any formal business training. His father had worked as a "sea man" and his mum had raised himself and his siblings. B6 obtained a degree from Charles Sturt University and had been employed in the Lands Department from 1990 until the year 2000. At this time, a colleague offered him work in Hong Kong, and he took a year's leave without pay to take this opportunity. It was at this point that he created his first business in partnership with this colleague, "because for contracting you needed a company", and this man continued to mentor B6 in business. At this time, B6's mother, who was an artist, was also starting up a business, and received advice from State and Regional Development. B6 subsequently received assistance and mentoring from the same department while working on a business model with his then business partner. "It sort of fizzed out. It was hard to find clients", B6 detailed of this first venture, and the company folded. "There were a few problems between us as partners", he elaborated. B6 then returned to Hong Kong and continued to work under this business name. Two years later, he formerly dissolved the business and started a new one independently. He was supported in this venture by his current wife, who was Chinese, whom he had met during this time living in Hong Kong. His wife provided him with business advice throughout this relationship and, at the time of the interview, was his only employee. Together they completed IT contracts for the Lands Department, which remained their only contract provider, although they had once completed work for National Parks.

Some participants also outlined the downside to being strongly based in the public service. In B6's words, this was "a catch 22". Working in the Lands Department, he found that "the work is secure but it limits you because it doesn't free you up to try other things". B21, a cultural tours operator in the Northern Territory, also had a strong public service background. She had been a park ranger at Uluru National Park and in Darwin Parks, and had a Certificate III in Land, Parks and Wildlife (Park

Ranger). Yet while pleased at the skills she had gained in the public service, it was not a career path she wanted her children to adopt:

> "Being a public servant for many years was great, it was one of the best choices I made as a career. But, I suppose because of the politics and everything that went with it, it sort of made me feel that I wasn't really contributing to the National Parks. I felt, not um, there's no way of me to, I can't contribute to the big picture".

Yet for B33, who ran an Aboriginal designed educational resources company, his ongoing position in the government sector was keeping his business afloat. A man in his thirties, B33 had worked in the Department of Education and Housing for seven years. His mother had also worked in this sector for twenty years, and no-one in the family had a businesses. His business was still developing and B33 remained employed part-time in the government sector for financial security.

From academia to private enterprise

Five participants had moved from, or worked in, the academic sector at some point in their careers. For example, B20 ran a fitness centre but had been previously employed by the Bachelor Institute of Tertiary Education, where he became Assistant Director. Now in his early forties, B20 explained how "I just took those experiences with me to look at something private". He then ran an Indigenous consultancy but found he was unable to complete the enormous workload combined with his other business ventures. He also had a Masters in Criminology from Charles Sturt University and had worked for the Northern Territory Police Service.

The important role of spouses and their families

As already highlighted, the influence and support of partners and their families was another strong theme in the education and training of entrepreneurs. For example B7, who ran a drive-through café with her spouse, had a little exposure to business growing up, although her aunt had run a restaurant where B7 had once been temporarily employed:

> "So when it come to hospitality side, I had some brief experience there. But obviously, that was only the service. That was nothing to do with behind the scenes or anything like that. I know that you know, my uncle was always at that restaurant. He even had a bed out the back which, you know, to me, that says, it's a lot of work. And you know, you step into his office, and there's paperwork everywhere and all of that sort of stuff. But other than that, no, we've learnt as I've gone along".

B7 had a sense of hard work being needed to own a business through observing her family, and this ethos, she explained, particularly came from her spouse and his family. "Nothing's given to you on a silver platter, like if you're Paris Hilton or whatever!" Her spouse ran a successful plumbing business and owned a couple of houses, and they had borrowed against the equity from the houses. "When it

come to a few things he was quite helpful to talk to and you know, to point me in the right direction and things like that", she elaborated. B7 had learnt a lot from his parents as well and how they ran their businesses, clearly being able to turn to them for support and empathy. "[T]hey've obviously come from you know, the thing where you work really hard and build it up and you create a good life for yourself":

> "everyone in his family has got their own business. So his brother has got his own building business, his sister has got her own hairdressing salon, his Mum runs her own successful hairdressing salon, his Dad runs a signwriting business. So they've all been in business for a long time … and his parents are, you know, they're very successful. They've set themselves up quite well now, so there's definitely a lot you can learn from family and the way they run it. And it's actually quite nice, because they can sympathise with some of your experiences and they understand, and they know, and it's nice, it's good, good support.

B7 now had a Graduate Diploma of Business Management. She had also completed the Young Aboriginal Entrepreneurs Program run through KBN as well as a short course in MYOB.

B35 worked in the leisure industry in regional tourism. A man in his forties, B35 ran a management rights company with his non-Indigenous wife, and they were 49 per cent owners of a property and construction company in Perth. Prior to this business, B35 had entered several ventures. He was trained in upholstery and ran a business, however found this was "quite cut throat" and he left it to become a chef by trade. Training in Fremantle, he then began working in hotel kitchens, which is where he met his wife. She worked in the area of sales and marketing and suggested they manage a hotel together. They did this successfully until their current business partners approached them to buy some management rights. B35 and his wife turned this opportunity down for financial reasons, so the company contracted them to manage another property. At this point they started their current business partnership with this company. B35 has since gained his Real Estate licence, completed a Security course, and undertaken a business unit through the Business Growth Centre. He was hoping to also obtain a Diploma in Business as well once he'd completed Certificate III. His wife now had a certificate in training, being able to train employees in-house. No one from B35's family had their own business, however he received some mentoring from his wife's father. B35 had also studied Taekwondo throughout his life, having run a taekwondo centre for 20 years. He felt that this experience had given him much confidence and mental strength, with his master instructor being a "life mentor".

The evolution of community organisations

As already outlined, Indigenous community organisations are very different business models. Community businesses developed from community programs or cooperatives and were often

already established and working successfully but needed to be reshaped or rebranded to receive continued funding. Among such organisations, financial return was the not the only incentive of the business.

While the business models of these organisations were invariably different to those of businesses registered as sole traders, partnerships, companies and franchises, the training and education biographies of the entrepreneurs were a similar combination of experience, opportunity, capital and mentorship. For example, B37, a man in his thirties who managed a community marron farming business in regional Western Australia, had been a fitter by trade but "wanted to try something different". He took over the role of manager when the previous manger left, and with no experience in marron farming, completed a three year course to qualify him to run the business. B38 was one of several managers of the community art centre in Adelaide which grew out of a TAFE arts program. After completion of the courses, about ten women decided to try and keep the group together:

> "one of the ladies was an application writer or grant writer. So she went to ATSIC and asked if we could get an establishment grant of $50 000 to start up our business. So we did get the $50 000 and then we opened our business in 1999 in a big business in Salisbury North that had no heating and no cooling … All of us had no business skills … So now we, the Aboriginal people own this organisation. We have a Board, we sell our things. We sell our services as well. We go out to schools doing … art and basket weaving".

B38 had no specific training and experience for this role but completed a small business course in MYOB when they were starting out and learnt on the job along the way. The business was no longer government funded, but relied on "our services and goods. You know, we sell our silks and things as well to keep us afloat". They ran a variety of services which also served areas of need in community development:

> "Some people might come in and be part of the domestic violence group … And we run an art program on that day. So we do a bit of art and if they want to talk about their DV problems or domestic violence or whatever, they can do a bit of art and still talk. But the art that they do, they can sell it in a shop if they want to. … even if you didn't wanted to do that, if you had art that you were doing at home, you can bring it to the shop and sell it … we can sell it for you".

B11, who ran the job network training centre started by his father, stressed that the organisation had needed to be restructured when the CDEP program was terminated. There were only two other community organisations which survived, and these were both private, "Aboriginal owned, but private". They arranged to meet the new funding requirements of Department of Education, Employment and Workplace Relations (DEEWR), and "we ended up making more money, too":

> "[E]verything went to private tender, basically, for the employment services. So we went out and did that through DEEWR. That transition was interesting … you really had to focus on getting the job outcomes".

B11 also highlighted the general misunderstanding and distrust of cooperatives:

> "cooperatives have got a bad name … There's a mentality within both the individual community people and the cooperatives themselves, that they're not business units because they've been so reliant on funding, that they're, they've got security, they've got three year contracts. We don't get jobs [for clients], we get out, we don't get paid. There's a misconception within the community, that organisations just get welfare, just get government money, they don't do anything."

Summary

Entrepreneurs had followed diverse education and training pathways and frequently had long histories of employment prior to commencing their business. This included formal education, on-the-job training and seeking and receiving mentorship from industry colleagues and professionals. The role of spouses and their families were particularly evident in the education and training of many entrepreneurs, and government programs which provided training, support and mentorship were also key players in these pathways. A particularly strong theme was the role of government employment, with a significant proportion of entrepreneurs having been previously employed, or current working for State or Federal Government agencies.

4.4   Passion

Within their personal narratives and pathways, entrepreneurs spoke frequently about passion. This theme took shape in different guises, notably passion for the product, skill or knowledge; passion for independence and autonomy; and passion for justice. These were not mutually exclusive forms of passion but intersected in several ways, and all were aligned with feelings of self-growth, pride and achievement.

Passion has been well recognised as a significant aspect in the development and success of entrepreneurs. Ernesto Sirolli, founder of the Sirolli institute, stresses the *crucial* role of passion in an entrepreneur's success. As opposed to the traditional business model, which identifies multiple factors required for the business enterprise, Sirolli argues that passion is the most essential quality that an entrepreneur can possess. 'Enterprise facilitators' then enter the picture to link up passionate individuals or groups with those who have the other skills necessary to establish and nurture their business.

In developing this idea, Sirolli drew on the works of personality psychologists, "new Freudians", Gestaltists, and research in the area of psycho-synthesis. In his words, these were thinkers who "subscribed to a positive vision" of human beings as being able to "grow healthy and strong and fulfil their true nature" if the qualities of love and respect are made available to them. Sirolli's practice of "enterprise facilitation" was born out of a desire to prove the basic tenants of such humanistic psychology – this being that people have an intrinsic wish to grow and that they can become better providers, parents and citizens if only the obstacles in their paths are removed. In this view, personal talents, if fulfilled, will lead to both personal growth and becoming healthy and "good" citizens. From here, Sirolli's vision is one of a society that facilitates personal growth by assisting individuals in achieving that which they wish to achieve. People with passion and skills, he argues, need a facilitator to help transform their dream into legitimate, rewarding and fulfilling work (Sirolli 1999, pp.22, 32, 139). Sirolli's aim was thus to transform good ideas into viable businesses, believing that growth and prosperity come from within local communities (Thompson 2010, p.66).

Sirolli also focuses on regions in his attention to growing local communities. He argues that for a region to become entrepreneurial, things need to happen at a local level which require a combination of factors. These consist of people with passion, an ability to find the necessary resourses, obtaining the right knowledge and skills, and markets for the goods and services. Someone at the ground level – an enabler – also needs to provide local solutions for local needs. These enablers, or facilitators, help bring about economic and social enterprises. They support and encourage others to perform and achieve and their effectiveness is related to trust (Thompson 2010, pp. 59, 62).

Sirolli himself recognises the innate imperialist, gendered and racialised biases of the Western corporate business model.[3] This is the dominant image of the typically male 'standard entrepreneur' who has access to financial start-up capital, human capital in the form of education and qualifications, and social capital in the form of access to support networks. This model fails to account for the growth of 'new' entrepreneurs – defined as those who, due to unemployment or another disadvantageous condition, become self-employed (Apitzsch 2003, p.167).

However Sirolli's own emphasis on passion and the role of enterprise facilitators may not necessarily be applicable to all participants across ethnic, gender and class differences, as evidenced in this data. Like the theoretical model of Waldinger et al., insufficient emphasis is placed on the processes of the racialisation of labour (Collins et al. 1995, p.35), and the dynamics of gender, class and class

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[3] 'Want to help someone? Shut up and listen?', TEDxEQChCh, 17:09, filmed September 2012, available at <http://www.ted.com/talks/ernesto_sirolli_want_to_help_someone_shut_up_and_listen>.

resources in the opportunities of entrepreneurs. Like immigrant entrepreneurs, there are complex and dispersed patterns of class and ethnic resources among the diverse population of the sample presented here (see Collins 2003, pp.73-76).

The passion of many business owners in this research came through in their active search to improve opportunities for Indigenous people. This motivation derived from sense of responsibility to family and community, a desire to reduce inequality for Indigenous people and overcome prejudice, as well as from recognising a market gap they felt they were uniquely skilled to address. This passion drove some Indigenous entrepreneurs to keep going during hard times. For example, B17 explained that he had thought about "chucking it all in" when struggling and wanting a secure job. "Living in a town like this, I can get a mining GIS job and make heaps of money. But ethically, for me, that's not what I want to do".

However, as this research also makes clear, the ability to translate passion into a working business model required far more than an enabler. There were social and structural advantages and impediments to Indigenous entrepreneurs' different degrees of success. This included social differences like class, race and gender, as well as state regulations and policies.

Enterprise facilitators: The important role of mentors, networking and gender

In the Sirolli model, the role of the Enterprise Facilitator is to link up passionate individuals or groups with those who have the other skills necessary to establish and nurture their business. Among Indigenous entrepreneurs, such a role arose primarily through the classic "mentor" prototype. This model was more commonly identified among Indigenous male entrepreneurs for whom mentors frequently sat beyond their immediate (pre-spouse) family. As already outlined, Indigenous men were more likely to have a non-Indigenous male from the non-Indigenous labour market as a mentor. Indigenous women, far more excluded from the labour market, more frequently turned to their family and female-run networks for mentorship. Several women who worked in a classically male-dominated space also described situations of being ostracised by sexism within a corporate "boys club". They were more likely to develop a business with the support of family and strong female networks, thus drawing on ethnic and gender capital. This strongly rebukes the networking discourses which are often framed as racially and neutrally classless, and the assumption that all women have an ability to acquire or be a part of a thriving network (Knight 2005 in Chiang et al. 2013, p.64).

Eight out of sixteen women in this study identified family members, primarily their spouse, as the most frequent form of mentor. This involved acknowledging support, guidance and solidarity

provided by family, as well as specific business advice and guidance. Five women, two of whom also drew on family mentorship, outlined mentorship from people they were put in contact with through IBA and their business networks, such as Supply Nation. Five women had not received any mentorship or specific guidance.

Among women, mentors were more likely to come from parents and kin, as well as from other women in the industry. Women clearly sought mentors in spaces where they were accepted and supported, and this solidarity with other women in business and leadership roles was an essential form of capital. As B26 explained:

> I admire lots of people for what they've done, because I know how hard it is, as an Aboriginal woman. And, you know, we have to work twice as hard in business, because we're Aboriginal … we're proud of it and we'd like to share that. So, it's like we have to prove ourself twice as hard, and I admire any woman, Aboriginal woman, who's running their business who's out there doing positive stuff, who's staying positive. We all know of stuff that happens in our family, and the dramas and all that, but when they're out there, they've still got a smile on their face and, you know? So I admire lots of Aboriginal women who do that, and especially other single Mums, because I know how hard it is".

B27, who ran a café in Sydney, spoke of creating an information website for young women who want to find out more information about starting an Aboriginal business. B26 also emphasised the need for networking and getting Aboriginal women together, as well as a desire that her business be treated the same as other non-Aboriginal businesses. B19 also detailed how:

> "when I looked at the business network, it was about finding support and about finding people that were like-minded as me. So, I knew that this time around, getting into business I wasn't going to do it on my own, because the last two times I did, try to do it on my own. And that's where I hit the wall. So this time when I approached businesses, I needed friends, so I set up a network that will enable me to have friends, and to have mentors and to have people come around. And I'm sure that others were feeling this way as well. So, unbeknown to me, there was a major movement taking place anyway. So the heart motivation was right on track with what was happening around Australia. But clearly the motivation here is to build an enterprise that will actually mean something in the community and impact".

Greater support for women in business and women's business networks would no doubt strengthen the opportunities for women to develop and grow their businesses.

Male entrepreneurs appeared more able to seek and receive mentorship both within and outside of the family. Male entrepreneurs were less likely to have been supported by family, or to recognise this support from family as a form of mentorship, and tended to seek mentorship elsewhere. Of the twenty-two men interviewed, seven had drawn on business contacts who were primarily non-

Indigenous and in the non-Indigenous labour market. Some male entrepreneurs were also mentored by contacts through IBA. Two received mentorship from their spouse or a family member, and six claimed to have received no mentorship.

Racism, sexism and marginalisation

Indigenous female entrepreneurs faced discrimination which manifested in underemployment and blocked mobility (particularly resulting from child care). This data drew parallels with experiences of immigrant women in Australia, where women's lives intersect with structural disadvantages expressed through the intersection of race, class and gender (Chiang et al. 2013, p.65). By setting up their own business enterprise, such women had the opportunity to increase their income, derive autonomy, escape racial prejudice, and to grow self-esteem and essential feelings of dignity and self-worth. As Chiang et al. continue, women continue to face discrimination in their businesses after their entry into entrepreneurship and are compelled to develop strategies to respond to and overcome such circumstances (2013, pp.65-69).

Through their business networks and market space, both women and men in this research often sought to create a 'comfortable niche' in the Indigenous economy (Chiang et al. 2013). As identified in the literature on ethnic businesses, such an "enclave market" (Stanger 1992 in Foley 2006a, p.13) was a way for women to gain employment and autonomy outside of the dominant market where they experienced racism and sexism, and was clearly empowering. However as Chiang et al. suggest, this could also limit their business opportunities to this marginalised sector. Foley (2006a, p.13) further argued that enclave markets may also have little application to the Indigenous Australian situation context due to the small size of the total population and the lack of concentrated Indigenous population cells within urban Australia.

Summary

Sirolli's model highlights the crucial role of passion in the development and success of social entrepreneurs. Where the traditional business model stresses that multiple factors are required for the business enterprise, Sirolli promotes passion as the truly essential value that is required for entrepreneurial success. He further stresses the importance of enterprise facilitators to provide linkages between passionate individuals and groups who are then able to harness the relevant skills and expertise. However, as shown in this data, Sirolli's conceptual model of "passion" is inadequate for critically engaging with the reality of social and structural barriers encountered by Indigenous entrepreneurs in Australia, notably through experiences of racialised and gendered prejudice. This research suggests that racism and sexism particularly impeded the ability of women to establish and grow their business. Greater support for women in business and for women's business networks

could strengthen these opportunities and outcomes for Indigenous women, their families and communities.

4.5   Embedded in the Family

The business enterprises in this research were significantly embedded in family relationships, structures and expectations. This was particularly evident in four areas:

- The family as a cultural resource and responsibility;
- Narratives of sacrifice;
- The role of spouses;
- Managing conflicts of interest between the business and the family.

There was also a small sample of business owners who concertedly avoided including their family in their business.

The central role of family: Cultural resource and responsibility

Across a wide range of research, Indigenous people in Australia have consistently emphasized relationships with family as the most important and distinguishing feature of their lives and a central element of Indigenous identity (Lahn 2012). As Hunter and Gray (2013, p.8) have argued, while there is considerable research on the factors driving the prospects of Indigenous people finding paid employment, much less is known about how Indigenous workers retain jobs, and what drives the relatively high turnover of Indigenous employees in workplaces. Foley (2004) argued that the provision of family appears to be a driving force behind Indigenous entrepreneurs' entry into business, and possibly a cultural force. Minority entrepreneurs tend to focus on issues relevant to their culture, which in Foley's research is the family. This is not to suggest that provision for family does not motivate non-Indigenous entrepreneurs. Rather, Foley continues, it highlights its importance as an intrinsic motivator for Indigenous entrepreneurs (see Foley 2006a, pp.14-15).

The embedding of the business in family life and family relations was likewise a strong theme in this data, particularly planted in Indigenous cultural identity around the family. Business owners who included their family in the business enterprise emphasised this being a cultural model because it was a way of providing care for others, looking after family and kin, and was a source of pride. Entrepreneurs frequently developed their businesses to improve the life conditions for their family, and the positive benefits of this labour were obvious. As Foley has further shown, the intrinsic motivator for Indigenous entrepreneurs is to provide for their family, to give their children a better life than what they experienced, and to escape the entrapments of poverty (2004 in Foley 2006a).

Entrepreneurs, often employing other family members both immediate and extended, aided them to develop skills by working voluntarily, being formally employed, or gaining training and accreditation. Some entrepreneurs stated their intentions of creating employment positions and pathway employment options for family members.

The economic and cultural capital this work provided to families was generated and recognised in different forms. For example, in some situations it created an Indigenous space for family members which was described as being in opposition to a classic Western business model. In other ways, business owners sought to generate financial security and felt this was only possible by deliberately keeping family separate from the business. The most common structure across the 38 business models was somewhere between these two approaches, in which Indigenous entrepreneurs employed or involved their immediate (nuclear) family, but preferred to keep their business relatively separate from extended family and kin. These entrepreneurs did this for several reasons, notably to develop financial stability in their nuclear family, provide support for their children, and to escape discrimination. It was generally felt that Indigenous people who were not in business did not understand the nature of business wealth, and that such relatives or community members assumed entrepreneurs to be more economically secure than they actually were.

B14, who ran two businesses on Stradbroke Island, stressed how deeply involved his family was in his shop, with all of them contributing to decision-making processes. In this description, B14 aligned himself with the "ethnic-business" model, notably Chinese businesses, in which the priority of family was favoured and an honourable business incentive:

> "It's all part of your life. If your family is involved, it's liked any, like an ethnic thing, really, like the Chinese, a family business. It's about your family, and Aboriginal people are no different. You need to involve your family, at the end of the day, in your decision making, for your business. And so, community businesses, I would just leave them, they have the community for support. Whereas private business, profit-driven business, it's a family that makes the decisions. So, I don't know, I don't make too many decisions about business ventures without talking to my wife and kids about it".

In his self-conceptualisation of his family business, B14 drew on the importance of family and ethnic networks among ethnic businesses in Australia, also prominent in the global literature on ethnic businesses in Europe and North America (Collins et al. 1995). Such research has increasingly stressed the critical role of gender and the family in understanding the dynamics of immigrant entrepreneurship (Collins 2003). In Australia, a survey of 160 businesses in Sydney showed that both immigrant and non-immigrant families rely on family support in their business, however this occurs to a higher degree within immigrant businesses. The importance of a family member other than

children in providing unpaid help in the business was another indication of the different role of the family in immigrant and non-immigrant businesses (Collins et al. 1995). In aligning himself with Chinese entrepreneurs, B14 also separated himself from the classic Western business model which was seen to negate the family. This difference was a recurring theme among entrepreneurs who identified strongly with their Indigenous heritage and culture. These entrepreneurs described a business model in which their Indigenous identity and business were synonymous. As B14 continued:

> "People think that what I'm doing doesn't involve culture, because it's all business. But it's a lot of business, really".

B14 stressed this symbiosis of business and family, emphasising the importance of not separating life from your business. Business was about securing prosperity, he stressed, looking after family and caring for others, and these were also seen as innately Indigenous values. B14's focus resided on the family business as a process of community economic and social development, and this came across in his definition of business "success":

> "if living on an Island, owning your own business and enjoying life is a measure of success, then I've been successful so far … What I always say as a business, is don't measure your success on other people's success … For me, it's about that satisfaction of doing stuff and knowing that people are okay and value adding in some way. Getting paid is, you know, something that happens as part of the process … If I wanted to you know, become very, very rich, I probably wouldn't be making pizzas. You know? It's all about the lifestyle and the ability to be able to do things that we enjoy. Family, travelling, that sort of stuff. That's what it's about … I think I've found a place for me here, that meets all our lifestyle … wasn't it Confucius who said, if you find the job that you like, you'll never work a day?"

Like some other entrepreneurs with a young family, B14's children were involved in the business, working voluntarily or for a small wage. He envisioned this business as a possible franchise opportunity for his son to run, "on another island if he wants to take that option". He also spoke of turning the business into a franchise, with part of the criteria for future owners being that it must be a family-owned business. "That's part of the criteria... someone who wants to set up a business for themselves and their family".

B19, a business consultant in Darwin, likewise envisioned the embedding of her family in her future business enterprises:

> "Clearly and well and truly into my second business, because I have another two that I want to do ... And clearly having family involved in the business, extended family being employed in some way or other, in either one of the three entities that I plan on doing."

B30, who ran a childcare centre, had also developed a business which enabled her to incorporate her children into her business while they were young. In her words, the childcare business was "like a family". She employed family members directly and suggested that this came with emotional tensions as well as benefits:

> "Don't ask me about what happens when you have to sack them, though! [*laughs*] And they don't talk to you for the next two years, but then they get over it. And then they invite you to their kid's wedding, don't ask me about that!"

B27, who managed a café in Sydney, expressed how her children took pride in her business. While the work and situation was difficult now, she ensured they realised that these circumstances were temporary:

> "So they're happy to just go with the flow now, until everything's running and everything's going smoothly, and do what they have to do in order to, and they're both so proud of it as well. So it's sort of turned over a value for them, you know? They know that mum owns [Business 27] and they're proud of that."

However not all entrepreneurs felt this way about the relationship between business and the family. B16, who ran a media company, explained that no other family members had been involved in his business. "We've had family in here, that's probably not the best option, having family members in your business". In some cases, this appeared to align with a more 'corporate' business model, where business and family were separate. It could also be seen as being less complicated. B21, who ran a cultural tours company in Darwin, stated that from her experience having family employees "doesn't work", and that there were "too many political agendas" at work in the Indigenous community for this to be a successful option for her business.

The role of business in meeting specific family needs

Several entrepreneurs had implicitly sought to create employment opportunities for their children through their businesses. Within this agenda, a small group of business owners had concertedly striven to develop alternative career paths for their children who they recognised as not showing signs of adaptability to the mainstream labour market. B8, whose father had started an industrial laundry, explained that the business had lived up to its "original goal" of providing a job for brother. It had also provided employment for her daughter, and:

> "provided me probably as a single mother a better lifestyle financially, maybe not emotionally, but financially it has. And we've had, you know, plenty of nieces and nephews, cousins, you know, one of my daughter's now works here, so it's had plenty of good benefits to it".

For B20 who ran the fitness centre, the best thing about running the business was that he was able to see his children there. "They've got somewhere to come with their mates", and use the gym after

school and on the weekend. His three sons worked in the business, as did all of his nieces. Both his children were now also studying degrees, one in Exercise Science. "I feel that I've mentored these boys, my boys" he continued, "into keeping their head up for some good career aspirations".

Influence and "that ripple effect"

Besides obvious financial rewards, entrepreneurs also acted as role models, what one entrepreneur identified as "that ripple effect" in generating business capital for the family. A Foley argued, businesses generate formal capital such as assets and working capital within the business, and human capital as business profits are used to ensure that dependents gain secondary and or tertiary education (Foley 2006a, p.14). This was evident in the experience of B5, who ran an Indigenous employment training company. B5's children had all benefitted from the business, "from us being in a position to help them, at times". This was part of the "spin-off", she continued, motivating her family members to plan for their futures.

B31, who managed a training and consulting company in Sydney, had found the impact on her children significant, both materially and intellectually;

> "It's enabled me to fund my recent trip to Bali with my daughter! … what it's done is made me realise that if you put your mind to stuff you can do it? … I think it's had a positive effect on the younger ones".

B31 had attended university and started business as a single parent and sole-income earner, and felt she had inspired her youngest daughter to finish her HSC:

> "I think I've had a positive effect on the younger ones. I know my aunties and that, that are my own age, you know when you're in an Aboriginal family and they kind of think, oh, you know, I'm a bit of a big noter. And I probably am, and I'm proud of, you know, I don't think that there's anything wrong in wanting to better yourself education wise and to set your goals and dreams a little bit higher than the norm … And if that makes them, in turn, want to make something better of themselves, then that's good. But I do have a lot of impact on my younger nephews and nieces and cousins, because they kind of all, I'm like honey to a bee. They all want to be around me, because they know that I do all of these things".

For B26, who had established a line of Indigenous products, the business was:

> "positive for the kids to see and be in a working environment … my kids can see that they can be anything that they want, they can do anything that they want, as well. And it's not just a job and they see that they can create or be whatever they want as they get older".

B26 had also inspired her mother to go into business herself:

> "because she never thought that she could do it, and I kept pushing and pushing and pushing until she actually done it ... I fully sort of piggybacked [the

business], and the women involved … I told her, just do it, mum. I'm sure you don't want to be a Manager of Aboriginal Health for the rest of your life, you know?"

B26 now employs some family members who had worked voluntarily in the early days to support her, and whom she had started paying when she could. She was also in the process of developing a business model for her company to exist as a franchise.

For B35, a retail owner, the positive impact of the business on his family was enormous:

"And my kids wear my clothes with pride, and in a strange way, I mean, half of them weren't even born when I started, but they are actually doing what I started to do. To say and to be proud of being Aboriginal … And also, it gives them an understanding that you can do whatever you want. There's no rules, when you leave home, you can go live in Bali and no one can tell you what to do with your own life, you know? There's no boundaries. I've learnt that through working for airlines … That's what I want to teach my kids, is that the world is your oyster, as they say, and it's do whatever you want to do. Don't let anyone say you can't do it, because you can, and that's probably, the business is teaching me to teach them how to do that. You know?"

For B19, a business consultant, the business capital generated in her family had also been extremely important. As a sole parent of two young children, B19's immediate family was a key support however the business also enabled her flexibility and time with her family. Through this process, B19 had inspired other family members to consider starting a business of their own.

The role of entrepreneurs' parents

Entrepreneurs' parents also played a central role in supporting the career paths of Indigenous entrepreneurs. B18, who ran a hair salon in Queensland, outlined the central role of her mother in starting the business. "Well, the business was for sale, and Mum kind of asked me if I was interested, and I thought 'Yeah, why not, we'll give it a go'. And so far, so good". B18 had planned to become an independent business owner, but her mother, who was also a teacher, had stayed on as her business partner and managed the financial side of the business. B18's family also looked after her daughter when she was working long hours at the start, and they were the first point of call if she was unable to run the business herself. Likewise B36, who ran a labour hire and recruitment company, discussed the strong mentorship of her father, who was employed in the mining industry. This business language and capital had been critical for her success, and when a problem was identified, her father could be sourced for advice.

B30, who ran a childcare centre, explained the role of her family in her business when she outlined her strong feelings of connection to her community:

"I'm born and raised in Cairns, so lots of family everywhere. And not just family, you know, because my family have been in Cairns for a long time and are very well known and very well respected by both Indigenous and non-Indigenous community of Cairns. I grew up with a lot of old family businesses in Cairns, you know, what they call the old guard of Cairns".

Sacrifice

The second dominant way in which Indigenous business enterprises were significantly embedded in family relationships, structures and expectations was through the notion of sacrifice. This took most obvious form in two ways – a lack of financial security, with business owners taking on debt and foregoing a wage in the immediate future; and a sacrifice to the family.

Sacrifice was a strong identity of many entrepreneurs and the concept was frequently coupled with a strong work ethic. Several entrepreneurs felt they had made substantial sacrifices in their relationships with their spouse and family in order to develop and run their business. The positive outcomes of these sacrifices were economic security, stability, opportunity, stronger spouse relationships, flexibility, and creating a pathway for their children. Yet the downside of these sacrifices were significant, including stress, worry, anxiety and relationship breakdown.

Several business owners recounted stories of financial hardship in the early years of their business which had taken a toll on their personal relationships. "I basically sacrificed my financial support to the company over the last five to six years" detailed B10. "That's what it means to participate I mean, that's what it takes to get to somewhere like we have". Being in business, he elaborated, had created considerable stress and worry, but it had also generated rewards. The graphic design company he ran had provided them with a standard of living they would not have had otherwise, and because of the business he was able to move from one specific residential area to another. B7, who ran a drive-through café with her non-Indigenous spouse, explained that the business had "definitely brought us together". Yet she likewise admitted that there was risk in starting a business with your spouse.

B2, a painter decorator, felt that his business had greatly impacted on his family. He started the business when he was still a fourth year apprentice:

"because the money was really slack, I was doing my own work on weekends as well. I was working 7 days a week for a full year … sometimes through the week we'd sort of be struggling for food and that sort of stuff, but we always managed".

The stress of this situation had a considerable impact on his family life, although he now felt this trade-off has been worth it in the long run. His current work schedule was a 5-day week, with the weekends "all to myself", and he was able to spend more time with his family:

"I had two young kids and I had my wife at home, and that sort of nearly went pear-shaped because I just wasn't spending enough time with them. I was leaving at dark and getting home at dark, and as soon as I'd get home I'd have a quick meal and go to bed. So, I wasn't really spending any time as a family. But that's sort of what helped us get ahead. That's how we saved and just saved and saved, and I was just buying bits and pieces as I went along for my business".

B20, who ran a fitness centre in Darwin, recounted the effects of the business on himself and his marriage in its first two years. He and his wife and children had managed to stay together; however he noted the constant stress they were under and that this took its toll on his marriage. "There was no life, I didn't even use the gym for two years". While the business was successful, this stress continued to the present day:

"I'm tired of doing it though, to tell you the truth. I only said to my wife the last couple of weeks, why do I have to be the effing strong person around here, you know? You do, you get tired. Who's lifting me? You know, when you're lifting others all the time".

For B4, who ran a panel beating and spray painting company, the business had had a very hard impact on his family. At one point, B4 managed his business in the day and continued to work for NRMA roadside assistance at night in order to support his family. During this time he relied on his family, primarily his wife, to take appointments on the landline phone (before mobiles were common and affordable). This was a time of long working hours, between six and seven days a week, and he acknowledged that considerable time was taken time away from his wife and their four children. Only recently had he been able to take Saturdays off. However he clearly believed in the benefits that this lifestyle and immediate sacrifice was having on his children. This was evident in how he spoke of the cultural capital embedded in the responsibility and self-reliance which he knew he had contributed to instilling in their children through the business. B4 encouraged his children to "go out and work harder … they've always been good workers … they've seen me working all the time". His pride in this sacrifice was evident in having been able to train his three sons in his business, who were now skilled in a trade, while his daughter worked in a library. "They've never been out of work or anything" B4 stated proudly, and one of his sons was now his business partner. His wife worked in aged-care in a nearby regional town.

B8 recalled the destructive consequences and "many emotional costs" of her father's industrial laundry business on his relationship with her mother. She also stressed the consequences on her own personal life:

"Starting the business killed my mum and dad's marriage" she explained, "because dad just, he's always been a workaholic … was working 7 days a week … was trying to do it on his own, without too many employees, but it got out of hand, basically".

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B8 now worked 12 hour days to compensate for what she saw as a new family member letting the team down, and was resentful of what she took to be the flow on effect of this on her personal life. "It's caused, well, I've been single for fifteen years! [*laughs*]". Through this sacrifice of her personal life, B8 stressed that she worked hard to honour the work of her father in establishing the business. "We don't want to see the hard work my dad's done go down the drain", and would like to pass this on to her children in the future. "I've put 25 years of my life in, my kids have suffered for me to work here".

For B6, who ran an IT contracting company, the business was the only source of income for the family. Compared with his previous experience as an employee, B6 felt that owning a business generated more work for himself and that it made like busier. While this took time away from the family in everyday life, he and his wife had been able to travel back to Hong Kong to see her family.

B11, who managed a community business, outlined some of the effects on his family that came from managing a community enterprise. This included "doing more than you have to", "being on call" and acting as a constant back-up "when people fall over… that happens an awful lot". Yet the trade-off was the recognition, to some degree within the community, that the organisation was working towards something bigger, such as when they purchased the businesses outright. This was a tangible outcome of success that was acknowledged, and there was the satisfaction of breaking other people's expectations, because "people just don't expect you to just buy that stuff".

Likewise B32 explained business was possible if, in your family and personal life:

> "you are prepared to be make sacrifices. You can't go off in the car and say I am going to the footy game. Or in your work time, I am going to the funeral. You have to say, well, right, who can go to the funeral? Who can we afford to go to the funeral? Or, it's just one of those things, you have to put the business first and it's hard … But then, other people in the community don't see us all there."

The gendered nature of sacrifice

Sacrifices made and experienced by entrepreneurs were also deeply gendered. Women faced greater difficulties due to family obligations of care and childrearing, and expectations on how they spent their time. For example, B9 found that her work running a recruitment agency left her no time for a partner. She identified successful women with stay-at-home partners as being the way to be both in a relationship and to be highly successful. "If you're going to be successful as a business woman you need a man who's prepared to take the back seat".

Several female entrepreneurs were also sole parents, however no male entrepreneurs identified as being single parents. As such, the business was sometimes a sacrifice on the time that sole-parent

women could spend with their children. It was difficult to move ahead without additional support and such women expressed that there was a considerable lack of resources to take their business to the next stage as they were not able to capitalise on all networking opportunities. For example, B13, who was building up an aromatherapy business, found that she needed to be at work for much longer than she would have liked. A consequence of this was that her daughter had become "too independent" and had started "running off the rails a bit". She was now working from home more often, a flexibility enabled through the business, and made sure she was at home when her daughter came back from school. However B13's continual low-income and lack of outsider business support meant she was unable to visit family in Sydney. She and her daughter had missed out on significant events, such as birthdays, as well as B13's mother entering hospital. B13 had recently returned to work part-time as an accountant to generate enough income for her family.

B28 also detailed the effects of her business on her daughters. They could now "see the future … my daughters see that business is possible". Yet while her training and conflict resolution company was growing, she did not have the capacity to take on extra work due to existing family and caring commitments:

> "I'm just in a personal situation where I can't take up, there's a lot of opportunity coming, and I'm not in the situation family wise, and I'm sure that this would impact on a lot of Aboriginal women, where I can take that up yet. So that will really decide how far I go with it".

It was this degree of sacrifice that underwrote B9's decision about her business. Running an employment and recruitment agency, B9 had a strong self of entrepreneurial spirit and achievement, explaining "I made that decision ... that I was going to be something one day, and if I had children, I had a choice". As a mother to her nieces and nephews, which she identified as a cultural trait, B9 found that this filled an absence which she might have felt from not having children, and this was a positive impact of her family and culture on her business.

B26, who ran an Indigenous products company, also described the importance of her business for her when she became a sole parent:

> "I made the decision, you know, when I separated from my husband, that, I went through a really rough time getting back on my feet. But I made the decision then that I could have either closed the business then and just went back to work in a Government Department or something, or take a chance and carry on with the business, and do it for my kids. And I chose that path and I'm glad that I did".

The important role of spouses in business

As already outlined, Indigenous entrepreneurs were more likely to have a spouse than be single. 26 (68.5%) entrepreneurs were married or in a defacto relationship. Several entrepreneurs in this research were in a formal business partnership with their spouse. 9 out of 38 (23.5%) had formally commenced their business with their spouse, or later formally incorporated their spouse into the business ownership. 3 of these 9 spouses who were also business partners were Indigenous (8%) and 6 were non-Indigenous (16%) (Table 19).

Some of these personal relationships had later thrived as joint business owners, aided by financial security, shared interests and common goals. For example, B1 embedded the success of his business in his relationship with his wife, who was also 50 per cent owner and director of their company, and was non-Indigenous. Referring to her frequently throughout the interview and answering questions with the pronoun "we", B1 explained several times that his wife "does most of the bookwork and stuff like that … you'd have to ask [her] … she keeps all the records". The long-term planning for their business was mutual, as he outlined, "the plan for both my wife and myself is that we have this business and that we can set up a training situation for people".

TABLE 19: Role of spouse in the business (Formal business partner and contributor to the business) – qualitative results

Role of spouse in business	Business partner	Business contributor*	Partner or contributor
	N	N	N
Indigenous spouse	3	0	3
Non-Indigenous spouse	6	8	14
Total	9	8	17

* This includes different forms of critical support acknowledged by participants such as their spouse caring for their shared children or providing financial support.

It was not only formal business partners who played a key role in the Indigenous enterprise. 17 out of 38 entrepreneurs (44.5%) identified as receiving a significant input into the business from their spouse. While 9 of the 38 entrepreneurs (23.5%) were in a formal business partnership with their spouse, a further 8 identified work that their spouse undertook which was crucial to their business. These spouses occupied many different roles, ranging from business advice and management; financial, technological and administrative advice and support; childcare, and emotional labour. In most cases, the spouse who occupied this informal role did not receive a formal wage from the business.

B10, who managed a graphic design and printing company, explained that he could not have gone into business without the financial support of his spouse. For B2, his wife maintained primarily the technological and administrative side of his painter and decorator business. "It's just basically my wife and myself is really that's just sort of how we, I've never had financial help or anything like that from anyone", he explained. B2's wife did not receive a wage for her work but was instrumental to the business.

B14 also considered his wife's caring role for the family a large part of their business itself, "because if she wasn't able to do that, I wouldn't be able to do my work". Likewise B21, who ran cultural tours in the Northern Territory, made her husband's role explicit when she explained, "he does the backbone. I'm more of the show pony, so we work really well together". While her husband was not a formal business partner, he managed much of the financial and administrative side, including her website.

Non-Indigenous spouses and cultural capital

As already outlined, spouses of Indigenous entrepreneurs were more likely to be non-Indigenous than Indigenous, with 20 out of 38 entrepreneurs having a non-Indigenous spouse (52.5 %). The data suggests that Indigenous people with a non-Indigenous spouse had greater access to economic and cultural capital from their spouse's family, experienced greater access to non-Indigenous business networks and mentorship, and were more likely to obtain a commercial bank loan than a loan from IBA. The participants in this study with non-Indigenous spouses also cited clear advantages in access to finances, such as their spouse owning property, less racial discrimination among both genders, less gender discrimination among women, and access to wider human capital from non-Indigenous networks and education. This suggests that non-spouses contributed considerable human and cultural capital in the form of the education, experience and networks to Indigenous entrepreneurs (see also Foley 2006a, pp.18-19).

This was particularly evident in the area of financing. Eleven entrepreneurs had sourced a range of commercial finance which they combined with their own personal savings. A further two entrepreneurs applied for, but were unsuccessful in obtaining a bank loan. Another entrepreneur also financed her business through low-interest credit cards, avoiding a standard bank or IBA loan. Ten of these eleven entrepreneurs who obtained a loan also had a spouse, nine of whom were non-Indigenous (Figure. 12). This strongly suggests that entrepreneurs with a non-Indigenous spouse were more likely to seek and obtain a commercial bank loan in their business. This may have resulted from forms of economic and social capital being available to such Indigenous

entrepreneurs, such as drawing on their spouses' economic resources, borrowing money against their properties, seeking advice and guidance from their family members, and socialising in non-Indigenous business networks.

For example, B7 ran a drive-through café with her non-Indigenous spouse who also owned real estate and managed a successful plumbing business. They borrowed against the equity from his houses and B7 drew on her personal savings as they expected the budget to blow out. They further sourced cheaper labour via her partner's business contacts in the building industry. B24, who ran a mobile cinema, was the sole business owner however he also ran his business in partnership with his wife, who was non-Indigenous. She was also the business manager and completed most of the computer administration of the business.

FIGURE 12: Gender and spouses of Indigenous entrepreneurs with bank loans – qualitative results
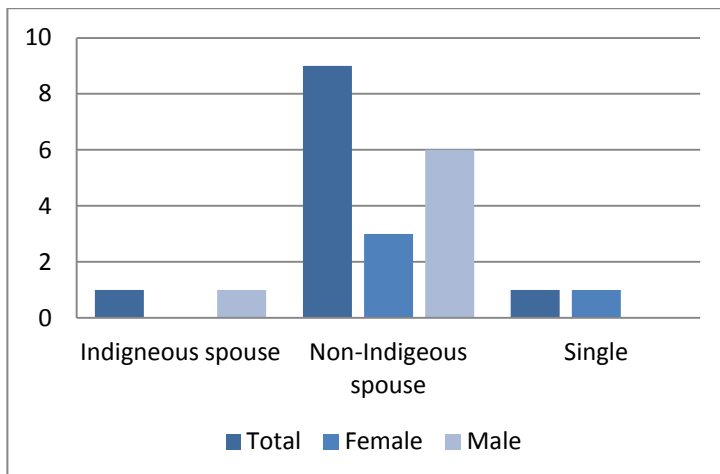
Managing conflicts of interest between the business and family

There were other aspects of professional work cultures which impacted on entrepreneurs' relationships with their families. Entrepreneurs faced expectations from their families as well as the Indigenous and non-Indigenous community, and were compelled to develop individual strategies to respond to and manage these interests, which were often competing (see Lahn 2012, p.8). For several participants, there were no other members in their family, past or present, who were in a business – this was a new learning experiences for themselves and their kin. In such cases, the immediate family often strongly supported the entrepreneur through social, emotional and practical support. This could take the form of working in their business on a voluntary or paid basis, or caring for their children. B19, a business consultant, explained that she was very "very fortunate" in this regard:

"because we've had enough business people in the family, that it hasn't been that much of a jealousy component attached to it. But I could certainly see underlying issues of you being the know it all, or those sorts of tags that they give you because you're breaking out of the norm of the family, whether it be immediate or extended … it's clearly at the end of the day, going through the barriers within your own families."

B19 received this negativity more from her extended family, in the guise of "who does she think she is?" but explained, "you learn to manage that". Negativity from extended family appeared far more common than from the immediate nuclear family. Support and understanding became more complex as it moved into entrepreneurs' extended social relations. For B20, who ran a fitness business, he was perceived as "the one in family" who runs a business, and it was sometimes hard for his family to understand. They had experienced difficulties from both his and his wife's families who requested loans and assumed they must be "rich" because they had a business.

B36, who ran a labour and recruitment hire company, made any compromise between her business and family explicit up front. Having started her company when the children were older teenagers, and "could look after themselves", she prepared her family from the beginning by telling them that starting this business was going to be very demanding and she may not be able to attend every family function:

"I'm quite autonomous and I'm quite independent and I actually made the decision and I've made all of my family quite aware that what I'm doing at the moment is extremely important and takes up a lot of my time and it's quite stressful. So if they can, to try and leave me out of anything that's going on!"

For B12, who ran a retail outlet, this kind of practice could be difficult, as was fulfilling family obligations while maintaining a successful business. His way of managing this situation was being firm from the start:

"So you've got to be onto them, because they think, rich cousin, rich nephew. But, if they know the rules from word go, it's the downside of it. But you've gotta just let them know that it's all got to be paid for all the way. Give them a discount, do the right thing, but they've still got to be treated as customers".

Complexity and competing demands of community models

Conflicts of interests between family and business were also apparent in the seven community businesses. As already outlined, seven businesses in this research were community enterprises. B25, who managed a network of three centres in the Tiwi Islands, outlined the kinds of difficulties that artists might face as they try to manage business demands with family priorities:

"There will be some artists that specifically paint to a tourist market, because they know that that little bit of income is great, and any more is going to cause them difficulty.

> They purposely go out of their way not to make more money ... they'll try and get other sources of money in other ways ... as soon as they start realising, 'oh, they're trying to build up a career for me', they're only a few people that can really meet that challenge. Because it's tough, it's the family pressures. They're the things that are difficult for people working in art centres, as an artist".

In other cases, while there were many talented artists, family business prevented people from producing work. B15, who also worked in a community arts organisation, explained:

> "I think it's very difficult for aunties or uncles who have responsibilities and obligations to their families... it's just simply the way communities operate, and families operate ... because making art is very self-indulgent activity".

Summary

The businesses in this research were significantly embedded in Indigenous family relationships, structures and expectations. Firstly, the family was a crucial cultural resource and source of responsibility. A strong theme is this data was the embedded nature of the enterprise in the family unit. Entrepreneurs often employed people their immediate (nuclear) family, and sometimes extended relatives – yet more frequently ran their business in a separate domain to this extended family network to avoid conflict. Secondly, the notion of sacrifice was a central feature in the embedding of the business in the family. Entrepreneurs sacrificed financial security and time with their families to build a future. This resulted in benefits such as economic stability, stronger relationships between spouses, and flexibility. However it also created stress and anxiety, and sometimes placed enormous strain on spousal relationships. These sacrifices were experienced differently by men and women, with women facing greater difficulties in developing their businesses due to being sole carers of children, family obligations and gendered expectations of how they spent their time. Thirdly, the research highlights how spouses of entrepreneurs were more likely to be non-Indigenous, and those with a non-Indigenous spouse were more likely to have greater access to economic, cultural, social and human capital. This was overt in the area of financing, with the strong majority of people with a commercial bank loan having a non-Indigenous spouse. Finally, the data shows that entrepreneurs were required to manage expectations from their family as well as wider Indigenous and non-Indigenous communities on their working lives. Participants undertook different strategies to handle these conflicts of time, interest and care. Such negotiations were particularly complex for Indigenous people working within community businesses.

4.6   Culture

The role of Indigenous culture in the business enterprise was complex and multifaceted among the participants. Unsurprisingly, the concept of "culture" was interpreted differently by business owners, however four strong themes were evident in this identity:

- Family priorities, notably morals around responsibility and care;

- Egalitarianism, with entrepreneurs highlighting values around fairness;

- Survivor mentality, notably individual and collective traits around strength, determination and resilience. Such traits were also seen to be intrinsic to entrepreneurs; and

- Cultural knowledge, referring to the externalisation of cultural heritage particularly through ancestral lineage, cultural stories, art, language, dance and food.

Some entrepreneurs also identified negative impacts of their culture on the business alongside benefits. Three entrepreneurs further felt that culture had no impact on their business, although they also had a caveat to this answer. For example B6, who had worked in government, acknowledged that when work relating to the Aboriginal Lands Council surfaced, this work was passed on to him. B11, who ran a community job network company, felt the impact of culture was "nothing … the history is all there but those values are more so on the contemporary side of things".

Family priorities

As already outlined, commitment to family was a strong aspect of Indigenous cultural identity across business owners, with a priority placed on maintaining kin relationships and fulfilling notions of responsibility to family members (Macdonald 2000). Foley argued that strong views remain concerning protocol and ethics, and what has evolved are contemporary Indigenous values which allow Indigenous Australians to maintain cultural standards revolving around kinship in the present day (Foley 2010). B14 expressed this ethos most directly of all participants. His family was very much involved in the business and in making business decisions:

> "It's all part of your life. If your family is involved, it's liked any, like an ethnic thing, really, like the Chinese, a family business. It's about your family, and Aboriginal people are no different. You need to involve your family, at the end of the day, in your decision making, for your business. I don't make too many decisions about business ventures without talking to my wife and kids about it …"

However, there is also evidence, as B8 claimed, that her Aboriginal culture "doesn't influence us in any way, good or bad … not really to do with running our business, or feeling we're any better than anyone else, or even telling the fact that we are …". However, she highlighted the priority of family within social worlds, and conceded that family impacted on her business:

> "I think the only thing with being Indigenous, is that family's priority. Family is so huge in the Indigenous community, you'd do anything for your family. Hence the reason my Dad was prepared to work the type of hours he did for this company, and for us to now looking at working these ridiculous hours and that, because we don't want to see the hard work my Dad's done go down the drain and you know, I'd like to think that I've got kids that it may pass down to. I've got nieces and nephews that I've been able to help at times when they've

been out of work for a little while. It's like, just come down and I'll find something for you to do."

B30, a woman who ran a childcare centre in regional Queensland, was uncertain about the influence of culture on her business model and its success:

> "This is something that you don't consciously think about, because there are things that I think I bring to this business, that I'm not really sure it's because I am a blackfella or because I'm a woman or anything else … there are times when my business entity and my family life were very much integrated. At times, half my house was at my business and half my business was at my house. That's what I mean about there was this integration … my children virtually grew up in the business as well. … When you look at other types of business models, I don't know whether you see things like that, I don't know …I think as a Murri person, well you can only see through your own Murri eyes. So when you look at something, you may see it differently to a non-Indigenous person, you know?"

However, some participants saw the Indigenous emphasis on family priorities as the very reason not to mix family and business. B28, who claimed that her Indigenous culture was ingrained in the business, also explained that it was difficult in her house to separate her work from family needs:

> "Everyone wants to use, in an Aboriginal household, everyone wants to use the computer. So it's just trying to cut that down, cut that right back, with my latest new computer that I bought this year, it's no more".

B32 highlighted the expense that needed to be made to extended family and kin for the business to thrive.   Thus the effect was not of culture on the business, but of the business on culture. You needed to be "prepared to be make sacrifices", he explained:

> You can't go off in the car and say 'I am going to the footy game'. Or in your work time, 'I am going to the funeral'. You have to say, 'well, right, who can go to the funeral? Who can we afford to go to the funeral?' Or, it's just one of those things, you have to put the business first and it's hard … "

Alternative power structures

Beyond the theme of family, participants differed considerably in what they identified as Indigenous, and the impact of Indigenous culture on their business. Some entrepreneurs felt that there were key points of difference between Indigenous and non-Indigenous businesses. These ranged from "everything" to significant forms of power structures, the role of women, and transparency.

"I think that there's definitely a different way in which we handle things in conjunction to corporate business. Yes", detailed B27. Indigenous culture impacted on "everything" in her café in Sydney, from how she managed her staff to the food she served and the suppliers she used:

"Everything is based on being, not just culturally safe but culturally aware ... When you hire someone, they become part of your family … you take them in as your mob … Everyone that works here is bonded to [the business], and has got a relationship with [the business] … in Aboriginal business, I think when you come, you come and you join a team, and you work as a team, and there's no-one above each other, everyone's on the same level".

In her explanation, B7 drew on an absence of hierarchy and a focus on egalitarianism to distinguish her business as both Indigenous and separate from "corporate" businesses. For B38, who co-managed a community art centre in Adelaide, the absence of hierarchy was also particularly evident in their business identity:

"I don't like being the boss. Even though I'm passionate and I want to see Business 38 grow, I've still got that dream in my head and I want to keep that dream for myself so that Business 38 can flourish. And if I can pass that dream on to other people, then we all share that dream together and then we all go together. I hate, I don't like being the boss and no one else likes being the boss. We don't like power. It's not, …. organisation is power. Power and money is not good, you know what I mean? And I am not from Adelaide, I am from Darwin originally. This organisation belongs to all Aboriginal people, not just me, so I'm trying to keep it for other people and not just for me. And I want to be … for other people, and not just for me".

B9 made reference to the impact of her Indigenous identity on her business through her approach to business facilitation. She felt that her teaching techniques and facilitation were different, and that she engaged everybody as well as listened to others and used open space technology.

However it is also important to recognise that not all businesses stressed a notion of fairness or egalitarianism in their business. Those who did were more likely to highlight this identity with the specific intention of separating their business from the standard corporate model.

Cultural heritage: identity, guide and inspiration

Several entrepreneurs mobilised their Indigenous cultural identity in their entrepreneurial identity. In doing so, they highlighted forms of "ethnic capital", identifying traits which they felt were innate to their cultural origins. B19 highlighted her entrepreneurial heritage in the Chinese-Malayan ancestry of her great grandfather, and drew on this inter-cultural family heritage in the narrative of her success and motivation:

"I've found out through my heritage and my DNA that my great grandfather who was Chinese/Malayan was a very, very prominent businessman in North Queensland and had a number of businesses and had an investment portfolio of properties and so forth. So, I've come to the realisation that it's actually in my DNA. My dad was self-employed and ran his own painting contracting business, so I have been around men and women within my family that have been self-motivating to own and operate businesses."

While she first locates this in her Asian heritage, she then centralises this entrepreneurial tendency within her intercultural DNA. She contributes to a subtle theme that comes through in the transcripts of people re-interpreting and re-writing Indigenous history as one of being highly entrepreneurial and "in my DNA", so to speak.

B3, who ran a childcare business, also drew on her cultural heritage in her business identity – in this case one of survival and hard work. In her history of Indigenous people as being entrepreneurs and sourcing their needs was a strong sense of a cultural work ethic:

> "I think it impacts a lot, because you know, you are who you are because of your, you know, your cultural identity or your upbringing or whatever. And I think that can't help but permeate, and I think the values that I grew up with, that was instilled in me, not just by my parents but from my grandparents, and you know?... Because, you know, when, before the family came down and lived on the mainland in the Torres Straits, you were either self-sufficient, or you were in business. No one gave you a job, there was no jobs up there back in that time. You either fished or hunted for food, or you maybe worked on a company boat, a fishing trawler for somebody. Um, yeah, or you were in some kind of business for yourself, where you were working for someone and where you were making and baking and selling things or whatever. Yeah."

In these narratives surfaced a work ethic seen to be intrinsic in the power structures and geography of their cultural origins, and which were well adapted to a western capitalist model. This resonates with the argument made by Waldinger et al. (1990) about ethnic group traits among immigrant entrepreneurs, whereby ethnic strategies emerge from the interaction of opportunities and group characteristics, as ethnic groups adapt to their environments. However, as Collins et al. have argued, such a model cannot explain different rates of ethnic entrepreneurship, the role of gender, the influence of the state, and the complex and changing patterns of globalisation and racialisation that shape immigrant entrepreneurship (1995, p.34-8, see also Collins 2003, pp.71-3).

B26 had a perception of cultural heritage and its impact on her business as being morally guided. This was akin to a form of faith, which she felt determined the nature of her business success:

> "I rely on my culture for a lot of things to run the business. I truly believe that if I have done the wrong thing culturally over the years, I wouldn't still be in business. You know, I'm very grounded with my culture and spirituality, and I always do the right thing. You know, put out what you can, always [be] positive and you get that back in return. And doing the right thing culturally, in business, is very important as well".

This cultural protocol featured strongly in several entrepreneur's identities and practices, and the narratives of the products they developed and sold. While the predominant impact of culture on businesses appeared to be how one treated family and maintained kin relations, for those working in

fields perceived as being more "traditionally" aligned with overt cultural heritage, seeking permission from elders was another central component of their business. For example B13, who ran an aromatherapy business, explained how she sought guidance and permission from her "blood mother" on the use of plants, as she was considered an Elder in the Tamworth region. B29, a textile designer, also spoke strongly of her "connection to country" being embedded in the stories of her textile products. For her, the essence of her identity was in "storytelling", remembering and recalling the stories of her ancestry, and maintaining this connection to country through printing. Her father was Koori and her mother was Anglo-Australian, and she stressed the influence and support of her parents and cultural heritage in her print design business in inner-city Sydney. Her work created a "visual connection with the people", drawing strongly on these family stories:

> "Someone said to me once, it's funny, when you're living away from country, is maybe when you appreciate it the most, but you often find people make these new connections to it and representations and expressions. So, I guess that's sort of what I do … I was born in Sydney, and raised in Sydney, but always had a connection to family in the country back home too. And so with my textiles, it's about creating a visual connection to those people and those places and those stories, keeping them alive … they're creation stories, but they're also family stories, you know, about going out and picking napans or … with nan and aunties, or fishing on the river ... so it's a really good expression of Aboriginal culture."

B34 ran a street wear clothing company in Perth, and saw this as being wholly embedded in his inter-cultural identity:

> "I'm not prepared to remove the Aboriginality of my business to make it successful in mainstream … My business is tribal street wear, and I use the word tribal because it's a very loose term. I don't call my business Aboriginal street wear … My emblem, because I'm British-Aboriginal, is the Union Jack. So I'm trying to draw people who are non-Indigenous into my business. A lot of people see the Aboriginal colours and the flag as a negative thing, so I've still kept the colours but I've put in a British emblem as I'm half-British. So I'm trying to meet halfway without removing who I am .... To me, that's accepting, and that's my main emblem for the business and it's accepting everyone". Without losing my identity or our identity as people because we don't want to just act like white people."

Empathy for clients and cultural understanding

Several entrepreneurs expressed their ability to be able to relate to, and empathise with clients. For example B11, who ran a community job network enterprise, indicated that his culture equipped him with an understanding of his clients and the cultural practices of funerals and kinship. "You have a better understanding of their needs" he explained, "and can support then in a way better suited to these needs". Likewise B3, who ran a building company, was sensitive to the cultural needs of his staff and recognised the crucial place of family. This might consist of allowing staff a day off from

work if they needed to stay home and care for their child, or closing up shop for the day if the relative of a staff member died. They also took Aboriginal public holidays from work, notably during NAIDOC week, and B3 had a zero tolerance of alcohol and drugs.

B14 hired approximately five juniors as casuals in his hospitality business on Stradbroke Island. He insisted that his junior employees, both Indigenous and non-Indigenous, remain in school or TAFE if they wanted to continue working for him. He explained that local elders viewed his business as a good opportunity for young people, and like B3 and B11, he saw his business as a role model for both Indigenous children and families.

B24, who ran a mobile outdoor cinema, was also mindful of images of deceased people being shown in the content that he played on his projections. When showing films he made decisions based on cultural sensitivity, taking care of the story being told and how it was communicated. B12, who ran a retail outlet, was further "sensitive about the money aspect, and even sometimes teaching them about the value of money, because some people out bush, they don't even understand. You'd sell them a pair of boots for a thousand dollars or more. They don't understand". He explained further:

> "That's one part of being in the mob … you've got to look after each other. Because a fast buck's alright, but people have still got to eat at the end of the week … sometimes for example, we swap boots for art, and stuff like that. So, one is we're helping the Indigenous artists, for example, that might not be able to afford our goods, but then we, we want the art. But even if we don't want the art, we still do the swap. And so then it works for both of us, because they don't have the money, and it's funny, because that's a cultural thing that's gone on for forty thousand years or more".

For B30, her previous experience in running an Indigenous kindergarten which was also a community organisation, had embued her with skills to empathise and manage challenges which she felt non-Indigenous people were not adept at handling:

> "I think as a Murri person, well you can only see through your own Murri eyes. When you see a lot of black kids in your centre with runny noses or whatever, you know, for some people that might shock them or horrify them. And I've worked with you know, when we had um, white staff and they were maybe just relief staff for the day, they'd be like, 'wow, you've got a lot of kids here with all kinds of health problems or this or that' or whatever, and I'd just have to calm them down and say, 'yeah, we have, and you know, we work with those families to bring it to their attention' … whereas other mainstream centres, the first thing they might want to do is ring parents up and say, 'your kid's got a runny nose, you've got to come and get them'. You know? Whereas we would just, well, wipe their noses, dispose of everything hygienically and what not, and talk to the parents. I mean, unless the kid has got a raging fever … it's not that you're more tolerating of difference, it's more that you just see things through different eyes. What might

be shocking or horrifying to a non-Indigenous person, for you, it's just an everyday thing and it's nothing to be fearful of".

Many Indigenous entrepreneurs saw their role as being crucial to community development and providing services which would disappear without their effort and skill. This was partly a result of their own Indigenous upbringing. For example B28, who delivered professional services in cultural training, mentoring and conflict resolution, saw her Indigenous culture as being ingrained in the business. This "Aboriginal knowledge", she continued, came through both formal training and her own life experience. B38, who co-managed an art community centre in Adelaide, outlined the community programs they ran, such as a young women's group and a foster care program with free lunch:

> "Just being here helps the community drop in and have a cuppa and meet other people that do artwork. You know what I mean? So it is just a meeting place … The people who might come in and they've got mental health issues and they come in and you sit down and chat with them, and you probably counsel them even though you just sit down and yarn with them for a bit. And then you find out they want a bit of help in this other area. So they give them a contact number and then you will ring them. So you're sort of like a referral service as well".

Competitive advantages

For some entrepreneurs, having a strong cultural identity was also seen as a solid form of business capital. "It's really important that I am and my staff are very strong in our identities" explained B9. In her experience, clients liked to work with people they were conformable with, and this gave her business a competitive advantage. As a result, she decided early on to "just stay in the Aboriginal market":

> "Stuff making money off corporates … I can't compete with non-Aboriginal people. They don't want to deal with blackfellas, they want to deal with white people".

B4 also explained that his Aboriginal customers feel more comfortable coming to them to get work done. "A lot of these other shops are a bit sort of funny when they go in there". B12, further targeted "the mob" in his advertising, notably on Facebook, where he had many networks which also provided great free advertising. "Because we're in business and they know we're different, people ring me from around Australia". B18, who runs a hairdressing salon, also advertised her business as an Indigenous business, explaining, "we try to maintain that type of feel … I don't want to not recognise things like that".

This was not only an advantage used to attract Indigenous customers. Others recognised and tapped into the market demand for "cultural diversity", and Indigenous heritage and identity provided

enormous contribution to their product, content and networking. Several business owners stressed the unique competitive advantages that their cultural heritage and experience brought to their business opportunities. For example, B10, who ran an Indigenous graphic design, printing and promotional products company, explained "It's history in the making here ... now the corporate world wants to come and do business with us". His Aboriginality had an enormous effect on the running of his business and the clients he attracted. In this process, B10 continued, he was consciously raising people's cultural awareness as he sought to education the non-Indigenous population through his engagements with the corporate world. In his view, Aboriginal businesses were really being embraced and opportunities were opening up.

Likewise B31, a consultant, explained that the broad need to get an "Aboriginal input" into training and assessing had garnered his business with a lot of work. B16 also advertised his business as being proudly Aboriginal as a marketing tool. Through this identity he was able to say to potential clients "Look, this is what we do, and we have something positive to bring to the table no matter what your product". B36 outlined that in the context of regional and remote locations, mainstream companies were seen as "too corporate" for Indigenous people. Such companies did not know how to get involved in the Indigenous community or how to tap into it or how to relate. This was a huge competitive advantage also experienced by B31, who ran an Indigenous employment company in Perth. Her unique combination of identity, networking and skillset had opened many doors for her company in the mining sector, and she was unaware of any other businesses operating in Indigenous labour hire at the same level with the same reputation.

Likewise B19 promoted the ability for Indigenous people to have a solid regional presence in the Northern Territory business world. She was strongly focused on developing Northern Territory capacity and regional Indigenous strengths, rather than going elsewhere for skills, knowledge and labour. B5 further stressed:

> "The other thing that we get people to look at is opportunities. We say to people, look, when you look at it, we're less than 3 per cent of the total population. So, that's 3 per cent, up against the 97 per cent. But there is a lot of opportunity in that. What is the opportunity? Don't see that as a negative. Just look at it for what the opportunity might be."

B5 also had strong local connections, primarily in the Indigenous community. "It's important to us to have these connections locally", he continued. "Part of what we do is try and get as much funding into this area as we can". At the same time, they were not a part of any concerted community group. They saw this as "a real type of privilege that we don't get to enjoy because we, if we're not out on the road making money, we're not making money. So if we get caught up in stuff like that, we would

never make money [*laughs*]". This comment also hinted at a conflict of interest which others spoke about more freely. B5's contribution was obtaining funding to local groups, he also outlined "it's more than that too", with a greater focus on "achieving things locally" and "bringing black and white".

B20, who ran a fitness centre, had also tapped into this market need and drawn on available funding. He had received Federal Government finances to run a Certificate II course in Security Operations and trained approximately 600 students. Many of these students, previously unemployed, now had jobs, houses and cars due to this stable income in the security industry. "It's inspiring to see and talk to the students that have come through their courses", he explained, and he had received considerable positive feedback from young people who took this training:

> "So there's a lot of people that I know that are in the security industry now, and there is a lot of positive aspects to it, because you have seen these people who were unemployed now have jobs, have houses, cars, and have put the positive in life. I see them out ... I have some good exchanges in communication. And it's fulfilling, and I see the same with our personal trainers, they come in here for the first time and they can't talk to groups of people, for the first time, Indigenous and non-Indigenous. And now they're operating their own private personal training businesses ... it's just, wow. You see these people, and they carry on their Certificates, and that's great ... that is really inspiring, you know, for me. It really is rewarding, because you get to see the fruits of your labour, in a sense".

B32 had also influenced other Aboriginal people in the community to start a tourism business. He saw this as a positive offshoot of his work, "that they have realised that they can also benefit from this industry". Meanwhile, B8 had plans to organise an Indigenous apprentice for her company through DEEWR.

The strength of businesses among Indigenous people was also striking in B30's discussion of the strong Indigenous business sector in Cairns:

> "A lot of them [Aboriginal people] are in business for themselves now ... every second black fella in Cairns is just about in business, eh? We've all got ABNs ...If you're a black fella without an ABN, then you can't be black, you know, there's something wrong with you. And in fact, a lot of the time, especially in my consultancy work when I was sort of doing a fair bit of work up in the Cape, and I was wanting to do sub-contracting out there and bring some of our mob out on board, I was saying, 'you can only come work with me if you've got an ABN, I need you to have an ABN'. 'Oh, alright'. So then, I helped them get their ABN. But the beauty of that was, they could then go off and do other things".

For some, this also enabled entrepreneurs to create a work culture more suitable to their approach to business. B9, who ran an Indigenous employment and recruitment agency, explained how her Indigenous clients provided space for her to cope with current health problems and provided

empathy in return, whereas in the corporate area "they're not so forgiving". She could be upfront with her Indigenous clients. "A lot of non-Aboriginal people dance around that direct stuff, and they might dance around it because Aboriginal people will not tell them what they want to hear".

Being able to work across different cultural spaces was thus crucial to the success of many such businesses. B17, a consultant in Indigenous cultural information management, further explained:

> "I think my biggest strength is being able to communicate between different levels of, I'll call them stakeholders, as such. I can talk to high level policy makers and Government. I can network and talk to people on the ground. So, having that ability to work between the levels of bureaucracy is one of my fortes".

However, to take full advantage of these opportunities, some business owners stressed the need for Indigenous people to "commit" as well as be more open to the "whitefella" way of doing business. As B36 explained, her goal was to try to change the world "in my own way by saying there are jobs, there are companies committed to it, but now as Indigenous people we need to also commit". B35 also stressed the need for Indigenous people to "adapt more or perhaps understand how Westerners do business, as well":

> "I mean, that doesn't mean they have to adapt to that way of doing business but it's easier to understand business colleagues' wants and needs, I mean, a lot of the Traditional Owners want their business to be a part of their culture. You can do all of that, that's what visitors want. And we need to save what we can of our culture for future generations, but I have found learning the administration side of business has helped me to be able to recognise risks and business challenges and limit the outcome to ensure the business is still strong ... tourism, to me, is the perfect industry for people, because it keeps traditional culture and lifestyle alive".

B10, who ran an Indigenous graphic design company, noted that less than 10 per cent of his suppliers were Aboriginal. "This is why we're out in the private business sector" he elaborated:

> "It sounds like there's 170 businesses out there, but they're nowhere near the level and capability of what we do. And if you're talking about art and design, we're nearly close to the only ones in Victoria that can do it. That are set up, like us … And, now we're slowly meeting where corporates meet businesses … Mind you, it just puts us in the same ball park as, if you could, I'm not being cheeky or whatever, or underwriting myself, but we're just in with the same as a graphic design print promotional company … But we're in a niche market, and we've got, we've got unique artists that I get to work with."

He admitted this gave them a competitive advantage:

> "There's no way that they could produce some of the art that we, I mean, non-Indigenous people [do], not that they wouldn't, but it has been tried before … If they want corporate stuff, and if they want it, you know, real genuine, you come and see us".

Inspiring others

Entrepreneurs spoke frequently about their motivation to introduce or extend positive change within the Indigenous community. They spoke of this change in both conceptual and tangible measures, such as pride in their cultural identity, creating a sense of belonging for Indigenous people (geographical, physical and emotional) and building self-esteem in younger generations to actively seek opportunities in mainstream Australian society.

B12, who ran a clothing company, felt that his business made a strong and positive difference to young people's lives by changing the cultural role models available and the work culture to which they connected:

> "We change the druggie gangster culture to them wanting to be stockmen. So that has a positive effect on the community, because they go from wanting to be gangsters, with all the rubbish clothing … to getting a job and working on the station and getting involved in the rodeo and stock work and all of that sort of stuff. So generally they'll join in the Australian Rodeo Corporation … They'll bring down good riders to Melbourne to compete in the International rodeo there. … By them shopping at our store, they're having access to those products, and that links into the stock work, and the stock work links into rodeo, so it changes a whole culture of what they're doing, instead of sitting around thinking about mischief, then they think about going and getting a job and working as a stockman, or a cowboy".

B20, who ran a fitness centre, also explained that his centre provided a familiar, safe and positive space for Aboriginal people:

> "It's a black place, they call it - it's a black place. It's friendly, it's different to other places and it's like, you feel the community and family feel around it, at the facility".

B10, who felt that he consciously raised people's cultural awareness when talking to clients, expressed a responsibility towards educating the non-Indigenous population through his business and his engagements with the corporate world. He called this "the education side" of his business, and sought to highlight the artists and culture in Victoria and Australia to build connections within the Indigenous community. B10 felt that his Aboriginality had a big effect on the running of his business, and that part of his role within this business was making the community aware of Aboriginal culture, art and artists while also celebrating his culture.

Instilling pride in others came from people witnessing their hard work and success. As B1 explained, "Other people see what I am achieving, and they can be inspired to do that as well". This was also felt by B4 in his panel beating and spray painting company, as he elaborated that young people "can

see it's a pretty well established business. I think we're, that way, they can see that we're Aboriginal and we can do it."

B7 further explained the effects of her business:

> "I could be a role model for other young Indigenous people to promote doing well and achieving in their goals and dreams and setting their expectations a bit higher. Obviously, this is to a huge extent, because financially to do something like this is massive. But on a lower scale of things, just general wellbeing and all that sort of stuff, I think what I'm doing everyday can only help positively influence my community".

B10 also spoke of socialising with older generations who saw the positive spin-offs of what he had accomplished. "It just refreshes their energy levels too" he explained. For B16, "just by being in business" they were creating:

> "the positive effect that people know that there's an Indigenous business here. And even the fact that they see what we've achieved. And giving them access to the clothing and footwear and so on, and even giving them somewhere to trade goods".

B33, who designed Indigenous inspired cultural resources for schools, detailed:

> "The aim of what I'm trying to do is to try and bring in an Aboriginal perspective into the classrooms, with the books that I've developed are specifically around Aboriginal learning resources, but the others are more like, I've got the counting charts with Aboriginal designs and now I've got a timetables chart with Aboriginal artwork on there. Stencils, all of native animals with Aboriginal designs. I'm trying to bring that perspective in".

B21, who ran a cultural tourism company in the Northern Territory, also expressed:

> "I didn't ask to be a role model, but I'm very aware that I have to do that. As a leader, for my community, I don't live in my community, I actually have a house. You know what I mean? There's so many tags that I have to carry."

Sense of justice and determination to succeed

Many entrepreneurs were driven to succeed by a sense of historical and contemporary justice. This passion to succeed was evident in several narratives, such as B17, a consultant in cultural information management. His mother had worked in the Department of Foreign Affairs in the 1970s, and B17 explained how this had influenced his career:

> "So, every time I always thought, oh, I'll just quit it, when I first started, I thought no, I'm still making a difference in my career and life. So personally, I come from quite a big activist family. I grew up with a feminist mother, rights activist. A feminist! I never grew up with my father, so a single parent. I've got an interesting

sort of politics, not politics in a sense, but I won't call it that. But, Indigenous
issues and I have a big interest in that sort of stuff".

B7, who ran a drive through café in Melbourne, spoke of her motivation and strong desire to succeed underpinning her enterprise:

"I think I've got this strong desire and motivation to succeed, and just to not fail. I do have that in me, and I think that that could definitely have something to do with you know, the past of Aboriginal people and you know, my family, my Aboriginal family I come from. And a lot of Aboriginal people come from families like this. You know, I come from a family of trauma and loss and grief and hardship. I wasn't even raised with my real family, that's how, I was put into care and all that sort of stuff. So, from that side of it, maybe that's what makes me more determined and a desire to achieve and break down the barriers and prove people wrong?"

B3 also started his business "to give blackfellas a go":

"I think really, that is probably the strong part of being a person because we suffer so much adversity. You know, so much, we get a fairly thick skin after a while … I mean what gives me a lot of my internal power is the amount of funerals that I've had to attend. You know, and my husband for instance, he is a few years older than me, but pretty much all of his age group has all passed away. And I've been to all of their funerals, and it all happens one after another. And when you lose close family, you just think well, the way I look at a funeral is well, you know, when you lower the coffin into the ground you think, well that person is never, ever going to have a chance to do anything. You know, but here I am, I've got a chance. So you internalise that."

B29, who had no business tradition in the family, spoke of witnessing her aunt and uncle attempting to sell hand carved products around shops when she was a child, and being exploited. "I've sort of always remembered that and thought how important it is for empowerment in business ... you can get trampled all over". B29 was also highly conscious of a stigma throughout her life regarding Indigenous people being handed things for free. She attended a Catholic private high school on subsidised fees, and mobilised the Access program to attend university. Concerned that some people might judge her results as not being earned, she was driven to prove her ability based on merit:

"so my first [uni] class, I felt everyone was looking at me knowing that I didn't get 99 in my TER and all of that kind of stuff. And thinking, these programs, they just hand out things for blackfellas. But then, you know, standing up on my graduation day and being picked for design and all those achievements. You know, you're here, regardless of how you got here, you can either do the work or not … I'm trying to do everything I can. In not like a cut throat horrible way, but I strive towards those things".

Avoiding government support

B2 placed an emphasis on independence, which also came through in the narratives of those who stressed the need to be judged on merit, passion and ability. "That's another thing" B2 explained, "I want to do it myself, I want to be an independent labour hire company. I'm not going to be coming through some government body ... Just get out there and do it, you know". He wanted to steer away from being seen as receiving "handouts" from government agencies because of his cultural identity, indicating the pride that comes through greater self-reliance. In such cases, the narratives of self-reliance were often a form of boundary work, with entrepreneurs separating themselves and their business from community organisations as well as the complicated community politics these frequently entailed.

Challenges

Some Indigenous entrepreneurs also spoke of specific challenges and negative impacts of Indigenous culture on their businesses and how they were run, both direct and indirect.

Balancing Community and Business Needs

A common theme for businesses was the need to find a balance between business and financial needs, and the needs of "our mob", as B5 outlined. He appeared to distance himself from the local land council and stressed the need to look after his own family and their immediate needs as well as community prerogatives:

> "Even though we're passionate about our mob, we still need to pay our ... [bills] and things like that".

Community enterprises

B11 spoke of further difficulties embedded in the community business model, notably the need to be seen to fairly promote the work of *all* artists in art centres which arose from being a cooperative. As B11 explained, artists sometimes expected a centre which represented their community, and which was funded by their community, to promote all artworks equally. This could "be challenging as they want to sell all their art that can't necessarily be sold ... you've got to buy everything, and then it makes the shop look a bit dodgy". B11 also mentioned that he hoped to expand the business and move away from the complex politics of Indigenous communities in the welfare sector:

> "I think Aboriginal communities in the welfare sector in general for years, or the leaders within it, have been undersold by the mainstream because they do much, much more than a mainstream org does. They have to deal with big multinational corporates, and then they deal with the bullshit on the ground, and then they deal with the bullshit volunteers, and it's just ongoing. You never become an expert in

anything, that's why I'd like to get something big and then you can just say, go over there and look after that, essentially".

Funding cycles and dependency

There were inherent difficulties which came with being dependent on the government sector for funding, and these were often tied to short funding cycles. As B22 explained:

> "it's very difficult to get the long-term outcomes. On a lot of our jobs, we do stress that, and we try to engage community builders, community building teams as much as we can. But there's no continuity, we ourselves don't know where the next million dollars is going to come from, so we can't make too many promises … And it's interesting the outcomes, a lot of Aboriginal people themselves will say, no, no, no, forget about it. We'll just get an outside contractor who will just get it built quick, and finish. But even when it's local building teams, it's, like I said, there's no real continuity, there's no guarantee of ongoing work. So, it's very hard to make promises that you can't keep."

Some businesses also felt that it was becoming harder to secure funding for welfare-focused work. B11 reflected on the possible need to go into another business for financial security. Government-related funding instability was also seen to be making it difficult for businesses to get started. B12 explained that for future entrepreneurs:

> "I would advise them to start a business, but get written guarantees from the departments that promise all the wonderful things. Because that false hope is the biggest hurdle. Mainstream businesses don't get given false hope, they get given assistance".

Cultural difference and the politics of recognition

Not everyone was keen to promote their cultural heritage in their business identity.

It was this emphasis on promoting cultural difference which B12 saw as a liability. "The Aboriginal community in business" he continued, "is thinking they are different to someone else, and not as you know, not giving themselves a chance". In his opinion, it was hard work and determination that overrode cultural difference:

> "If you're willing to put in the hard work, and you want to do it, then there's nothing that should stop you … I think if people are willing to do it, then their Aboriginality shouldn't hold you back, or you shouldn't feel any different to anyone outside".

B10 made a similar argument. He stressed that it was not so much about Indigenous people being different from others in the business world, but more about being a business "being a small fish in a big pond with everybody else".

B11, who managed a community business, also identified away from "community" as a separate type of business. He saw "cultural awareness" training as "a cop-out" and claimed to work with individuals and their goals, rather than the overall community. "I haven't been to a NAIDOC week in four years since I've worked in private enterprise", he detailed:

> "it depresses me about affairs to be honest ... There's not that much community stuff. I reckon it's a lot of fluff, bullshit ... it's just for those big events".

Cultural "authenticity"

B13, who ran an aromatherapy and massage business, had encountered a lack of support from the local Indigenous community after moving into the region to start her business. She had not accepted or pursued forming networking in the local Indigenous community and had since felt ostracised by Indigenous people who questioned her cultural "authenticity". B13 now advocated that for setting up an Indigenous focused business around cultural heritage "you need local Indigenous support behind you". She also felt that Indigenous people were innately "more modest, not pushy", and that they needed support and encouragement to get ahead in business.

B33, who made Indigenous inspired educational resources, discussed the difficulty of cultural appropriateness and cultural intellectual property. He wanted his product to be "not necessarily targeting any Aboriginal group. So then it's pretty general", and recalled a time "when I was working in one of the schools, we got some great stuff, like a package came from an Aboriginal group in Queensland. They were great, but we just couldn't use them because they were very specific to Queensland and to that area that they weren't able to be used here in South Australia". This was overcome by producing content that was "mostly pretty general stuff".

B21 mentioned that some customers were dissatisfied when they didn't receive what they had expected with her tour:

> "People look at us and go, 'you're a hunter and gatherer, you should be out there with your spear'. But because we're in 2011, it is very hard to see a person sitting in a Monaro. It isn't in their perception. They go 'oh, hang on, you're supposed to be in the gutter'..."

Business is pigeonholed as an "Aboriginal" business

B16, who ran a media company in Brisbane which was "proudly Aboriginal", had explained "I define my business as culture ... This company is proudly Aboriginal". Yet he was also conscious of the business walking a fine line between its Indigenous and non-Indigenous identity. They were compelled to "run that balancing act between being considered too Aboriginal for other clients, because you can get pigeonholed in just doing, that's all they do".

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B34 was also trying to "draw people who are non-Indigenous into my business". He had an emblem which combined the Aboriginal flag with the union jack, and called it "tribal street wear", because "tribal" is:

> "a very loose term. I don't call my business Aboriginal street wear … My emblem, because I'm British-Aboriginal, is the Union Jack. So I'm trying to. A lot of people see the Aboriginal colours and the flag as a negative thing, so I've still kept the colours but I've put in a British emblem as I'm half-British. So I'm trying to meet halfway without removing who I am .... To me, that's accepting, and that's my main emblem for the business and it's accepting everyone. Without losing my identity or our identity as people because we don't want to just act like white people".

B34 had struggled to get his product into "normal shops", explaining that "as soon as they see that it's Aboriginal, they're just not interested. That's been the biggest let down". He stated that there was no proof that Indigenous clothing sells in retail shops, and he was therefore only able to sell his clothing online or in tourist shops.

B28 found that most of the time, the conflict resolution work she received as a result of her cultural heritage was positive. However, there were also negative experiences because she was only being appropriate for solely Aboriginal mediation:

> "Well, within that there has been where they put in a complaint that I can't be impartial, where there's been an Aboriginal and a non-Aboriginal partners, or ex-partners. Whereas a non-Aboriginal person can mediate an Aboriginal and a non-Aboriginal person, but an Aboriginal person can't mediate that same couple".

Racial prejudice and lowered expectations

Racial prejudice and lowered expectations among both Indigenous and non-Indigenous people was a common theme in the impact of Indigenous culture on their business. As a result, some entrepreneurs adopted practices of "playing the mainstream card" (Chiang et al. 2013), obscuring their Indigenous identities in certain respects.

B1, an older man who had been in business a long time, spoke of people being reluctant to buy his product in the early days due to racial prejudice, which was overcome by market demand. "It was basically they just wouldn't buy. But eventually when people were asking for the product, then it turned around". B5, who ran an Indigenous employment training company on the Central Coast, also spoke about prejudice from the mainstream community that business was for white people. "We've heard that over and over in so many different ways, in different forums, contexts when we come across people. We come across them constantly." This led to a "sense of feeling inferior" among Aboriginal people.

B12 also spoke of an implicit prejudice he experienced directed towards him as an Indigenous business owner. "With your suppliers" he elaborated, "it's nearly detrimental":

> "Because they think 'ah, he won't pay his bill' ... when you apply to the bank. They say 'Are you Aboriginal or Torres Strait Islander?' or whatever, and they see that it's a business, and they go 'Oh'. Whereas if you, you'd have more hope if you told them lies".

Likewise with customers, the challenge was making sure that Indigenous customers in the community would pay:

> "So you've got to be onto them, because they think, rich cousin, rich nephew. But, if they know the rules from word go, it's the downside of it. But you've gotta just let them know that it's all got to be paid for all the way. Give them a discount, do the right thing, but they've still got to be treated as customers".

B22, a non-Indigenous consultant working for a community business in the Northern Territory, further explained:

> "There is a bit of an expectation that if it's an Aboriginal company, you're looking at, you'll get the job done but the standards might be somewhat lower or something. There is a bit of that thinking, in the Territory, anyway".

This history and continual prejudice towards Indigenous people more generally made entrepreneurs sceptical of how they were perceived, and could lead them to question the motives of people who do not do business with them as being racially motivated. B24 was the wife of an Indigenous entrepreneur and they ran a business together. She explained that:

> "One of the things that [her husband] thought too was, being an Indigenous small business as well, it's like, what he thinks about other people's perceptions of people and business, you know? He's always thinking about that. He often wonders, I guess, okay, well, we didn't get that grant. Is it because, you know, there's that. He's not saying people are racist, but there's that, there's always that question out there. I said, look, I'm not saying people are racist or not, but you always wonder what, how people perceive, oh, here's an [Aboriginal] business".

B26 also elaborated:

> "Since I've been doing work in the corporate world, it's always, you get a lot of people who want to support you or want to encourage you. Then you get a lot of people who think that because you're Aboriginal and in business that there has to be a handout or something. The mentality changes for some people, or they don't take you seriously enough because you're Aboriginal. And when they do see success or they do see you're doing good, they want to wave that flag to look at what we're doing for Aboriginal business. But I try to tell them, I don't want that, I just want to be treated as a business person".

It was this negative perception of businesspeople that underpinned B29's point about not "slacking off":

> "Whenever I slack off a bit, I think, I can't do this, because even though I know it's not true and it's not accurate, and that happens across the board, it doesn't matter who you are. It's something that drives me and pushes me to be motivated to do it. But um, that's something else that I sort of look to challenge because it's not true, you know? So all of these kinds of things, I sort of, I'm prepared to take and to explain and to deal with, I guess, if that makes sense? So there are issues, but I always make sure to be thorough and explain and to set an example to people that may be narrow-minded about those kinds of things"

B30 spoke about how sometimes people would "get surprised" in the childcare centre when parents saw that she was Indigenous. On a rare occasion this had been seen as a problem:

> "I think people still kind of look surprised, because there's still this stereotype out there about black people in this country. When they see that you're in business, it's like oh, you either, something must have happened to you to, you know what I mean? You got sprinkled with fairy dust or something, and you changed from a, I don't know."

B26 stressed how important it was to break both the perception of people being in welfare, and Indigenous people perceiving themselves as being entitled. It was crucial that young Indigenous people understood that they have to work hard. It was crucial, she continued, to "give Aboriginal people a go", but to treat Indigenous people the same as non-Aboriginal people, as she said "give us a hand up, not a hand out".

Summary

The concept of "culture" was not surprisingly variegated among participants, with common themes of family priorities and responsibilities, values around fairness, a survivor mentality and the externalisation of cultural knowledge and heritage. However this propensity to associate family business with generosity and fairness also led some business owners to annex their family from the business. For others, they maintained a hierarchical model they felt was better suited to the "corporate" business mould. The down side of "culture" on the business were experiences of lowered expectations and racial prejudice. Across all businesses, however, it was clear that they contributed to the wider social environments in which people lived, building cultural capital and cohesion.

4.7   Gender

An overview of female Indigenous entrepreneurs

As already outlined, female entrepreneurs in this research were more likely to be single, while their spouses were likely to be non-Indigenous. Indigenous women were also less likely to be in a business partnership with their spouse. While 9 out of all 38 entrepreneurs were in a formal business partnership with their spouse, only 2 of these 9 entrepreneurs were female (Table 20). This is significant considering the enormous support and contributions made by spouses to the entrepreneur business model.

TABLE 20: Role of spouse and gender in the business (Formal business partner and contributor to the business) – qualitative results

Role of spouse in business	Business partner		Business contributor		Partner or contributor	
	Female	**Male**	**Female**	**Male**	**Female**	**Male**
Indigenous spouse	1	2	0	0	1	2
Non-Indigenous spouse	1	5	2	6	3	11
Total	2	7	2	6	4	13

Female entrepreneurs primarily lived in New South Wales, Queensland and Victoria, and were more likely to be living in an urban location. Of the 16 women interviewed across Australia, 11 of these were based in a metropolitan region, three resided in a regional location, and a further two lived in a rural or remote area. Women were also more likely to register as a sole trader business, with 7 out of 16 women running this type of business. Comparatively, only 4 out of 22 men adopted this model. This reflected the greater likelihood of female business owners being single, and of not forming a business partnership with their spouse. Men were most likely to be running a company, and were also more likely to run a community organisation. One could speculate that this may reflect the gendered nature of power structures in community locales, and the inequality experienced by some women among community-controlled assets and their distribution.

Impacts of gender

Women faced significant difficulties in establishing and growing their businesses, and these differed in certain ways from men's experiences. There were clear indicators that many of these difficulties were primarily experienced by the 50 per cent of women in this study who did not have a spouse or manage their business with their spouse. Five of these women were also sole parents.

Time-poor and inability to network

Female entrepreneurs were typically "time-poor" and faced structural and social constraints in accessing networking opportunities which would grow their business. As already outlined, networking discourses are often framed as racially and neutrally classless, with the assumption that all women have an ability to acquire or be a part of a thriving network (Knight 2005 in Chiang et al. 2013, p.64).

Women in this study who emphasized the importance of networking also stressed the gendered nature of networking and the importance of involving themselves in, and contributing to, women's business networks. However, considerable family obligations of care and childrearing made it difficult for women to capitalise on networking and training opportunities required to grow their business. Five female entrepreneurs identified as being single parents, as opposed to no male entrepreneurs identifying as sole carers of children.

As previously noted, B13, who managed an aromatherapy business, found that she needed to be at work for much longer than she would have liked. A consequence of this was that her daughter had become "too independent" and had started "running off the rails a bit".

B28, a consultant in Sydney, also explained that while her business was increasing, she did not have the capacity to take it on due to her family and caring commitments:

> "I'm just in a personal situation where I can't take up, there's a lot of opportunity coming, and I'm not in the situation family wise, and I'm sure that this would impact on a lot of Aboriginal women, where I can take that up yet. So that will really decide how far I go with it".

Difficult to secure financing

Female entrepreneurs struggled to access financial support to start or grow their business. Several entrepreneurs highlighted the barriers faced by Indigenous women to access finances and grow their business. For example, B9, who ran an employment and recruitment agency in Melbourne, expressed her insecurity in obtaining another loan. She also questioned whether her gender played a role in these feelings and her fear of debt:

> So, and I think this might be my gender … I feel like I have to have the money first, I can't get a loan for it. It's been really hard, I have no debt, so before I started the business, I had no debt apart from my mortgage … I've never owned a credit card, I only bought things if I had money. And I've always been really good with money my whole life. So getting a loan really did my head in. And my accountant keeps telling me, 'stop paying it off so fast'. Whereas IBA keeps saying, 'pay it off, we want you to pay it off'".

B30 encountered systemic racial and gendered prejudice when applying for a loan from ATSIC. She criticised what she felt was the "white bureaucracy" of that organisation, a lack of cultural understanding and a failure to support her business:

> "at that time, when you went to ATSIC for a business loan … there were no black fellas in that area. So I had to sit in front of an old, white man when I went for an ATSIC business loan, and what I presented to him looked so good, he turned around and told me, go and see a normal bank".

She was deeply disheartened by this advice, as she wanted the safety nets and support of an ATSIC business loan. She then went to a commercial bank, a process which she found discriminating, both against her as a woman and as a person:

> "I took my [non-Indigenous] husband with me, and we sat down. The bank manager was talking to him, about 90% of the time … So, I not only felt, you know, when I went to ATSIC I felt discriminated against by, you know, white bureaucracy there. I don't know whether, or whether he wasn't interested in me because I was a woman, and therefore there was a sexist thing. Or the fact that he didn't recognize me as a person, because I looked and sounded like I could be successful? Yeah, so that pissed me off. And then going to a, you know, a bank, and then being treated like you're just the, what do you call it? The silent partner, or something. So yes, to answer your question, yes, I went and signed up for a very big loan which scared the hell out of me".

"Boys club": Sexism and gender prejudice in the corporate sector

While women and people may no longer be formally discriminated in the market, women still face systematic and ingrained gender and race barriers to employment, despite affirmative action policies. This sexism and gender bias was more likely to be experienced among women who were single and sole business owners. Of the 16 female entrepreneurs interviewed, four had experienced overt forms of sexism or gender discrimination from colleagues, suppliers or clients. Three of these four women were also sole parents.

This "boys club" mentality was experienced by two women in the corporate sector in being excluded from male networks, leisure activities and use of time. B19, a consultant in Darwin, had come across what she felt to be chauvinistic behaviour several times in her field, which she saw as being about gender, not race:

> "I work in a male dominated field, area, and it's a boys club, and it's predominantly male-orientated. So when you have a woman come in that has my personality and my character, it has the tendency of, not ostracising me because I still get major contracts, but it's certainly interesting days. And I think that over time, when they see that I'm still around, and still see me as part of not this wow moment wonder, is she going to stick around? But there, the tides will change".

She was in the process of hiring a white male business partner, "because he fits the profiling":

"He fits the perfect image of what I need sometimes to break through that barrier. Because people will be far more receptive seeing a white face walk in, than to see an Indigenous woman".

This gender bias of the corporate sector was elaborated on by B9, a consultant in Melbourne. B9 explained how difficult it was to work as a female in "the corporate space with the men … There is a massive boy's club in the space where I work, I felt that very strongly". Alternatively, she felt that the Aboriginal space from which she had come, and primarily worked, was more of a matriarchal space:

"The thing that's important, I think, to remember about gender is as a person climbs the corporate ladder that you take on some of the male traits. So I've definitely got those. But I come from a matriarchal family. I come from a family where women lead. You should see our men, they're so emasculated, it's not funny … so in the corporate world, it's very [much a] boy's club. That kind of stuff. In saying that, though, I work in an Aboriginal space where matriarchs are common".

B21, who ran a tourism company in Darwin, further outlined being a woman in business in her experience:

"as a business woman … it's not difficult, it's actually quite annoying, because you want to be up there with the mainstream, and you have to show yourself that you can … you've got to be rich inside your heart and soul and that kind of thing, and be nice to people … you have to show people that you can give them the best product, you have to be very different from the other different competitors, and you have to be very willing to put yourself out there."

This gender bias was not only evident among business colleagues and clients. B13 had also encountered sexism from the male-run real estate agency she used to secure her premises.

Family and community prejudice

Female entrepreneurs experienced considerable prejudice from within their own families and communities. The greatest barriers, argued B19, were "from your own family":

"I also think it's clearly at the end of the day, going through the barriers within your own families … I'm very fortunate that because we've had enough business people in the family, that it hasn't been that much of a jealousy component attached to it. But I could certainly see underlying issues of you being the 'know it all', or those sorts of tags that they give you because you're breaking out of the norm of the family, whether it be immediate or extended".

B19's own family was supportive, but she received this prejudice from her extended family. "You learn to manage that", she explained. B8 also hinted at the tensions between caring for children and family amidst a hectic work life, and having this care valued and recognised by others:

> "I'm just glad someone appreciates the times that I've not gone to my daughter's school concert because I've been stuck here with a major airline problem, or you know, someone's gone and said, 'wow, you guys have done a good job'."

The expectations that women will place themselves second and third to their children, spouse and kin was one which entrepreneurs had grappled with, sometimes overtly. Several women spoke of making a conscious "choice" not to take a sole carer's path, and to make others aware of their decision. As B9 explained, "I made that decision ... that I was going to be something one day, and if I had children, I had a choice".

B9 also felt some people in her community were threatened by her position. "Some people are threatened by it, when I'm out there doing something. Making differences. There's an envy". She was also viewed as a leader and role model, but stressed the vulnerability of such a situation:

> "If you stuff up in the Aboriginal community, it's very hard to get back from that. So you're always careful, you know, one might get a spoilt, wrecked reputation".

B13 had also experienced what she felt to be jealousy from other Indigenous women and men, who challenged her about her products and cultural knowledge. As a woman, she explained, "it's kind of like I have to prove myself a bit more". She did not appear to be supported by the local community and was seen as a threat to another man with similar business prospects in the area.

B5, who was a 50 per cent owner in her company with her husband, elaborated the difficulties of being a successful woman in the community:

> "See it's a bit of a trick question, because in this game you've got to be humble. And if you're not humble, you can sort of get cocky? ... I just feel like I'm part of the mob ... I'm trying to be humble about it".

B5's spouse and business partner suggested, "I think it gets down to how you carry yourself in the community", before talking about maintaining humility and respect for others as "legitimate others" regardless of their success. "We don't put ourselves up on a pedestal", he explained.

In response to how the community viewed her, B28, a consultant in Sydney, joked, "Um, I think they always think that I've got money! And they don't quite realise how I get it, which isn't always true". When asked about jealousy from the community, she elaborated "I don't really think the sort of things that I do inspires jealousy".

Advantages and opportunities

Female entrepreneurs established businesses to increase their income, escape racial and gender prejudice, develop autonomy, and provide for their families. Like immigrant women in Australia, Indigenous women who started businesses frequently structured their business life around their

relationship with their husband, children, extended kin and community responsibilities (Low 2004 in Collins 2008, p.51). Sole parent benefits enabled stable income for a set period of time, while the business enabled flexibility in their time management and childcare responsibilities. There were also market imperatives in cultivating a gendered product or service, as well as advantageous "female" attributes being identified, such as "nurturing", "compassion", "holistically", "understanding", and "think with my heart". Australian entrepreneurs who were women also stressed the importance of being a role-model for people, women, and women in general.

Flexibility

Flexibility, in terms of being able to decide and manage one's own hours, was a key incentive for many female Indigenous entrepreneurs. Such women were able to manage child caring responsibilities and family obligations. This flexibility was generally experienced as a sign of success, and not only for women with children. As B9 explained, she considered her business successful if:

> "I'm able to go out in the middle of the day and take my dogs to the beach. That's me operating a successful business. I'm not there, and I'm not there because I've got inundated with work. I haven't forgotten about the work/life balance".

Market demand: Niches, "women's issues" and "female traits"

Several women and men felt that women in business increased their market base, as they would be innately more attuned to and aware of that which women as clients and consumers wanted and needed. For example B24, who ran a mobile cinema with his wife, mentioned the "added benefit" of his wife's role in the business "if having to deal with women's issues. Having a woman to talk to is easier for some community people". This was not only about securing a stronger clientele, but also connecting more closely and honestly with this client base. B31, a consultant in Sydney, further explained:

> "When I share my story, because I do do a lot of anti-violence stuff, other women think 'Oh my God that happened to me. I can do that too.' And so I think that, I can bring that aspect... I've turned my pain into a tool to educate".

Some women also viewed themselves as better networkers and as having strong social skills, traits which were crucial to a successful business. This was particularly stressed among the four women in consultancy and leadership roles, for whom networking underpinned their businesses in many ways. Among such women, their business catered to the needs of co-ethnic women, whereby women used their class, gender and ethnic resources available to establish women-specific or focused businesses. This also provided them with a competitive edge (Chiang et al. 2013, p.74). Such women drew on ethnic and gendered capital drawn from the "matriarchal space" of families. B9 identified "nurture" in her gendered skillset, and what she called "the female traits":

"I come from a matriarchal family. I come from a family where women lead ... In business, I work in HR, so I work in a warm and fuzzy space. It's only women, unless you're kind of gay men, and then men work in the Industrial Relations space in my area".

Several women identified strengths in their business skills which they saw as being a direct result of their gender (both innate and socialised, in their views). Stereotypes of female attributes come into play in this data, as well as a recognition of how the socialisation of women impacts on their attitudes to life, such as confidence, self-esteem, and in one women's experience, a fear of debt. Compassion, empathy, and "nurturing" were seen by four participants as being innately female qualities. B8 also explained that as an Indigenous woman, her approach to thinking about her business and relating to her employees was different to that of a man's:

"I think a bit more as a woman rather than a man, is the understanding of your employees better. You know, you understand that their kid might get sick or you know, I think it's more a female touch rather than an Aboriginal touch".

B7, who ran a drive-through café in Melbourne, felt that she treated her staff "better than a man would" and she was more compassionate and understanding of them because of her gender:

"I guess men and women operate differently in general. Um, I think the staff have probably got it better because of the fact that I am a female, in the sense of I am a bit more compassionate and understanding, and I try and think of things a bit more holistically as to oppose say the way a male's brain might work!"

B27 also explained that being an Indigenous woman made her "think with her heart" more than her head. When she does things with her heart and soul, she explained, what she believes is right, then "they always end up being the right things to do anyway".

Community support

Many women felt admired, respected and valued in their Indigenous community because of the leadership role they had taken and exhibited. Through this process, women's businesses appeared to cultivate a sense of belonging in people and families, and to develop new connections to place for themselves and their families. "I suppose they look up to you", explained B8:

"I would say some people definitely look up to us, and just anyone can do this. Believe in yourself, and be prepared to work hard. Most people can get themselves set up in business, and if I can help one person get that dream, and ignite it under them and they run with it, it's a good feeling".

B7 also felt like her community saw her differently as a businesswoman, as a kind of role model. "They are encouraging and happy that a young Aboriginal person is doing well". Like others, she spoke of support for breaking the stereotype and being successful. B27 agreed that her community

viewed her differently now. They were "more encouraged", she detailed, and "more interested in what's going on". People in the community were "more open and welcome" because they know what she is trying to achieve.

"I think, um, I break the stereotype of what an Aboriginal woman looks like and what an Aboriginal woman can do", outlined B31:

> "And that goes to my grounding in my family life, like being brought up in a really big, large Aboriginal family, as you can see I stand out quite predominantly in the family. So it's breaking the stereotypes, and I also think that I am old enough now and educated, and confident in my education, that I can get up and speak at any platform".

B29, a textile designer, emphasized that:

> "seeing disempowered Aboriginal women has made me realise the importance of empowerment of Aboriginal women. Um, and that's the driving force I reckon, that's one of the big things behind what I do".

B30 also felt that she was now a "typical" entrepreneur in the view of her by her community. Indigenous businesses were now so common, whereas it was previously seen as being unusual that "white people would actually come and work for a black person":

> "I think at the time when I was setting up that first major business of mine, I was very much trying to find someone like me. You know, I was trying to find another black woman out there who had set up her own privately run child care centre business. Because there was a lot going into this industry that I didn't know about, because we didn't have to deal with that in the community organization. There were a lot of things we were exempt from as a black community organization. But going out on your own in private business, you don't have those safety nets.

Summary

Women faced significant difficulties in establishing and growing their businesses, and these differed in important ways from men's experiences. There were clear indicators that many of these difficulties were primarily experienced by the large number of women in this study who did not have a spouse or manage their business with their spouse, and five of whom were also sole parents.

Female entrepreneurs were typically "time-poor" and faced structural and social constraints in accessing networking opportunities which would grow their business. This small sample also shows that female entrepreneurs who were single and running a business were more likely to report experiencing sexism and gendered prejudice in their business. Women also continued to face gender and racial discrimination after entering into entrepreneurship, and many struggled to access

financial support to start or grow their business due to gendered inequalities. This placed further difficulties on women's ability to secure economic capital. Female entrepreneurs also experienced considerable prejudice from within their own families and communities. However, women also identified other advantages that came with their gendered identities, notably the flexibility the business allowed and particular forms of gendered capital that women experienced as being highly suitable to business.

4.8   Success Factors

How Indigenous businesses measure success?

Almost all of the businesses interviewed indicated that they were satisfied with their achievements. There was also general agreement that successful and sustainable venture needs to be profitable, and have a surplus of funds after paying all the bills. However, almost all the interviewees emphasized that one's personal satisfaction with running a business is also important, and may not be directly related to the profit achieved. Many started their ventures with a motivation to serve their community and to strengthen the identity of Indigenous businesses. As one of the interviewees stated, "*I measure my success by how I feel at the end of it. If I walk out and feel, oh my God, I've done something. I've made a difference here, then I think I've done a good job*".

Figure 13: Factors fostering business success
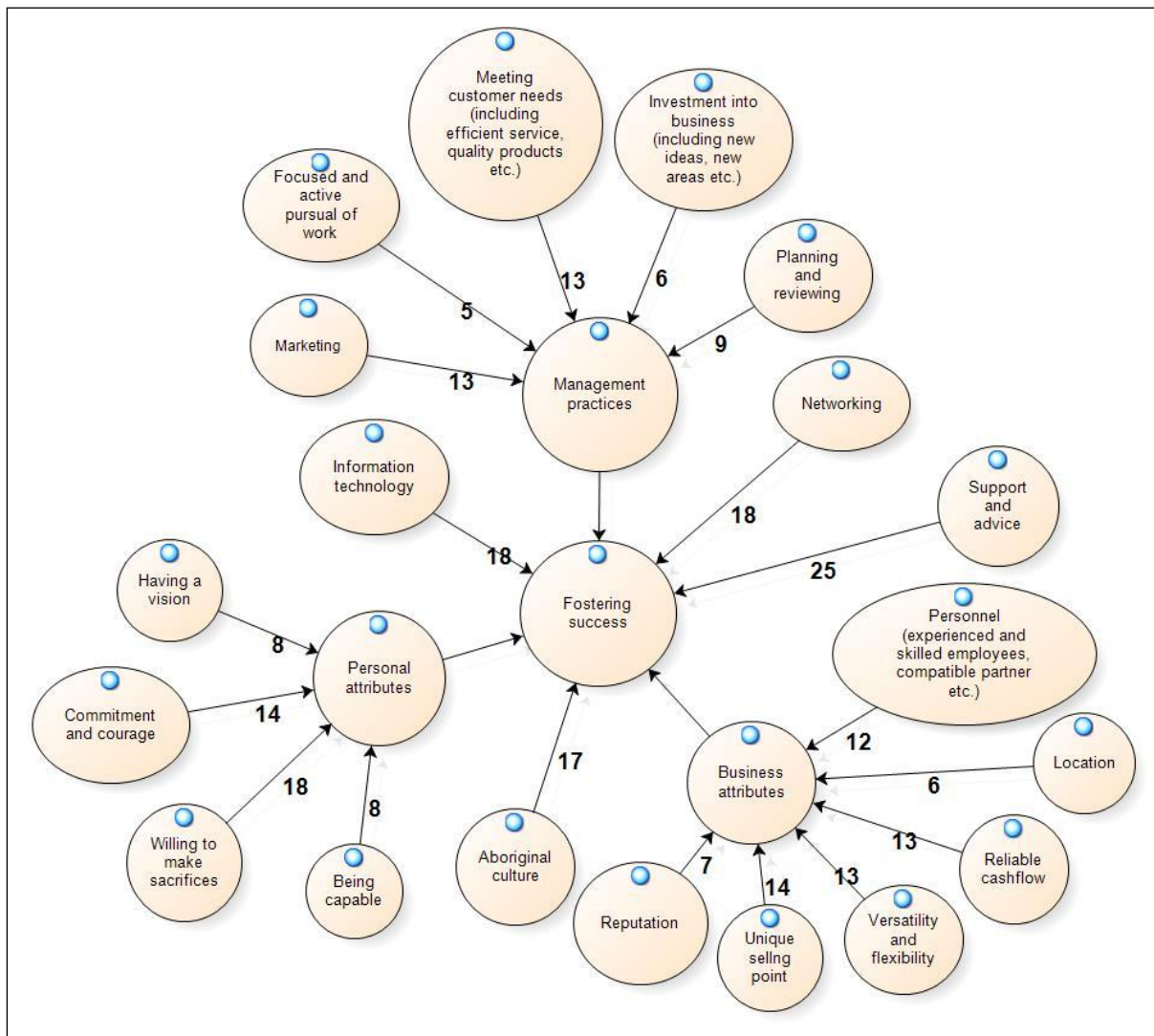
The majority of the businesses (29 out of 38) stated that they are making a financial profit at the moment. Only three businesses reported that they were unprofitable and cannot pay their bills. Most businesses reported a trend of increasing sales and profit; a few only stated that their business had experienced wide fluctuations over the years.

Figure 13 shows the responses of the 38 interviewees. The figure shows that Indigenous business owners in Australia consider multiple criteria when measuring the success of their business venture. These include traditional measures such as profitability and growth of business; self satisfaction elements such as life-style and recognition; and contributions to the community. Thus, the findings of this research are broadly in line with other research on Indigenous business in Australia and overseas (Shoebridge et al. 2012, Gorgievski et al. 2011, Walker & Brown 2004, Anderson & Giberson 2003).

The most common traditional measure of business success, financial profit, was also the single most important indicator of success among the Indigenous entrepreneurs - 22 out of 38 interviewees considered profit as important. It is like *"Just being able to pay the bills on time and having money in the bank",* as one respondent stated. However, only about 29 per cent of businesses considered profit to be the 'most' important indicator of success. A majority of respondents agreed that the business must cover its costs and make a surplus, but that is not everything they would like to achieve. As one of the interviewees commented, *"I think money is not the only measure of a successful business. Although, the Harvard Business School would probably argue with that."* These results are not dissimilar to small business across Australia. DIISRTE (2012) reported that 27.6%/26% of micro businesses focus on financial measures a moderate/major extent to evaluate performance while 35.8%/40.7% of micro businesses focus on financial measures a moderate/major extent to evaluate performance.

Among other traditional measures of business success, survival and growth of the business, longevity and customer satisfaction were also found to be important to Indigenous entrepreneurs. Growth in sales volume was highly regarded by a number of entrepreneurs: *"I work for three different contractors now, so I've got three different incomes coming into my business. When I first started...I only had the one".* Similarly, *"Our turnover last year jumped dramatically over the year before and we plan for that to keep going up".* It is interesting to note that growth in business is valued more than profitability by some of the entrepreneurs interviewed. As one of them put it, *"I'd say it is successful because we're still here. But financially it's not... but we've had heaps of people, like two or three thousand people through our organisation".* Others considered customer satisfaction and loyalty to be critical:

> "The loyalty of your customers, they keep returning. You see the same faces every morning, which is fantastic"; and "The way we treat our customers, and they all seem to be coming back and they'll tell their friends... and it seems like word of mouth, it's improving that way".

Other than the traditional measures of success, possibly the most important perceived indicator of business success is whether the business owner is satisfied with the overall running of the business. This self-satisfaction was seen to be based on a wide range of factors related to the business, including achieving adequate work-life balance. One of the respondents indicated that *"My business is successful if I'm able to go out in the middle of the day and take my dogs to the beach".* And as a second interviewee noted: *"[Success is about] enjoying what you do and what you're able to put forward. And if you can make some money out of it, that's fantastic"* and *"It's all about the lifestyle and the ability to be able to do things that we enjoy".* Others based their satisfaction on their feeling they have done a good job and made a difference to their customers: *"how I feel at the end of it. If I*

walk out and feel "Oh my God, I've done something. I've made a difference here", then I think I've done a good job". Reijonen and Komppula (2007) also observed similar perspectives about the drivers of satisfaction among SMEs in Finland. Such feelings of job satisfaction have also been noted to be an important indicator of business performance for other small businesses in Australia, though was less important than other measures (DIISRTE 2012).

Satisfaction can also be generated out of recognition of the work a person is completing. Several Indigenous entrepreneurs valued recognition quite highly, as the following quotes indicate.

> "I don't have these things of taking over the world or anything like that, I just want to be recognised".

> "The key to success is if you're getting known and your name is recognised".

> "We're successful in the fact that we've got International recognition. We are successful in the fact that we have won some awards".

Others wanted to contribute to their own communities directly by creating employment and consider it as a measure of success - "*I think it's probably in the number of people employed, Aboriginal people employed here".* A couple of interviewees were particularly passionate and wanted to change the perception of the wider community by proving that Indigenous people can run businesses successfully.

> "Well, a lot of the younger ones, they come in and see what, how we've been going and that in business. They can see it's a pretty well established business...they can see that we're Aboriginal and we can do it".

Some entrepreneurs view success as being able to work in non-traditional areas. They were keen to show that Indigenous entrepreneurs could be involved in running a range of business types - *"I want to show people that we can actually do other things rather than do some art".* However, others viewed success as running businesses that maintained their cultural traditions: *"We're successful in the fact that our kids are seeing old traditions continued in a contemporary way and we are actually gaining some financial benefits from that. So that's a big success".* Or as a second entrepreneur commented: *"Our success is in the fact that we are, this tourism venture has enabled us to retain our cultural identity".*

Factors fostering success

A wide range of factors have been identified by the interviewees as contributing factors for their success in business. Although business related factors appear to be most prominent, personal and management related factors also played important roles in fostering success, as evident from Figure 13. About one-third of respondents (25 out of 38) singled out business support and advice from

other people or organisations that helped them to perform better in business. Business networking, understanding of the market and customer needs, and technology support also helped them substantially.

The level of confidence and motivation were perceived to make major differences to the success of entrepreneurs. Business owners with knowledge and higher levels of confidence were believed to be more successful in business irrespective of business type and location. As one of the interviewees stated, "*It's extremely hard work, and you have to have a certain level of confidence and know what you're talking about".* This level of confidence was seen to be an outcome of experience in many cases. Entrepreneurs with prior experience in a similar line of business had the tendency to be more confident, and see themselves as more successful. "*I'd done this for ten years you know, before I took it on, so, I knew what I was doing, I had the contacts."* At the same time, there is no substitute to hard work – one needs to work hard and with persistence to achieve success. Most of the business owners interviewed were first generation business owners or managers – few inherited any established business. So hard work was essential and certainly made a difference, as one entrepreneur put it: "*I suppose [being] prepared to go the extra mile...just bloody hard work".*

Interestingly, having a non-Indigenous spouse appeared to contribute positively to business success. Over half (16 of 38) of all entrepreneurs interviewed mentioned that support from their spouse (who is non-Indigenous) significantly contributed to the success of their business.

Support and mentoring was the single most important item for business success identified by the Indigenous businesses interviewed in this research. Almost all of the successful businesses indicated that someone from outside either mentored them at the initial stages or provided advice that was very beneficial. Some of them continued to maintain close contact with their mentors and advisors. Mentors and advisors could be their spouses, an immediate family member, a friend or even a professional consultant. Businesses noted the contributions of mentors using relatively strong language: "*My father. Yes. He's been in the industry for a long time. He's a very smart man...learning a lot of that internal stuff from him was crucial", or "I wouldn't be here today if it wasn't for them"* (Accountant mentor - provided by Indigenous Business Australia). In some cases, mentoring and funding were related and together it worked well for the business. Mentoring could be an effective way to assist in accessing formal funding sources. As one entrepreneur running a relatively large business from an urban location stated:

> "The NAB Micro Enterprise Loan was the first step. I got twenty thousand dollars from them, but I got that under the guidelines that IBA was to supply me with a mentor, a financial

mentor to monitor that money and how I spent it...that was great...just knowing that somebody was there to say yes, you're doing the right thing, was good."

Networking plays an important role in Indigenous businesses and can take on many forms. Many of the entrepreneurs interviewed mentioned that they were involved in some sort of network that benefitted them. Networks may be of different types, including formal organisations such as Chambers of Commerce, Men's groups and CBA 'Women in Focus' Groups that provide business support. Networking with formal Indigenous networks such as Supply Nation, Kinaway (Victorian Indigenous business network) and Indigenous Chambers of Commerce also helped some of the business, mostly from urban and metropolitan areas. Informal networks such as extended Indigenous family networks or links with similar businesses in the industry also provided significant support in terms of gathering information and even as sources of resources in some cases.

The entrepreneur's management style was also perceived to contribute significantly to business success. A majority of Indigenous businesses interviewed noted the importance of management practices. As stated by one of the interviewees: "*management here is huge, it's [the business] got to be managed and managed well*". Management practice includes managing product quality and having a customer orientation. A common theme was the importance of a quality product that keeps the customer satisfied: As one of the interviewees stated, *"whether the work has been done right or not, and whether they're satisfied with it...the quality of work".* Another interviewee commented, "w*ell we've always made sure that the customer is happy, and we like to please the public, you know".* Another important management practice identified is the ability to innovate in order to survive and prosper in business. Customer needs change rapidly with time and technology, and to remain successful entrepreneurs need to innovate. Although not all the Indigenous businesses considered themselves to be strong in this particular aspect of management, most of them recognised it to be an important element for success in business. However, some of them considered themselves to be successful innovators: "*Moving with the times...basically, supplying product that the customer needs, and that's been through five years of trial and error".*

A related and important area of management practice is marketing. Many of the entrepreneurs interviewed recognised the importance of marketing and attempted different types of marketing strategies such as traditional or direct marketing; online marketing, guerrilla marketing, personal selling and demonstrations. Depending on the type of business, size and location, some of the strategies worked well. One of the small entrepreneurs from a regional location found a personal approach to be the best:

"I'd go up the Pacific Highway to Townsville across to the three ways back down to Adelaide, through to Victoria and back up to Mudgee and by then I would have sold everything I had in my van. And then I would reload again, and then go off to New England, and repeat the same process...door to door, shop to shop, selling it [the product] shop to shop".

As expected, the same practice was not appropriate for many others. Some others found direct selling to be more effective, "*I've developed an interesting package, I suppose, about my company and where we come from. And I send that to potential people wherever possible*". Some businesses developed online strategies that they perceived were efficient and cost-effective, "s*o the big thing for me is just to build up an online following. Because if you have direct sales, you have direct communication with your customer.*"

Another factor identified by entrepreneurs as fostering success is business location. Those who managed to set up their business at a good location in metropolitan cities or in large towns performed better. As one businessman stated, "[The location of the business is excellent because] *public transport is pretty much at our door. We've got the bus stop straight across the road, and the train station is right there on the corner*".

Lastly, the availability of skilled workers was perceived to influence business success: "*I think the staff have got a lot to do with the success here. They build relationships with the people on a daily basis, and they maintain the regulars".* The workers' skill level needs to be maintained as well and that needs training. Not many Indigenous businesses could afford the costs of training employees on a regular basis. But those who did achieved better results:

"we want our staff to be proficient in it [business activities]...we give a lot of trust to our staff here as well, we create the systems and we train them into the systems...we try to give them as much ammunition as possible for what they do here".

Factors constraining success

The most important issue identified by the Indigenous entrepreneurs that constrained their performance in business is a lack of finance. Many entrepreneurs do not have adequate personal savings to start and run a business, and external funding opportunities are limited, and banks are in general not very supporting. This is not unexpected; several researchers (eg. Collins 2004, Foley 2006) have previously identified availability of finance to be a critical constraint for Indigenous business. Commercial banks usually do not consider them as 'bankable' as most of them do not have adequate collateral to offer or past business experience.

The second most important identified area of concern was related to a lack of expertise in different aspects of running a business. A number of business owners and managers mentioned their limitations in the financial accounting area - *"I suppose my problem was accounting, first of all"*. Some of them need training in financial management, but had no resources to support this training, or did not have knowledge of potential sources. *"I'm not 100% happy with the business support I'm getting, or the lack of business support...I don't know where to go, or who to ask"*.

As in SMEs in general, staff related problems were common among Indigenous businesses. These include difficulties in finding staff with appropriate skill sets, transient staff and high staff turnover. Due to their commitment to the Indigenous community, some of the interviewed entrepreneurs were keen on employing Indigenous people, but it was often difficult to find Indigenous workers with appropriate skills and training.

Cultural practices and values are also considered by some to be a challenge to achieving business success. This included the challenge of separating business from the family, as previously noted. However, for others, cultural values and capital are a source of competitive advantage, as noted in Section 4.6.

Some of the interviewees complained about discrimination issues they faced and its impact on their businesses. *"And I can't get it into shops, normal shops, because as soon as they see Indigenous, they're just not interested. That's been the biggest let down"*. Several Indigenous businessmen had the perception that the non-Indigenous population do not take them seriously enough due to their background. Even if it is a perception, it certainly impacts their level of confidence, and leads to failure in business entrepreneurship.

Another identified issue reported to constrain success in business ventures was inappropriate business offices/locations. Several interviewees operate from their home offices due to the high cost of renting an appropriate office space. So they face the obvious difficulties of running business from home. *"There was no structure in my daily routine when I first started. Working from home was quite a huge distraction"*, as one pointed out.

4.9   Community Contribution of Indigenous Entrepreneurs

The qualitative evidence indicated that contributing to the community was an integral part of the business ethos of many participants, including both community and privately owned businesses. Seven businesses were community owned and run as not-for-profit and therefore their *raison d'etre* was to support the Indigenous community:

> The profits with our company go back into the communities as sponsorship grants, to support Indigenous needs and sports, educations, cultural festivals, funeral ceremonies. Things that are important to the community life, out in the communities in the Northern Territory.

These businesses often employed volunteer workers (and/or workers put in more hours than they were paid to do). Accordingly these businesses were part of the Indigenous community; ran by the community, for the community.

Nevertheless, even when privately owned, running a business provided a variety of opportunities for contributing to the community:

> You can have a larger effect on helping the community than you can when you're working for someone else.

Contributing to the community was seen as so important that seven participants indicated that they considered their contribution was a measure of the success of their business (just one of these was a community owned business):

> Question: Are there any sort of other non-financial measures of success?
>
> Answer: Well, basically, just how I help other people.
>
> I suppose. For me [success], it's about that satisfaction of doing stuff and knowing that people are okay and value-adding in some way. Getting paid is, you know, something that happens as part of the process.

However, four participants considered they had not directly contributed very much to their local community:

> I don't do very much for the community anyway!
>
> I'm not big enough, or making any real big impact financially yet, to be a help to anybody, to be a benefit to, it's not as though I'm donating money to organisations.

Employment

In terms of specific areas of contribution to the community, employment was a commonly mentioned area where business owners/managers thought that they directly contributed to the community. Twenty-nine of the businesses employed at least one person at the time of interview and 21 of these employed at least one Indigenous person. Moreover, 28 participants indicated that Indigenous employment was a way in which they perceived their business contributed or hoped it would contribute to the Indigenous community in the future:

> It's all about us blackfellas mate, my business. That's why I started it. To give the blackfellas a go.

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…my partner and I have definitely spoken about… why don't we use this opportunity where I can sort of mentor someone. They can come into the business, work here, maybe put them on a traineeship, you know, give them a real opportunity in a supportive environment.

So we try and give a lot of career development to our mob and we have been focussing a lot on Indigenous staff. Young people that are coming through needing skills and things like that … if high school isn't what they want, then we just give them that opportunity.

I want people to know that if they need a job, maybe they can go to [Business 27] and [Business 27] knows that they're Koori … and jobs will be able to be there for them. … whether they've done hospitality or whatever, once they come into [Business 27], they know whatever they choose to do, we can get them training to be able to accommodate for their position.

Fostering Aboriginal Cultural and Empowering Communities

Fostering culture and empowering the community were strong themes, particularly among those businesses whose goods and services were related to their indigeneity. Business activities were often focused on promoting culture:

> So, the Gallery's main objective is to encourage … cultural maintenance through storytelling and the cultural production of artwork.

> Everything is about our Aboriginal culture here, everything, from the way that I run my staff, from the type of food.

> I think about my Grandmother really a lot, and I hold her close to me, because she was raised on a mission, you know. She was a domestic, and recently we got some documents where she was fighting for her rights to be paid, or to see her family, and um, she wasn't allowed to be herself or to you know, even on the mission she wasn't allowed to speak language. The elders would sit across the river bank and sing language stories at night so that they'd never forget. And even as an older lady, when she speaks about culture or language, she'd whisper it, because it was so ingrained. And those things are what really drives me, because I'm not only able to do it, but it's my responsibility to do it, so that my daughter will know our language and those stories, those ancient beautiful stories are going to live on, but also the lives of my family are going to be retold and remembered.

> The main basis for the business was to start Aboriginal kids wearing something that represents themselves, as opposed to wearing black American clothes. … I'm proud of being Aboriginal and proud of almost everything Aboriginals represent... And I see of lot of the kids who wear black American clothes, whereas our culture is a lot older than theirs. So I felt uncomfortable about our kids aligning themselves with another culture.

Many businesses were also run with the aim of empowering local communities:

> …when we… sell them the gear… we change the druggie gangster culture to them wanting to be stockmen. So that has a positive effect on the community, because

they go from wanting to be gangsters, with all the rubbish clothing, to getting a job and working on the station and getting involved in the rodeo and stock work.

I think that the artists need to feel a greater sense of ownership, of the organisation. I don't think that's necessarily where it's at at the moment, but that's something that I think is absolutely vital to that next stage. Once people feel a sense of ownership, they feel a sense of pride, and empowerment.

My end client is… those Indigenous people who are wanting to maintain and look after their own information. …at the end of the day, that's what I'm trying to do, it's to empower them as an Indigenous group to look after their own information and have capacity and pride in their community.

Educators

Empowering the community was also linked to a desire to educate the community. There was a perception that businesses played a role in educating the Indigenous community to be able to function successfully in the contemporary world, whether or not business was directly involved in training and educational programs:

Yeah, being sensitive about the money aspect, and even sometimes teaching them about the value of money, because some people out bush, they don't even understand. You'd sell them a pair of boots for a thousand dollars or more… we explain to them that this is a pair of boots, it's a hundred and ninety-nine dollars, and that's all they need to give us.

I think some of our own Indigenous Directors have learnt a lot, by being on our Board. Some of them are, a lot of them, in the twenty-one years that I've been here, I've seen a lot of development. A greater degree of self-confidence, in the people who come to fly-in to Darwin, you have to remember that our Board members are… full-blood Indigenous, traditional landowner type people, who have spent most of their life out in the bush. And their degree of personal and self-confidence in the city environment has improved. I've seen that. A couple of them have moved on and started their own business. You know, we talk to them and have given them advice on how to run a business, how to save money.

[The goal of the business] really is around community development, capacity development, and around the areas of health, education and economic literacy, and a small component of family services.

However, one participant perceived that both the Indigenous and non-Indigenous community could benefit from educational activities aimed at developing cultural awareness, fostering culture and empowering individuals:

We run ceramic classes, and it is for Aboriginal people and non-Aboriginal people. We go out into the community. We've done dot painting with non-Aboriginal people, so it is like a cultural awareness type thing. … we run a DV group for women in domestic violence, and we don't do it specifically for Aboriginal women.

We could do it for other women too, so it is no big deal. …it could be more non-Aboriginal people, because you are trying to make them more aware of the culture; but then you do it for Aboriginal people too who haven't had much of that.

Challenging Views of Non-Indigenous Australia

Additionally, some participants as previously noted were motivated in their business activities by a desire to educate the non-Indigenous community; the aim being to promote cultural awareness and to dispel Indigenous stereotyping:

That's where it's at for me, about how I have that cultural awareness raised, how I present myself to the non-Indigenous people that are in the corporate world.

…we try to produce quality projects and products. We're trying to implement and change perceptions globally on who we are and how people perceive Indigenous Australians.

I had a lot of confrontation with people who always said to me, "You're not Aboriginal. You don't look Aboriginal, why do you want to identify as being Aboriginal when you could pass for being not Aboriginal?" ... It was hurtful in some ways, but in other ways it made me more determined to want to educate people."

Role models

Related to education and undermining stereotyping, over half the participants considered they contributed to the Indigenous community by providing a positive example. By role modelling being in business, they perceived that others potentially would be, or indeed had been, inspired or encouraged to follow a similar path and made that path more accessible:

Other Indigenous people see what I am achieving, and they can be inspired to do that as well.

I want to show, especially young people, ... that it's a good feeling to be able to achieve something and sit back at the end of the day and say, oh, well, I've worked today, I've achieved that. You know, and be happy about it.

In some cases this leadership role led participants to be sought out to provide advice and support, including in how to set up new businesses.

… people now come up to us and ask us for business advice.

I've found my three younger siblings, my three younger brothers, are very enthusiastic. They're actually thinking about what they could possibly do in the future. It's had impact in the extended family, as well, where others are now pursuing their business ideas and looking at establishing businesses in their own right. So it's had a really positive effect all round, to the extent where I'm getting

phone calls from family and Queensland that are going, you know, we need to look at our economic development with these projects that we're doing and we're wondering if you can come on board and support and help.

I speak at the Uni and at programs and stuff with high school kids that they run. ... I never even thought that I would get through high school, I didn't think I'd end up at Uni, and I certainly didn't think I'd be running my own business. So it's about sharing your story, I guess, because maybe if I'd heard those kinds of things I would have a bit more belief in myself.

However, rather than providing a positive example, five participants perceived their business success was perceived as 'big-noting' by some in the community meaning that the positive community contribution of role modelling was lost and possibly de-motivated some:

Outside, on the peripheral, there's a little bit of: Who does she think she is?

...there's the negative side of it where you get pulled down from people, your own community, and other Aboriginal people in the community ... It's upsetting at times.

Involvement in community and business networks

Many participants indicated that they were making a contribution to community through involvement in community and business bodies and networks (Indigenous and non-Indigenous). Involvement was frequent among participants but the level of involvement varied from chairing or membership of boards and committees through to ordinary membership. Participants mentioned a wide variety of bodies and networks that they were involved in including: Aboriginal Land Councils, AIMSC[4], trusts, sporting events/teams, industry organisations, museums, cultural heritage bodies and events (including NAIDOC week and festivals), women's and men's groups (Indigenous and non-Indigenous), community centres and other bodies, Chamber of Commerce (Indigenous and non-Indigenous), Koori Business Network, Kinaway, Koori Radio, local government and Toastmasters. Most participants felt they were well connected with their local community.

Some participants perceived that belonging to business and community networks allowed them to advance community development beyond what they could achieve on their own:

Over the time, I suppose I've picked up a lot of work I guess, but we also as an Association decided to do something with the street. I met a guy by chance who was doing some work with the ACC... and he was the Chair of the Gap Chamber of Commerce ... So, we got talking, and we got to understand what Chamber is all about, and ... We went to Government to say, look, we need some funding to do this. And they said, "Sorry, we can't do that, it's not employment focussed or training focussed." ...we went with the pitch of ...we had twenty odd businesses ...

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[4] Australian Indigenous Minority Suppliers Council, now called Supply Nation.

if we can build the capacity of these businesses, surely, there's ten jobs there. On that basis they… came back and said, yeah, no, it's fantastic. We'll fund it as an employment project.

After just coming back from America with AIMSC, we attended the Minority Supply Council Conference in America, with all the minority businesses over there, and that just gave me much more inspiration and … I've got people in the US who want Australian Aboriginal products. Not just mine… I've passed them on to other Aboriginal businesses here in Australia.

I've been a member [of WAITOC] for three or four years…But on the Board, this is my first full year. …I've been the one who put my hand up to review the CEO, I've done three of his reviews, I've got another one to do at the moment… I've been to Melbourne through WAITOC to look at venues for their tourism conference which is held every two years… What happens is they again get all Indigenous tourism businesses to come along and have a look at what they can, they do a lot of education seminars and things like that.

On the other hand, six participants said they had little or no involvement in community and business networks. Reasons given for lack of involvement included because they had not been asked, being too busy with their own business and being unconvinced about the effectiveness of community actions:

I've never really been given the opportunity, to be quite honest. I've, no one's never really approached me.

I mean, there's not that much community stuff. I reckon it's a lot of, I reckon it's a lot of fluff, bullshit. I reckon, it's just for those big events. They sit there and they work for it for five weeks and say that we're going to raise the flag, and then they promote it for five weeks after, and then they can say that they've got something to put in their report. How about you put into your report a transaction for an individual that you took to five different court cases, or you knocked on twenty different doors for a job, or you enrolled them into a course, or you've spoken to Centrelink about their activity agreement and all of that stuff. Oh, we'll raise the flag (Participant 11).

I'm too busy. I find that if you get on those extra Boards and stuff, I mean, well, I've got to run a company (Participant 16).

Providers of goods and services to the Indigenous Community

Providing goods and services was another frequently mentioned way that the interviewees identified that their businesses contributed to the community. Some goods and services the businesses provided were directly related to the participants' Indigeneity and were aimed at contributing to the community. Some businesses, for example, supported Indigenous arts and/or promoted Indigenous culture, while others operated in the area of employment services and/or

training provision, or ran health and well-being education programs etc. Often services were specifically targeted, if not exclusive too, the Indigenous community:

> …we do lots of campaigns for different people, there was just an internal campaign on strategies for land rights around Native Title (Participant 16).

> I actually go to communities and I do training in cultural mapping and data collection and we develop quite unique information systems for Indigenous groups (Participant 17).

> I think the business contributes because I am the Aboriginal trainer, and that is a must have, if you're training Aboriginal people. I'm the only one there, doing this training at the moment, the mentoring training at the moment, with this particular company, on this particular course (Participant 28).

> Some people might come in and be part of the domestic violence group, you know, DV. And we run an art program on that day. So we do a bit of art and if they want to talk about their DV problems or domestic violence or whatever, they can do a bit of art and still talk (Participant 38).

Donations to the Indigenous Community

In some cases the goods and services provided to the Indigenous community were provided for free or at a significant discount, or cash donations were provided. Some 14 participants referred to supporting the community by making donations (in the form of money, products or services) and/or providing sponsorships/scholarships etc. Indigenous culture projects and activities, sporting teams or competitions, festivals, educational programs, children's health initiatives, community gatherings (e.g. men's group, funerals), women's well-being and other initiatives to combat domestic violence and individuals (including family members) were supported:

> I give five percent back of my net profits to Indigenous arts and culture and stuff like that (Participant 1).

> I make sure that if there's any way I can contribute to anything, like one of the elders passed away and they had this big funeral on. Guys from here showed up and we cooked up a whole heaps of pizzas and we took it down there to the wake and yeah, it was accepted, I guess, but we did that I think because we knew they didn't have enough food for the people (Participant 14).

> I've always done things in the community to support things in the community, so whether it's sponsoring a football team for the Knockout, or doing other things. But I've always focussed heavily on supporting either Aboriginal children's health, education, and kids doing cultural events and stuff. So I've always done those things and been committed to giving back to the community as well (Participant 26).

> I'd have to say, being here in this local area and doing the type of work that we do here, I'm able to donate to the people locally that need my help with whatever they need. Whether it's a space, whether it's a platter of sandwiches or a fruit

platter or a couple of drinks here and there, being here and having the
relationships that you have within the organisations within [location], allows me
to be able to do that (Participant 27).

Mostly Indigenous causes were supported but occasionally non-Indigenous were supported as well.

5. Univariate and Bivariate Quantitative Results

5.1   Sample Demographics

The questionnaire contained a number of questions that sought to collect socio-demographic data.
The following is a summary of results from these questions.

Age: respondents ranged from 18 to over 60 years, with the median age group being the 40-49
years. As can be seen in Table 22, nearly 70% of the respondents were aged over 40 years. While for
urban and remote businesses the modal age category was the 40-49 year olds, for remote
businesses the modal age of owners was 30-39 year olds (see Table 22). Interestingly, the modal age
group for community-owned businesses was 50-59 year olds.

Gender: of the respondents, 60.2% were male, and 39.8% were female. There was a slightly higher
proportion of businesses owned by males in remote areas, compared to regional and urban areas
(see Table 22). Cooperatively-owned businesses were more likely to be owned by males.

Ethnicity: 95.5% of respondents identified as Indigenous. The highest proportion of non-Indigenous
business owners was in the remote locations (see Table 22) and for community-owned businesses
also.

Marital status: respondents were predominantly either married or in a de facto relationship (80.5%).
Respondents in remote areas were less likely to be single than those in regional or urban areas (see
Table 22).

Ethnicity of partner: the majority of partners of the respondents were non-Indigenous (72.3%). In
remote areas, partners were slightly more likely to be Indigenous (see Table 1). The partners of
cooperatively-owned businesses were slightly more likely to be non-Indigenous (see Table 22).

Role of partner in the business: approximately half the partners of the respondents were involved in
the business (52.3%). However, there was variability in the partner involvement based on location
and ownership. The further from urban areas, the lower the likelihood of a respondents' partner
being involved in the business (Table 22). Respondents' partners were most likely to be active in

privately-owned business, than in community or cooperatively-owned businesses. Indigenous partners were more likely than non-Indigenous partners to be involved in all types of businesses.

Formal education: the sample contained a large proportion of respondents with some form of tertiary education (61%). An additional 21% had completed a technical or trade qualification. 15.2% had some level of secondary education, and only 2.2% of respondents had either primary or no formal schooling (see Table 22). Respondents in remote areas were almost twice as likely to have technical or trade qualifications. These respondents were also more likely to have only finished a level of senior secondary school and less likely to have tertiary qualifications. Urban respondents were slightly more likely to have tertiary or postgraduate degrees (see Table 22). Tertiary education among community and cooperatively-owned businesses was above the average, with 71.5% and 70% of respondents respectively having tertiary degrees, while 61.1% of cooperative business owners had tertiary degrees (see Table 22).

Respondent's role in the business: the majority of participants were the owner of the business (79.1%). The remaining 20.9% were the managers of the business (see Table 22).

First time owners of a business: More than half the respondents (60%) were first time business owners. There was a similar pattern across the various locations and business ownership models.

Indigenous products provided by the business: Just over half of the respondents (53.7%) produced Indigenous goods or services. In remote areas this dropped to only 38.6% of businesses. More than 50% of community and cooperatively-owned business produced Indigenous goods or services.

Involvement in the export market: Participants were asked if they were involved in the export market; some 15.4% of businesses were producing goods and services for the domestic market (see Table 22). This can be compared to 41.6% of small business in Australia (DIISRTE 2012).

Industry category of businesses: participants listed a wide variety of industry categories for their business. The category of 'professional, scientific and technical services' was the most frequently listed and was almost twice the proportion compared to small business in this category across Australia; this was followed by 'arts and recreation services' which was an order of magnitude higher than the proportion of small business in this category in Australia; and 'construction' which is about 25% lower than the proportion of small business in this category Australia (see Table 23). Indigenous small business in our sample are underrepresented in Agriculture, Forestry and Fishery and in Rental, hiring and real estate services which both represent about 10% of small business in Australia.

While 'professional, scientific and technical services' was most frequently listed both overall and in urban areas, 'construction' was the most frequently listed industry in regional and remote areas. 'Professional, scientific and technical services' was the second most listed for regional areas and the third for remote areas. This suggests growth in the new economy among Indigenous businesses. In urban areas, 'construction' fell fifth behind 'arts and recreation services', 'administration and support services' and 'retail trade'.

Cooperatively-owned businesses were concentrated in social service industries, with 30% in 'education and training' and 30% in 'healthcare and social assistance'. The most commonly listed industry of community-owned businesses was 'arts and recreation services', while 'professional, scientific and technical services' was most frequently listed for those privately-owned (Table 23).

Table 22: Summary Demographics

Demographics	Whole Sample	Urban	Regional	Remote	Private	Community	Cooperative
Modal Age	40-49yrs	40-49yrs	40-49yrs	30-39yrs	40-49yrs	40-49yrs	50-59yrs
Gender (% Female)	40%	40%	42%	33%	39%	41%	30%
Indigenous	88.3%	89.9%	87.9%	83.7%	92.8%	66.0%	80%
Married/Defacto	80%	81%%	78%%	86%%	81%	79%	80%
Indigenous Partner	27.7%	27.4%	26.7%	31.4%	28.4%	28.9%	12.5%
Partner Involved in Business	52.3%	61.2%	44.2%	37.5%	57.3%	28.2%	25%
Indigenous Partner Involved in Business	59.2%	73%	47.8%	36.1%	62.7%	45.5%	0%
Technical/trade	21.5%	16.9%	22.2%	37.8%	23.3%	14.3%	10%
Business degree/diploma	18.7%	21.1%	16.7%	15.6%	17.1%	28.6%	20%
Other tertiary degree	28.9%	30.1%	30.1%	13.3%	28.7%	28.6%	30%
Postgraduate	13.4%	15.1%	15.1%	11.1%	13.2%	14.3%	20%
Owner	79.1%	86.1%	73.6%	66.7%	95%	7.3%	10%
First Time Owner	60%	59.1%	60%	63.4%	61.2%	52.5%	75%
Indigenous Products	53.7%	58.4%	52.9%	38.6%	50.8%	73.5%	60%
Involved in Export Market	15.4%	16.8%	14%	13.3%	14.2%	24.5%	0%

Table 23: Industry Category of Businesses by Region

Industry	N	Australian Small Business*	Respondents					
			Urban	Regional	Remote	Private	Community	Cooperative
Professional, scientific and technical services	68 (21%)	11.9%	42 (24.9%)	21 (19.1%)	5 (11.1%)	59 (22.4%)	8 (16.3%)	1 (10%)
Arts and recreation services	44 (13.6%)	1.3%	26 (15.4%)	12 (10.9%)	6 (13.3%)	33 (12.5%)	11 (22.4%)	0 (0%)
Construction	43 (13.3%)	16.8%	12 (7.1%)	23 (20.9%)	8 (17.8%)	41 (15.6%)	2 (4.1%)	0 (0%)
Administrative and support services	29 (9%)	3.7%	19 (11.2%)	6 (5.5%)	4 (8.9%)	21 (8%)	6 (12.2%)	2 (20%)
Retail trade	27 (8.3%)	6.5%	17 (10.3%)	10 (9.4%)	4 (8.9%)	26 (9.9%)	1 (2%)	0 (0%)
Education and training	25 (7.7%)	1.2%	12 (7.1%)	8 (7.3%)	5 (11.1%)	15 (5.7%)	7 (14.3%)	3 (30%)
Information media and telecommunications	19 (5.9%)	0.9%	12 (7.1%)	3 (2.7%)	4 (8.9%)	14 (5.3%)	5 (10.2%)	0 (0%)
Other services	15 (4.6%)	4.3%	5 (3%)	6 (5.5%)	4 (8.9%)	14 (5.3%)	1 (2%)	0 (0%)
Healthcare and social assistance	12 (3.7%)	4.7%	3 (1.8%)	9 (8.2%)	0 (0%)	6 (2.3%)	2 (4.1%)	3 (30%)
Accommodation and food services	9 (2.8%)	3.4%	5 (3%)	1 (0.9%)	3 (6.7%)	5 (1.9%)	3 (6.1%)	0 (0%)
Rental, hiring and real estate services	8 (2.5%)	10.9%	2 (1.2%)	3 (2.7%)	3 (6.7%)	6 (2.3%)	1 (2%)	1 (10%)
Public administration and safety	6 (1.9%)	0.3%	4 (2.4%)	1 (0.9%)	1 (2.2%)	6 (2.3%)	0 (0%)	0 (0%)
Wholesale trade	5 (1.5%)	3.6%	4 (2.4%)	1 (0.9%)	0 (0%)	5 (1.9%)	0 (0%)	0 (0%)
Mining	4 (1.2%)	0.4%	2 (1.2%)	2 (1.8%)	0 (0%)	4 (1.5%)	0 (0%)	0 (0%)
Manufacturing	4 (1.2%)	3.9%	0 (0%)	3 (2.7%)	1 (2.2%)	3 (1.1%)	1 (2%)	0 (0%)
Agriculture, Forestry and Fishing	3 (0.9%)	9.5%	2 (1.2%)	1 (0.9%)	0 (0%)	2 (0.8%)	1 (2%)	0 (0%)
Financial and insurance services	2 (0.6%)	7.9%	2 (1.2%)	0 (0%)	0 (0%)	2 (0.8%)	0 (0%)	0 (0%)
Transport, postal, warehousing	1 (0.3%)	6.3%	0 (0%)	0 (0%)	1 (2.2%)	1 (0.4%)	0 (0%)	0 (0%)
Total	324		169	110	45	263	49	10

* Source: DIISRTE (2012)

Goods and services provided by the business for the Indigenous community: The majority of respondents (73.6%) indicated that some portion of the goods or services they provided were targeted specifically to the Indigenous market. Of the businesses servicing the Indigenous

community, 42.7% viewed the majority of their goods or services as being specifically for the Indigenous community. 6.8% of respondents did not specify the amount of their products that were specific in the Indigenous market, and the remaining 50.5% ranged from 1 to 75% of their goods or services aimed at the Indigenous market (see Table 24). There did not appear to be any impact of location or business ownership model on the proportion of goods and services business offered to the Indigenous community.

Table 24: Goods and Services Provided by Businesses Specifically for the Indigenous Community

Percentage of Goods/Services Specific to Indigenous Market	N	Respondents					
		Urban	Regional	Remote	Private	Community	Cooperative
Unspecified	16 6.8%	7 5.3%	5 7.4%	4 13.3%	14 7.7%	2 5%	0 0%
1-25%	54 23.1%	33 24.8%	17 23.9%	4 13.3%	46 25.1%	8 20%	0 0%
26-50%	49 20.9%	31 23.3%	9 12.7%	9 30%	42 23%	5 12.5%	1 10%
51-75%	15 6.4%	6 4.5%	5 7.4%	4 13.3%	12 6.6%	3 7.5%	0 0%
76-100%	100 42.7%	56 42.1%	35 49.3%	9 30%	69 37.7%	22 55%	9 90%
Total	234	133	71	30	183	40	10

Location of business: businesses were organised by state, and also categorised as urban, regional or remote. 52.1% of businesses were located in urban areas, 34% in regional areas and 13.9% in remote areas. Private business ownership proportions followed the averages, while community-owned business were even across the regions, and cooperatively-owned businesses were only found in regional and urban locations (see Table 25).

Table 25: Location of Business by Business Ownership

State	N	Private	Community	Cooperative
Urban	169 52.2%	148 56.3%	16 32.7%	4 40%
Regional	109 33.7%	86 32.7%	17 34.7%	6 60%
Remote	45 13.9%	29 11%	16 32.7%	
Total	**324**	**263**	**49**	**10**

Business ownership model: The majority of the businesses were privately-owned (82.9%). Of the remaining businesses, 14.2% were community-owned, and 3.1% were cooperative enterprises (see Table 26).

Table 26: Business Ownership Model

Business Ownership Model	Respondents
Private ownership – Sole Trader	106 *32.7%*
Private ownership – Partnership	51 *15.7%*
Private ownership – Incorporated	112 *34.5%*
Community ownership - Profit	5 *1.5%*
Community ownership – Non Profit	41 *12.7%*
Cooperative ownership	10 *3.1%*
Total	324

Proportion of business under Indigenous ownership: While the proportions of Indigenous ownership of business ranged from 0-100%, most of the businesses were 100% Indigenous owned (77.2%) (Table 27). The next most common proportion of Indigenous ownership was 50% (10.8%), followed by 51% Indigenous ownership of the business (6.8%).

Table 27: Proportion of Indigenous Ownership

Percentage of Indigenous Ownership	N	Respondents					
		Urban	Regional	Remote	Private	Community	Cooperative
100	250 *77.2%*	130 *76.9%*			191 *72.6%*	47 *95.9%*	10 *100%*
80	1 *0.3%*	1 *0.6%*			1 *0.4%*		
75	3 *0.9%*	1 *0.6%*	1 *0.9%*	1 *2.2%*	3 *1.1%*		
70	1 *0.3%*	1 *0.6%*				1 *2%*	
66	4 *1.2%*	1 *0.6%*	1 *0.9%*		4 *1.5%*		
60	3 *0.9%*	1 *0.6%*	2 *1.8%*		3 *1.1%*		
54	1 *0.3%*	1 *0.6%*			1 *0.4%*		
51	22 *6.8%*	12 *7.1%*	7 *6.4%*	3 *6.7%*	22 *8.4%*		
50	35 *10.8%*	19 *11.2%*	9 *8.2%*	7 *15.6%*	34 *12.9%*	1 *2%*	
48	1 *0.3%*	1 *0.6%*			1 *0.4%*		
25	1 *0.3%*	1 *0.6%*			1 *0.4%*		
2	1 *0.3%*		1 *0.9%*		1 *0.4%*		
Total	323	169	109	45	262	49	10

5.2   Establishment and Support

Questions were asked to understand when the business was established and the support that was received, including mentoring and financial support.

Year business began: Over a third of businesses were established more than 9 years ago (39.6%). From 2006, there has been a steady increase in the number of businesses established each year, until 2013 (see Table 28).

Table 28: Year Business Began

Year	N	Respondents					
		Urban	Regional	Remote	Private	Community	Cooperative
1970-1980	14 *4.4%*	7 *4.2%*	4 *3.7%*	3 *6.8%*	4 *1.5%*	6 *12.5%*	4 *44.4%*
1981-1990	17 *5.3%*	6 *3.6%*	8 *7.5%*	3 *6.8%*	5 *1.9%*	11 *22.9%*	1 *11.1%*
1991-2000	50 *15.7%*	27 *16.2%*	15 *14%*	8 *18.2%*	38 *14.7%*	11 *22.9%*	1 *11.1%*
2001-2005	45 *14.2%*	26 *15.6%*	16 *15%*	3 *6.8%*	37 *14.3%*	5 *10.4%*	2 *22.2%*
2006-2010	112 *35.2%*	60 *35.9%*	36 *33.6%*	16 *36.4%*	102 *39.4%*	10 *20.8%*	
2011	30 *9.4%*	16 *9.6%*	8 *7.5%*	6 *13.6%*	26 *10%*	3 *6.2%*	1 *11.1%*
2012	40 *12.6%*	20 *12%*	16 *15%*	4 *9.1%*	38 *14.7%*	1 *2.1%*	
2013	10 *3.1%*	5 *3%*	4 *3.7%*	1 *2.3%*	9 *3.5%*	1 *2.1%*	
Total	318	167	107	44	259	48	9

Support in establishing business: seeking advice and mentoring while setting up a business can improve the viability of a venture. Respondents were asked about support they received during the establishment of their business (Tables 29 and 30). While 50.4% of the respondents did not seek specific advice, the remaining businesses received advice and support from within their social network (31.1%) and from business advisors/mentors/coaches (12.7%). Of those that received advice or support from either their social network or external advisors, 58 businesses are still receiving support from this source (see Table 31).

Table 29: Support Received during Business Establishment by Region

Type of Support	N	Respondents		
		Urban	Regional	Remote
None of the below	134 *50.4%*	78 *49.4%*	42 *51.2%*	14 *53.8%*
Colleague/employer/other business owner	40 *15%*	22 *13.9%*	12 *14.6%*	6 *23.1%*
Family relations with business experience	28 *10.5%*	18 *11.4%*	9 *11%*	1 *3.8%*
Business advisor/mentor/coach	34 *12.7%*	24 *15.2%*	10 *12.2%*	
Family relations without business experience	15 *5.6%*	9 *5.7%*	5 *6.1%*	1 *3.8%*
Not with the business at this time	15 *5.6%*	7 *4.4%*	4 *4.9%*	4 *15.4%*
Total	266	158	82	26

Table 30: Support Received during Business Establishment by Business Ownership

Type of Support	N	Respondents		
		Private	Community	Cooperative
None of the below	134 *50.4%*	127 *53.6%*	5 *22.7%*	2 *33.3%*
Colleague/employer/other business owner	40 *15%*	36 *15.2%*	4 *18.2%*	
Family relations with business experience	28 *10.5%*	27 *11.4%*	1 *4.5%*	
Business advisor/mentor/coach	33 *12.7%*	29 *12.3%*	2 *9.0%*	2 *33.3%*
Family relations without business experience	15 *5.6%*	13 *5.5%*	2 *9.1%*	
Not with the business at this time	15 *5.6%*	5 *2.1%*	8 *36.3%*	2 *33.3%*
Total	265	237	22	6

Table 31: Still in Contact with Support Person

	N	Respondents					
		Urban	Regional	Remote	Private	Community	Cooperative
Yes	58 _47.2%_	24 _42.1%_	25 _53.2%_	9 _47.4%_	51 _52%_	6 _31.6%_	1 _20%_
No	65 _52.8%_	33 _57.9%_	22 _46.8%_	10 _52.6%_	47 _48%_	13 _68.4%_	4 _80%_
Total	123	57	47	19	98	19	5

The source of finance to establish the business: finance is an important element in establishing a business. More than half of the respondents used personal savings to set up their business (55.2%). Another 20.9% did not use the traditional funding sources listed in the survey. The remaining 22.9% received various types of loans (see Table 32). IBA loans were more common in remote areas, and given only to private businesses. Community-owned businesses were more likely to raise funds from either an angel investor or other sources than through traditional methods. 28 of the surveyed businesses applied for, but were refused bank loans, making the success rate of bank loan applications 24.3%. Privately-owned businesses were more likely to be successful in obtaining bank loans than community and cooperatively-owned businesses. Interestingly, regional businesses were twice as successful in obtaining bank loans as urban or remote businesses (see Table 33). The rate of receiving finance by Indigenous businesses can be compared to the findings reported by DIISRTE (2012) from the CPA Australia Asia-Pacific Small Business Survey: they report that 30% of small businesses had a business loan at the time of the survey. This contrasts with 10.5% of businesses surveyed ever having had a commercial bank or IBA loan.

Table 32: Source of Finance to Establish Business

Source of Finance	N	Respondents					
		Urban	Regional	Remote	Private	Community	Cooperative
Personal savings	148	85	46	17	144	2	
	55.2%	*54.8%*	*56.1%*	*54.8%*	*56.9%*	*16.7%*	
I did not raise capital from any of these sources	56	31	21	4	54	2	
	20.9%	*20%*	*25.6%*	*12.9%*	*21.3%*	*16.7%*	
IBA Loan	19	9	5	5	19		
	7.1%	*5.8%*	*6.1%*	*16.1%*	*7.5%*		
Mortgage on house or other property	13	8	3	2	13		
	4.9%	*5.2%*	*3.7%*	*6.5%*	*5.1%*		
Borrow from family or friends	12	10	2		11		1
	4.5%	*6.5%*	*2.4%*		*4.3%*		*100%*
Bank	9	5	4		9		
	3.4%	*3.2%*	*4.9%*		*3.6%*		
Angel investor	3	2		1		3	
	1.1%	*1.3%*		*3.2%*		*25%*	
Other	8	5	1	2	3	5	
	3%	*3.2%*	*1.2%*	*6.5%*	*1.2%*	*41.7%*	
Total	**268**	**155**	**82**	**31**	**253**	**12**	**1**

Table 33: Unsuccessful Bank Loans

Bank Loan	N	Respondents					
		Urban	Regional	Remote	Private	Community	Cooperative
Successful	9	5	4		9		
	24.3%	*20%*	*44.4%*		*37.5%*		
Unsuccessful	28	20	5	3	24	4	
	75.7%	*80%*	*66.6%*	*100%*	*62.5%*	*100%*	
Total	37	25	9	3	24	4	0

Government assistance in establishing privately-owned business: 42.2% of privately-owned businesses applied for some form of government assistance aimed specifically at supporting new Indigenous businesses (Table 34). Of these, 30.4% received the desired support. (It should be noted that all potential Aboriginal entrepreneurs can attend IBA's Into Business Workshops, so those who applied and did not attend would have chosen not to attend.) IBA business advice or mentoring (11.8%) and IBA Into Business workshops (8.7%) were the most common form of government support, followed by government grants to aid with business expenses during the establishment of the business (8.0%).

Table 34: Government Assistance in Establishing Privately-Owned Business

Government Assistance	Applied For	Received	Success Rate of Applications
Grant funding	43 *16.3%*	21 *8.0%*	48.8%
Equity provision	3 *1.1%*	1 *0.4%*	33.3%
IBA Into Business workshop	33 *12.5%*	25 *8.7%*	75.8%
Other IBA business advice or mentoring	43 *16.3%*	33 *11.8%*	76.7%
Did not seek these forms of government assistance	152 *57.8%*		
Total	263	80 *30.4%*	

For each of the forms of government assistance, there were a larger number of businesses applying in urban areas followed by regional and then remote areas, reflecting the differential number of businesses in each of these areas. However, the success rate was highest in remote areas (100%) but at a much lower and similar level in urban and remote areas (25.6% and 26.7% respectively) (see Table 35).

Table 35: Government Assistance in Establishing Privately-Owned Business by Region

Government Assistance	Applied For			Received			Success Rate		
	Urban	Regional	Remote	Urban	Regional	Remote	Urban	Regional	Remote
Grant funding	24 *16.2%*	15 *17.4%*	4 *13.8%*	10 *6.8%*	7 *8.1%*	4 *13.8%*	42.0%	46.6%	100%
Equity provision	3 *2.0%*	1 *1.2%*		0 *0%*	1 *1.2%*		0%	100%	
IBA Into Business workshop	23 *15.5%*	8 *9.3%*	2 *6.9%*	16 *10.8%*	5 *5.8%*	2 *6.9%*	69.7%	62.4%	100%
Other IBA business advice or mentoring	20 *13.5%*	14 *16.3%*	9 *31.0%*	12 *8.1%*	10 *11.6%*	9 *31.0%*	60.0%	71.2%	100%
Did not seek these forms of government assistance	90 *60.8%*	49 *57.0%*	13 *44.8%*						
Total	148	86	29	38	23	15	25.6%	26.7%	100%

Next in Table 36 results are shown for government assistance across business type and region. The success rate for grant funding of community (96.3%) and cooperatively (83.3%) owned business was above the average (68.4%), while for privately-owned (48.8%) businesses it was below. IBA Into Business workshops and IBA business advice and mentoring were mostly utilised by privately-owned businesses.

Table 36: Government Assistance in Establishing Business by Business Ownership

Government Assistance	Applied For			Received			Success Rate		
	Private	Community	Cooperative	Private	Community	Cooperative	Private	Community	Cooperative
Grant funding	43 *15.4%*	27 *79.4%*	6 *66.7%*	21 *25.3%*	26 *86.7%*	5 (50%)	48.8%	96.3%	83.3%
Equity provision	3 *1.1%*	1 *2.9%*		1 *1.2%*	0 *0%*		33.3%	0%	
IBA Into Business workshop	33 *11.8%*			23 *27.7%*	1 *3.3%*		69.7%		
Other IBA business advice or mentoring	43 *15.4%*	1 *2.9%*		31 *37.3%*	2 *6.7%*		72.1%	200%	
Did not seek these forms of government assistance	152 *54.5%*	5 *14.7%*	3 *33.3%*						
Total	279	34	9	83	30	5			

Since they were first established, 15 businesses have sought further financial assistance due to a need to increase their working capital.

Table 37: Extra Financing

	N	Respondents					
		Urban	Regional	Remote	Private	Community	Cooperative
Total	15	9	5	1	12	2	1

5.3   Experience and Training

Experience and training form an important part of the knowledge base that a business is built upon. Respondents were asked a series of questions to determine their degree of experience and training in establishing and operating a business.

Prior experience: respondents were asked about work experience prior to establishing their business (Table 38). The majority of respondents (76.9%) were experienced in their chosen industry prior to establishing their own business. Of the remaining 23.1%, most were working in an unrelated industry. Of those with prior experience in their chosen field, the median years of prior experience was 13 years. However, there was a wide range in prior experience in the field, with a minimum of 1 and maximum of 50 years (see Table 39).

Table 38: Prior Experience in Same or Related Industry

Prior Experience	N	Respondents					
		Urban	Regional	Remote	Private	Community	Cooperative
Working in the same or a related industry	247 *80.2%*	129 *80.6%*	86 *81.9%*	32 *74.4%*	209 *83.9%*	29 *63%*	7 *70%*
Working in an unrelated industry	55 *17.9%*	27 *16.9%*	17 *16.2%*	11 *26.6%*	36 *14.5%*	15 *32.6%*	3 *30%*
Studying or at school	1 *0.3%*	1 *0.6%*			1 *0.4%*		
Unemployed	4 *1.2%*	2 *1.3%*	2 *1.9%*		3 *1.2%*	1 *2.2%*	
Other	1 *0.3%*	1 *0.6%*				1 *2.2%*	
Total	308	160	105	43	249	46	10

Table 39: Years of Prior Experience in Same or Related Industry

Years Experience	N	Respondents					
		Urban	Regional	Remote	Private	Community	Cooperative
0-5	50 *20.9%*	25 *20.3%*	21 *25%*	4 *12.5%*	40 *20.3%*	7 *21.9%*	1 *14.3%*
6-10	55 *23%*	31 *25.2%*	18 *21.4%*	6 *18.8%*	46 *23.4%*	7 *21.9%*	2 *28.6%*
11-15	42 *17.6%*	23 *18.7%*	13 *15.5%*	6 *18.8%*	38 *19.3%*	3 *9.4%*	1 *14.3%*
16-20	46 *19.2%*	25 *20.3%*	14 *16.7%*	7 *21.9%*	40 *20.3%*	5 *15.6%*	1 14.3%
21-25	17 *7.1%*	7 *5.7%*	8 *9.5%*	2 *6.3%*	15 *7.6%*	2 *6.3%*	
26-50	29 *12.1%*	12 *9.8%*	10 *11.9%*	7 *21.9%*	18 *9.1%*	8 *25%*	2 *28.6%*
Total	239	123	84	32	197	32	7

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Training: Familial experience with operating a business provides a valuable resource when establishing a new business. Almost a third of respondents had a family member with experience operating a business (see Table 40). However, businesses in remote areas and cooperative businesses were much less likely to have had a family member with business experience.

Table 40: Familial Experience in Operating a Business

Familial Experience in Business	N	Respondents					
		Urban	Regional	Remote	Private	Community	Cooperative
Yes	102 32.8%	57 34.8%	37 35.9%	8 18.2%	87 34%	13 29.5%	1 11.1%
No	209 67.2%	107 65.2%	66 64.1%	36 81.8%	169 66%	31 70.5%	8 88.9%
Total	311	167	103	44	256	44	9

Formal Management Training: over half the respondents (61.5%) had no formal training in business administration, management or accounting. Of those with formal management training, most had invested in short courses on business administration and accounting (41.6%) or in TAFE certificates and diplomas (39.2%). A very small proportion had either a degree (8.8%) or postgraduate degree (6.4%) in business administration or management (see Table 41).

Table 41: Formal Management Training

Formal Management Training	N	Respondents					
		Urban	Regional	Remote	Private	Community	Cooperative
Other business course/short course	52 41.6%	30 42.9%	17 37%	5 55.6%	42 41.2%	6 35.3%	3 75%
Certificate in Business/Management	35 28.8%	17 24.3%	16 34.8%	2 22.2%	30 29.4%	3 17.6%	1 25%
Diploma in Business/Management	13 10.4%	9 12.9%	3 6.5%	1 11.1%	9 8.8%	4 23.5%	
Degree in Business/Accounting/ Management	11 8.8%	7 10%	3 6.5%	1 11.1%	10 9.8%		
Other University Degree	6 4.8%	3 4.3%	3 6.5%		5 4.9%	1 5.9%	
Masters of Business Administration/ Management/Public Administration	8 6.4%	4 5.7%	3 8.7%		6 5.9%	2 11.8%	
Total	125	70	46	9	102	17	4

Informal Management Training: informal management training can take the form of on the job training through to using paid consultants to assist with improving business operations. 57.1% of the respondents listed some form of informal training that assisted them with their job. The most common form of support was the use of either a business mentor or an external consultant such as an accountant or solicitor (42.2%). Networking with other businesses enabled an additional 24.9% of respondents to gain valuable advice and support. 30.8% received either on the job training or advice from family and friends to assist them with the development of their business. Businesses in remote locations were less likely to use consultants or mentors (25.8%), and more likely to rely on training on the job (32.3%). Privately-owned business (46.7%) were twice as likely as community (23.2%) or cooperatively (25%) owned businesses to use consultants or mentors, while community-owned business (50%) were twice as likely to rely on training on the job (see Table 42).

Table 42: Informal Management Training

Informal Management Training	N	Respondents					
		Urban	Regional	Remote	Private	Community	Cooperative
Consultant/Mentor	78 *42.2%*	48 *49%*	22 *39.3%*	8 *25.8%*	70 *46.7%*	7 *23.3%*	1 *25%*
Networking with other businesses	46 *24.9%*	23 *23.5%*	14 *25%*	9 *29%*	36 *24%*	7 *23.3%*	2 *50%*
On the job	45 *24.3%*	19 *19.4%*	16 *28.6%*	10 *32.3%*	29 *19.3%*	15 *50%*	1 *25%*
Advice from family and friends	12 *6.5%*	5 *5.1%*	3 *5.4%*	4 *12.9%*	11 *7.3%*	1 *3.3%*	
Reading guides/books/ journals	4 *2.2%*	3 *3.1%*	1 *1.8%*		4 *2.7%*		
Total	185	98	56	23	150	30	4

Employee Training: Businesses were asked about the percentage of their employees receiving training (either formal or informal) for their position in the business (see Table 43). For over half the businesses (56.2%) employees had not received any type of training. Of the remaining, 39.2% of employees had some form of certification, either trade or degree (see Table 43); and 43.8% of employees had some form of informal training, mainly in the form of on the job training (see Table 44).

Table 43: Formal Employee Training

Employee Training	N	Respondents					
		Urban	Regional	Remote	Private	Community	Cooperative
Formal training – 100% of employees	92 *50.8%*	47 *47%*	28 *56%*	17 *54.8%*	69 *51.9%*	21 *52.2%*	1 *16.7%*
Formal training – 80-99% of employees	3 *1.7%*	1 *1%*	1 *2%*	1 *3.2%*	2 *1.5%*	1 *2.5%*	
Formal training – 60-79% of employees	7 *4%*	5 *5%*	1 *2%*	1 *3.2%*	4 *3%*	2 *5%*	1 *16.7%*
Formal training – less than 60% of employees	25 *13.9%*	12 *12%*	9 *18%*	4 *12.9%*	13 *9.8%*	8 *20%*	3 *50%*
No training	54 *29.8%*	35 *35%*	11 *22%*	8 *25.8%*	45 *33.8%*	8 *20%*	1 *16.7%*
Total	181	100	50	31	133	40	6

Table 44: Informal Employee Training

Employee Training	N	Respondents					
		Urban	Regional	Remote	Private	Community	Cooperative
Informal training – 100% of employees	134 *70.9%*	69 *67.6%*	40 *76.9%*	25 *71.4%*	94 *66.7%*	33 *82.5%*	5 *83.3%*
Informal training – 80-99% of employees	1 *0.5%*	1 *1%*				1 *2.5%*	
Informal training – 60-79% of employees	3 *1.6%*	3 *3%*			3 *2.1%*		
Informal training – less than 60% of employees	4 *2.1%*	3 *3%*	1 *1.9%*		2 *1.4%*	2 *5%*	
No training	47 *24.9%*	26 *25.5%*	11 *21.2%*	10 *28.6%*	42 *29.8%*	4 *10%*	1 *16.7%*
Total	189	102	52	35	141	40	6

Recent additional courses: in the past five years, 35.4% of respondents had completed additional courses to strengthen their business operations. Almost 50% of respondents had invested in 2 or more courses, with the most common areas of additional training being in business administration and workplace health and safety (see Table 45). The majority (78.3%) of the additional training courses were utilised by private businesses.

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Table 45: Recent Training

Course	N	Respondents					
		Urban	Regional	Remote	Private	Community	Cooperative
2 or more of the below courses	56 *48.7%*	25 *41%*	25 *59.5%*	6 *50%*	38 *42.2%*	14 *73.4%*	3 *75%*
Business administration	24 *20.9%*	14 *23%*	9 *21.4%*	1 *8.3%*	22 *24.4%*	2 *10.5%*	
Workplace safety	19 *16.5%*	10 *16.4%*	5 *11.9%*	4 *33.3%*	16 *17.8%*	2 *10.5%*	
People management	5 *4.3%*	4 *6.6%*		1 *8.3%*	5 *5.6%*		
Financial planning	4 *3.5%*	2 *3.3%*	2 *4.8%*		4 *4.4%*		
Promotion and marketing	3 *2.6%*	2 *3.3%*	1 *2.4%*		2 *2.2%*	1 *5.3%*	
Website/internet	3 *2.6%*	3 *4.9%*			3 *3.3%*		
Customer service	1 *0.9%*	1 *1.6%*					1 *25%*
Total	115	61	42	12	90	19	4

5.4 Employment in the Business

Respondents were asked about the number of employees, the gender and ethnicity of employees and the businesses' expectations of growth over the next 2 years.

Employee characteristics: the total number of employees across the sample ranged from 1 to 450 (see Table 46). The median number of employees in the business was 3, and thus the majority are micro-businesses. Of 321 businesses, 67.8% had more than 50% Indigenous employees (see Table 49). The median number of male Indigenous employees and female Indigenous employees in the business was 1. The range for numbers of male Indigenous employees was 0-46 and of female Indigenous employees was 0-69.

Table 46: Total Number of Employees

Number of Employees	N	Respondents					
		Urban	Regional	Remote	Private	Community	Cooperative
1-3	189 *58.9%*	100 *59.2%*	69 *63.9%*	20 *45.5%*	181 *69.1%*	7 *14.9%*	
4-6	49 *15.3%*	26 *15.4%*	14 *13%*	9 *20.5%*	36 *13.7%*	11 *23.4%*	1 *10%*
7-10	32 *10%*	18 *10.7%*	8 *7.4%*	6 *13.6%*	18 *6.9%*	11 *23.4%*	3 *30%*
11-20	21 *6.5%*	9 *5.3%*	7 *6.5%*	5 *11.4%*	11 *4.2%*	10 *21.3%*	
21-50	17 *5.3%*	9 *5.3%*	5 *4.6%*	3 *6.8%*	11 *4.2%*	4 *8.5%*	2 *20%*
51-100	7 *2.2%*	3 *1.8%*	4 *3.7%*		3 *1.1%*	2 *4.3%*	2 *20%*
101-450	6 *1.9%*	4 *2.4%*	1 *0.9%*	1 *2.3%*	2 *0.8%*	2 *4.3%*	2 *20%*
Total	321	169	108	44	262	47	10

Table 47: Total Number of Male Employees

Number of Male Employees	N	Respondents					
		Urban	Regional	Remote	Private	Community	Cooperative
1-3	168 *72.7%*	96 *75.6%*	50 *76.9%*	22 *56.4%*	147 *77.4%*	17 *50%*	3 *50%*
4-6	31 *13.4%*	12 *9.4%*	11 *16.9%*	8 *20.5%*	22 *11.6%*	7 *20.6%*	2 *33.3%*
7-10	13 *5.6%*	7 *5.5%*	2 *3.1%*	4 *10.3%*	7 *3.7%*	6 *17.6%*	
11-20	10 *4.3%*	6 *4.7%*	1 *1.5%*	3 *7.7%*	8 *4.2%*	2 *5.9%*	
21-50	9 *3.9%*	6 *4.7%*	1 *1.5%*	2 *5.1%*	6 *3.2%*	2 *5.9%*	1 *16.7%*
Total	231	127	65	39	190	34	6

Table 48: Total Number of Female Employees

Number of Female Employees	N	Respondents					
		Urban	Regional	Remote	Private	Community	Cooperative
1-3	156 *76.1%*	84 *76.4%*	51 *77.3%*	22 *72.4%*	134 *83.8%*	20 *54.1%*	1 *16.7%*
4-6	28 *13.7%*	16 *14.5%*	9 *13.6%*	3 *10.3%*	21 *13.1%*	3 *8.1%*	3 *50%*
7-10	9 *4.4%*	5 *4.5%*	3 *4.5%*	1 *3.4%*	3 *1.9%*	6 *16.2%*	
11-20	8 *3.9%*	2 *1.8%*	2 *3%*	4 *13.8%*	1 *0.6%*	7 *18.9%*	
21-50	3 *1.5%*	2 *1.8%*	1 *1.5%*		1 *0.6%*	1 *2.7%*	1 *16.7%*
51-100	1 *0.5%*	1 *0.9%*					1 *16.7%*
Total	205	110	66	29	160	37	6

Table 49: Percentage of Indigenous Employees

Percentage of Employees that are Indigenous	N	Respondents					
		Urban	Regional	Remote	Private	Community	Cooperative
0%	16 _5%_	6 _3.6%_	8 _7.4%_	2 _4.5%_	10 _3.8%_	4 _8.5%_	2 _20%_
1-10%	2 _0.6%_	2 _1.2%_			2 _0.8%_		
11-25%	20 _6.2%_	9 _5.3%_	6 _5.6%_	5 _11.4%_	19 _7.3%_	1 _2.1%_	
26-50%	66 _20.2%_	32 _18.9%_	18 _16.7%_	15 _34.1%_	53 _20.2%_	10 _21.3%_	1 _10%_
51-67%	32 _10%_	17 _10.1%_	10 _9.3%_	5 _11.4%_	22 _8.4%_	9 _19.1%_	1 _10%_
68-75%	12 _3.7%_	6 _3.6%_	3 _2.8%_	3 _6.8%_	5 _1.9%_	7 _14.9%_	
76-100%	173 _53.9%_	96 _56.8%_	63 _58.3%_	14 _31.8%_	150 _57.3%_	16 _34%_	6 _60%_
Total	320	168	108	44	261	47	10

Table 50: Percentage of Male Indigenous Employees

Percentage of Male Employees that are Indigenous	N	Respondents					
		Urban	Regional	Remote	Private	Community	Cooperative
0%	31 _13.5%_	12 _9.5%_	6 _9.4%_	13 _33.3%_	26 _13.8%_	5 _14.7%_	
1-10%	2 _0.9%_	2 _1.6%_			2 _1.1%_		
11-25%	8 _3.5%_	2 _1.6%_	4 _6.2%_	2 _5.2%_	8 _4.2%_		
26-50%	23 _10%_	15 _11.9%_	3 _4.7%_	5 _12.8%_	16 _8.5%_	6 _17.6%_	1 _20%_
51-67%	19 _8.3%_	12 _9.5%_	4 _6.2%_	3 _7.7%_	13 _6.9%_	4 _11.8%_	2 _20%_
68-75%	2 _0.9%_	1 _0.8%_	1 _1.6%_			2 _5.9%_	
76-100%	144 _62.9%_	82 _65.1%_	46 _71.9%_	16 _41%_	124 _65.6%_	17 _50%_	2 _40%_
Total	229	168	108	44	189	34	5

Table 51: Percentage of Female Indigenous Employees

Percentage of Female Employees that are Indigenous	N	Respondents					
		Urban	Regional	Remote	Private	Community	Cooperative
0%	45 *22%*	21 *19.1%*	14 *21.2%*	10 *34.5%*	38 *23.8%*	7 *18.9%*	
11-25%	10 *4.9%*	5 *4.5%*	5 *7.6%*		8 *5%*	1 *2.7%*	1 *16.7%*
26-50%	29 *14.1%*	15 *13.9%*	8 *12.1%*	6 *20.7%*	18 *11.2%*	10 *27%*	
51-67%	8 *3.9%*	7 *6.4%*		1 *3.4%*	4 *2.5%*	4 *10.8%*	
68-75%	1 *0.5%*		1 *1.6%*				1 *16.7%*
76-100%	112 *54.6%*	62 *56.4%*	38 *57.6%*	12 *41.4%*	92 *57.5%*	15 *40.5%*	4 *66.7%*
Total	205	168	108	44	160	37	6

In Table 52 the mean number of male and female employees according to the gender of the employer is shown. It is apparent that male employers hire more employees than female employers. Further, male entrepreneurs are more likely to hire males and female entrepreneurs are more likely to higher females. They also do this in roughly the same ratio: male entrepreneurs hire 0.49 female employees for every one male employee hired, while female entrepreneurs hire 0.54 female employees for every one male employee hired. Given the smaller size of female-run firms, this suggests a need to support female entrepreneurs to increase female Indigenous employment.

Table 52: Mean number of Male and Female Employees by Gender of Employer

	Male Employer	Female Employer
Male employees	4.40	1.49
Female employees	2.14	2.71

Employment preferences: Respondents were asked if they had a preference for employing Indigenous or non-Indigenous applicants. The majority of respondents preferred to employ an Indigenous candidate (see Table 53).

Table 53: Employment Preferences

Preferred Applicant	N	Respondents					
		Urban	Regional	Remote	Private	Community	Cooperative
Indigenous	230 *72.8%*	133 *79.2%*	70 *67.3%*	27 *61.4%*	186 *72.4%*	35 *74.5%*	7 *70%*
No preference	86 *27.2%*	35 *20.8%*	34 *32.7%*	17 *38.7%*	71 *27.6%*	12 *25.5%*	3 *30%*
Total	316	168	104	44	257	47	10

Expected growth of Indigenous employee numbers over the next two years: unsurprisingly, given the preference of most businesses for employing Indigenous applicants, 56% of businesses expect to increase the number of Indigenous employees over the next 2 years (Table 54). This is especially the case for urban and cooperatively-owned businesses.

Table 54: Indigenous Employee Numbers

Indigenous Employee Numbers	N	Respondents					
		Urban	Regional	Remote	Private	Community	Cooperative
Increase	178 *56%*	104 *61.9%*	57 *53.8%*	17 *38.6%*	140 *54.3%*	29 *60.4%*	7 *70%*
Decrease	4 *1.3%*	2 *1.2%*	2 *1.9%*		4 *1.6%*		
Stay the same	59 *18.6%*	29 *17.3%*	18 *17%*	12 *27.3%*	50 *19.4%*	8 *16.7%*	1 *10%*
Unsure	77 *24.2%*	33 *19.6%*	29 *27.4%*	15 *34.1%*	64 *24.8%*	11 *22.9%*	2 *20%*
Total	318	168	106	44	258	48	10

5.5   Business Operations

Promotion and marketing are important elements in increasing growth of a business. Respondents were asked about their business brand and the marketing tools they had used.

Promotions: As will be explained more fully in the following section, respondents were asked about the methods they had used to promote their product or service to the community and to rate the effectiveness for their business (see Table 55). Most businesses used a mix of methods to access their customer base. The most effective method for all businesses was word of mouth, with 90.3% of respondents finding that actively encouraging discussion of their business in potential customer networks was very effective in promoting their business (Table 56). 50.3% of respondents also found that using their website to promote their products was effective for increasing business. Attending events, festivals and conferences was effective in creating opportunities for new customers for 38.7% of businesses. Using social media, distributing flyers and internet marketing was effective for around 25% of businesses.

Table 55: Promotional Methods

Strategy	N	Mean ± SD*
Word of mouth	322	4.5 ± 0.8
Website	320	3.1 ± 1.5
Attend events	318	2.7 ± 1.5
Social media	320	2.4 ± 1.5
Distribute flyers/brochures	319	2.3 ± 1.4
Internet marketing	318	2.1 ± 1.5
Newspaper advertisement	319	1.6 ± 1.1
Radio advertisement	317	1.5 ± 1.1
Direct mail out	317	1.5 ± 1
Yellow Pages	319	1.5 ± 0.9
Magazine advertisement	317	1.4 ± 0.9
Vouchers/coupons	317	1.3 ± 0.8
Television commercial	319	1.2 ± 0.7
Black Pages/Digedi etc	317	1.2 ± 0.7
Billboards	317	1.2 ± 0.7
eBay	318	1.1 ± 0.5

*1= never used, 2 = used but little effect, 3 = used and somewhat effective, 4 = used and effective, 5 = used and very effective

Table 56: Promotional Methods Used and Effective/Very Effective

Strategy	Respondents					
	Urban	Regional	Remote	Private	Community	Cooperative
Word of mouth	148 *88.1%*	100 *91.8%*	79 *95.6%*	236 *90.4%*	43 *87.7%*	10 *10%*
Website	94 *56.3%*	49 *45.4%*	18 *40%*	123 *47.3%*	32 *66.7%*	6 *60%*
Attend events	75 *45.2%*	38 *35.5%*	10 *22.2%*	93 *36.1%*	26 *54.2%*	4 *40%*
Social media	54 *32.4%*	27 *25%*	9 *20%*	73 *28.1%*	14 *29.2%*	20 *20%*
Distribute flyers/brochures	36 *27.6%*	32 *29.9%*	9 *20%*	63 *24.2%*	17 *36.2%*	7 *70%*
Internet marketing	46 *27.6%*	23 *21.7%*	4 *4.4%*	60 *23.2%*	9 *19.2%*	2 *20%*
Newspaper advertisement	16 *9.6%*	13 *12.2%*	6 *13.3%*	23 *8.9%*	10 *21.2%*	
Radio advertisement	15 *9%*	7 *6.6%*	6 *13.4%*	16 *6.2%*	12 *25%*	

Branding: 62% of respondents identified themselves as an Aboriginal business, 16.8% as both Aboriginal and mainstream, and 21.2% as a mainstream business (Table 57). A higher proportion of community (89.8%) and cooperatively (100%) owned business were branded as Indigenous. For businesses that brand themselves as Indigenous, 62.1% believed that their products need to be of superior quality to that of competitors in order to be considered as attractive to customers as those enterprises branded as mainstream (see Table 58).

Table 57: Branding

Branding	N	Respondents					
		Urban	Regional	Remote	Private	Community	Cooperative
Aboriginal business	199 *62%*	112 *66.7%*	63 *58.3%*	24 *53.3%*	144 *55.4%*	44 *89.8%*	10 *100%*
Both Aboriginal and mainstream	54 *16.8%*	34 *20.2%*	21 *19.4%*	13 *28.9%*	67 *25.8%*	1 *2%*	
Mainstream	68 *21.2%*	22 *13.1%*	24 *22.2%*	8 *17.8%*	49 *18.8%*	4 *8.2%*	
Total	318	168	108	45	260	49	10

Table 58: Product Quality Based on Branding

Product Quality	N	Respondents					
		Urban	Regional	Remote	Private	Community	Cooperative
Indigenous products need to be superior	146 *62.1%*	86 *67.2%*	46 *57.5%*	14 *51.9%*	113 *61.4%*	26 *65%*	5 *55.6%*
Indigenous and mainstream products are equal	89 *37.9%*	42 *32.8%*	34 *42.5%*	13 *48.1%*	71 *38.6%*	14 *35%*	4 *44.4%*
Total	235	128	80	27	184	40	9

The management of business operations involves ensuring that the business is running smoothly and efficiently, meeting customer requirements. The business plan and the management of business activity and transactions form an important part of the management of the day to day running of the business.

Planning and Business Practices: The varying levels of sophistication with which respondents are managing their business planning, activities and transactions are indicated in Tables 59 and 60. The processes for recording financial matters were generally well developed, while the recording of business activity and planning was not developed to the same degree, especially among privately-owned businesses.

A significant proportion of businesses showed flexibility in response to changes in the marketplace. Almost half the respondents (52.2%) had substantially changed their existing goods and services in response to changes in the market, 19.8% had started a related business activity in a new location, and 9.8% had branched out into a new business activity. These behaviours reflect the positive attitudes that respondents had towards new ideas, new practices and new technology (see Table 61).

Table 59: Sophistication of planning and business practices by Region

	N	Respondents								
		None			Informal or Basic			Formal and Substantive		
		Urban	Regional	Remote	Urban	Regional	Remote	Urban	Regional	Remote
Business plan	217	1 0.9%			50 43%	31 44%	14 25%	65 56%	39 56%	17 55%
Recording business activities	283	7 5%	3 3%	2 5%	30 20%	32 33%	13 34%	113 74%	61 64%	23 61%
Recording business transactions	295	4 2.6%	4 3.9%	2 5.1%	38 25%	19 18%	6 15%	111 73%	80 78%	31 80%

Table 60: Sophistication of planning and business practices by Business Ownership

	N	Respondents								
		None			Informal or Basic			Formal and Substantive		
		Private	Community	Cooperative	Private	Community	Cooperative	Private	Community	Cooperative
Business plan	216			1 25%	90 48%	4 17%	1 25%	99 52%	19 83%	2 50%
Recording business activities	283	11 5%		1 10%	62 27%	11 25%	2 20%	156 67%	32 73%	7 70%
Recording business transactions	295	10 4%			56 23%	6 14%		176 73%	36 86%	9 100%

Table 61: Respondents' attitudes towards managing their business

Item	N	Mean ± SD*
I am open to new ideas about running a business	322	4.6 ± 0.5
I am willing to try new things	322	4.6 ± 0.5
Knowing about new technology that becomes available is important to me	322	4.5 ± 0.7

*1= strongly disagree, 2 = disagree, 3 = neither agree nor disagree, 4 = agree, 5 = strongly agree

Use of external advisors: accessing external experts allows a business to improve efficiencies, introduce new ways of thinking and solve problems. The majority of the respondents had consulted an external expert.   85.1% had used and are currently using an accountant to help with their business operations. Between a quarter and half of businesses had used or were currently using either a lawyer or an industry expert (See Table 62). Usage was generally higher among community and cooperative businesses.

Table 62: Use of External Advisors

Consultant	Past Use						Current Use					
	Urban	Regional	Remote	Private	Community	Cooperative	Urban	Regional	Remote	Private	Community	Cooperative
Industry expert (not IBA consultant)	51 30%	36 33%	11 34%	67 26%	25 51%	5 50%	41 24%	32 30%	9 20%	54 21%	22 45%	5 50%
Accountant	140 83%	93 85%	42 93%	217 83%	46 94%	10 100%	138 82%	94 87%	42 93%	218 84%	44 90%	10 100%
Lawyer	64 38%	42 39%	11 25%	83 32%	27 55%	7 70%	40 24%	28 26%	6 13%	50 19%	19 39%	5 50%
Other	1 0.6%	1 0.9%	1 2%	1 0.4%	1 2%		6 4%	4 4%		9 3%		1 10%
Total	169	109	44	261	49	10	169	109	44	261	49	10

Internet Usage: the internet is a powerful tool that can make a business more productive and efficient. Almost all businesses used email to communicate with customers (97.2%) and at least half to communicate with suppliers (55.9%). This is slightly higher than the Australian average for small businesses, where 89.1% of micro businesses and 93.3% of small businesses have internet access (DIISRTE 2012). Having a business website is an important part of establishing a recognisable brand, and 75.3% of respondents had created a website to promote their business. This is substantially higher than the Australian average for small businesses, where 33.2% of micro businesses and 53.8% of small businesses have a web site (DIISRTE 2012). Social media marketing is one way of promoting discussion of a business and can increase engagement with that business. More than half the respondents were using social media to promote their business (54.6%) and advertise special offers or deals (see Table 63). This is again much higher than the Australian average, with DIISRTE (2012) reporting that the MYOB July 2012 Business Monitor reports that 16% of businesses use social media to promote their business. Website and social media use among Indigenous businesses was more common in urban areas.

Table 63: Internet Usage

Application	Usage	Respondents					
		Urban	Regional	Remote	Private	Community	Cooperative
Email	315 *97.2%*	165 *96.7%*	106 *96.4%*	44 *97.8%*	256 *97.3%*	47 *95.5%*	10 *100%*
Website	244 *75.3%*	141 *83.4%*	75 *64.2%*	28 *62.2%*	196 *74.5%*	39 *79.6%*	8 *80%*
Purchasing	181 *55.9%*	97 *57.4%*	61 *55.5%*	23 *51.1%*	147 *55.9%*	29 *59.2%*	4 *40%*
Social media for promotions	177 *54.6%*	104 *61.5%*	59 *53.6%*	14 *31.1%*	143 *54.4%*	27 *55.1%*	6 *60%*
Skype	87 *26.9%*	56 *33.1%*	25 *22.7%*	6 *13.3%*	73 *27.8%*	14 *28.6%*	
No internet usage	6 *1.9%*	3 *1.8%*	1 *0.9%*	1 *2.2%*			
Total	324	169	110	45	263	49	10

5.6   Business Success

Respondents were asked about their annual revenue, sales, cash flow and net profit. However, a business is more than its financial statements, and respondents were also asked about factors affecting their businesses' performance.

Annual Revenue: annual revenue is the yearly income that a business receives (generally from sale of goods and services), and is often used to measure performance. Approximately a third of businesses had an annual turnover of less than $50 000 (33.2%), and another third between $50 000 and $200 000 (32.2%).   The remaining third ranged from $200 000 to over $1 million (see Table 64). Interestingly, 71.8% of cooperatively-owned businesses had annual revenue of over $1 million. Remote businesses were also larger, with about 38% having revenue exceeding $500 000, compared to 25% of urban and 21% of regional businesses.

Table 64: Annual Revenue

Revenue	N	Respondents					
		Urban	Regional	Remote	Private	Community	Cooperative
Less than $50 000	102 *33.2%*	59 *35.8%*	36 *36%*	7 *16.7%*	91 *36%*	8 *17.8%*	1 *14.3%*
$50 000 - $200 000	99 *32.2%*	54 *32.7%*	31 *31%*	14 *33.3%*	86 *34%*	13 *28.9%*	
$200 001 - $500 000	27 *8.8%*	10 *6.1%*	12 *12%*	5 *11.9%*	23 *9.1%*	4 *8.9%*	
$500 001 – $1 000 000	44 *14.3%*	31 *18.8%*	6 *6%*	7 *16.7%*	36 *14.2%*	8 *17.8%*	
More than $1 000 000	26 *8.5%*	10 *6.1%*	11 *11%*	5 *11.9%*	13 *5.1%*	8 *17.8%*	5 *71.4%*
Not sure	9 *2.9%*	1 *0.6%*	4 *4%*	4 *9.5%*	4 *1.6%*	4 *8.9%*	1 *14.3%*
Total	307	165	100	42	253	45	7

Change in Sales: Change in sales compared to the previous year provides a measure of the growth of a business. Annual sales had either increased or stayed the same for 70.5% of the respondents, indicating healthy businesses. A further 11.4% were unsure if sales activity had altered, while 21.5% had experienced decreased sales. Sales were more likely to have increased for urban and privately-owned businesses (see Tables 65 and 66).

Table 65: Annual Sales Activity

Sales Activity	N	Respondents					
		Urban	Regional	Remote	Private	Community	Cooperative
Stayed the Same	59 *19.8%*	34 *12.4%*	21 *22.1%*	4 *9.1%*	50 *20.4%*	8 *18.2%*	1 *12.5%*
Increased	139 *46.6%*	85 *53.5%*	37 *38.9%*	17 *38.6%*	119 *48.6%*	18 *40.9%*	2 *25%*
Decreased	66 *22.1%*	30 *18.9%*	24 *25.3%*	12 *27.3%*	50 *20.4%*	14 *31.8%*	1 *12.5%*
Unsure	34 *11.4%*	10 *6.3%*	13 *13.7%*	11 *25%*	26 *10.6%*	4 *9.1%*	4 *50%*
Total	298	159	95	44	245	44	8

Table 66: Percentage Change in Annual Sales Activity

Sales Activity	Increased						Decreased					
	Urban	Regional	Remote	Private	Community	Cooperative	Urban	Regional	Remote	Private	Community	Cooperative
0-10%	15 *17%*	14 *32%*	2 *10%*	23 *18%*	8 *38%*		6 *18%*	6 *30%*	2 *18%*	10 *21%*	4 *29%*	
11-20%	18 *21%*	3 *7%*	5 *25%*	24 *19%*	2 *10%*		9 *27%*	1 *5%*	2 *18%*	11 *23%*	1 *7%*	
21-30%	12 *14%*	11 *25%*	4 *20%*	25 *20%*	1 *5%*	1 *50%*	5 *15%*	3 *15%*	2 *18%*	6 *13%*	3 *21%*	1 *100%*
31-40%	8 *9%*	2 *5%*		6 *5%*	4 *19%*		6 *18%*	2 *10%*		6 *13%*	1 *7%*	
More than 40%	23 *27%*	11 *25%*	7 *35%*	39 *31%*	1 *5%*	1 *50%*	3 *9%*	5 *25%*	1 *9%*	9 *19%*		
Unsure	11 *13%*	3 *7%*	2 *10%*	11 *9%*	5 *24%*		4 *12%*	3 *15%*	4 *36%*	6 *13%*	5 *36%*	
Total	87	44	20	128	21	2	33	20	11	48	14	1

Annual net profit: Nearly two-thirds of the respondents (62.7%) had either a stable or increased net profit over the previous year. A quarter showed some decrease in their net profit compared to previous years, while 12.4% were unsure if there was any alteration to the amount of their net profit. Again, net profit was more likely to have increased for urban and privately-owned businesses (see Tables 67 and 68).

Table 67: Annual Net Profit

Net Profit	N	Respondents					
		Urban	Regional	Remote	Private	Community	Cooperative
Stayed the Same	56 *19.3%*	30 *19.1%*	22 *24.4%*	4 *9.3%*	49 *20.5%*	7 *16.7%*	0 *0%*
Increased	126 *43.4%*	79 *50.3%*	31 *34.4%*	16 *37.2%*	107 *44.8%*	16 *38.1%*	3 *37.5%*
Decreased	72 *24.8%*	38 *24.2%*	24 *26.7%*	10 *23.3%*	56 *23.4%*	14 *33.3%*	1 *12.5%*
Unsure	36 *12.4%*	10 *6.4%*	13 *14.4%*	13 *30.2%*	27 *11.3%*	5 *11.9%*	4 *50%*
Total	290	157	90	43	239	42	8

Table 68: Change in Net Profit

Net Profit	Increased						Decreased					
	Urban	Regional	Remote	Private	Community	Cooperative	Urban	Regional	Remote	Private	Community	Cooperative
0-10%	21 *25%*	12 *32%*	1 *5%*	27 *23%*	7 *37%*		8 *24%*	5 *25%*	1 *11%*	8 *17%*	5 *36%*	1 *50%*
11-20%	16 *19%*	6 *16%*	5 *25%*	24 *20%*	32 *16%*		7 *21%*	4 *20%*	1 *11%*	11 *24%*	1 *7%*	
21-30%	132 *16%*	7 *19%*	4 *20%*	23 *19%*	1 *5%*		4 *12%*	1 *5%*	2 *22%*	4 *9%*	2 *14%*	1 *50%*
31-40%	6 *7%*	1 *3%*		5 *4%*	2 *11%*		7 *21%*	1 *5%*		5 *11%*	2 *15%*	
More than 40%	17 *21%*	7 *19%*	5 *25%*	27 *23%*		2 *100%*	2 *6%*	4 *20%*	1 *11%*	7 *15%*		
Unsure	10 *12%*	4 *11%*	5 *25%*	13 *11%*	6 *32%*		6 *18%*	5 *25%*	4 *44%*	11 *24%*	4 *29%*	
Total	83	37	20	119	19	2	34	20	9	46	14	2

Cash flow: Respondents were asked about their current cash flow situation. 35.9% of the respondents were in a position with the business currently covering all its running costs, while 21.5% were not able to currently cover even the most important costs of the business (see Table 69).

Table 69: Cash Flow

Cash Flow	N	Respondents					
		Urban	Regional	Remote	Private	Community	Cooperative
Not enough to cover the most important activities of the business	67 *21.5%*	34 *20.4%*	26 *25.7%*	7 *15.9%*	50 *19.2%*	15 *34.1%*	2 *33.3%*
Enough to cover the most important activities of the business	89 *28.5%*	52 *31.1%*	23 *22.8%*	14 *31.8%*	79 *30.4%*	10 *22.7%*	
Enough to cover only some of the things the business needs to do	44 *14.1%*	27 *16.2%*	9 *8.9%*	8 *18.2%*	34 *13.1%*	8 *18.2%*	
Enough for just about everything the business needs to do	58 *18.6%*	28 *16.8%*	24 *23.8%*	6 *13.6%*	50 *19.2%*	7 *15.9%*	1 *16.7%*
Enough for everything the business needs to do and some left over to invest in developing the business	54 *17.3%*	26 *15.6%*	19 *18.8%*	9 *20.5%*	47 *18.1%*	4 *9.1%*	3 *50%*
Total	312	167	101	44	260	44	6

In Table 70, the relationship between perceived cash flow and age of businesses is shown for both privately and community/cooperatively-owned business. ANOVAs indicate that cash flow is significantly different across the business life-cycle for privately-owned businesses (F=4.401, p=0.00) though there is no significant difference for community/cooperatively-owned businesses (F=0.308, p=0.87). In particular, cash flow is much lower for privately-owned businesses between 0-2 years of age. While not statistically different, probably in part because of smaller sample size, community/cooperatively owned businesses have better cash flow at initial start up, presumably because of the receiving of grants, but between 2-5 years of operation cash flow is much lower. These results suggest that the greatest difficulties with cash flow are for early stage businesses, and hence they are at most risk of failure in this period. Policies could therefore be developed to assist early-stage businesses with cash flow during this period.

Table 70: Cash Flow by Age of Business

	Age of business				
	0-1 years	**2 years**	**3-5 years**	**6-12 years**	**≥13 years**
Privately - owned	2.11	2.69	3.04	3.06	3.26
Community/ cooperative	3.00	2.00	2.14	2.57	2.69

1-Not enough to cover the most important activities of the business, 2- Enough to cover the most important activities of the business, 3- Enough to cover only some of the things the business needs to do, 4- Enough for just about everything the business needs to do, 5- Enough for everything the business needs to do and some left over to invest in developing the business

Additional business growth: other indicators of business growth were examined and respondents were asked if their business had grown in staff numbers, size of premises, plant or equipment and number of locations over the last five years. Over half the respondents had purchased additional equipment in the past five years (59.7%). Just over a third had increased their staff numbers (36.6%) and a quarter had moved into bigger premises (25.8%), while 20.5% had established additional business locations in this period (see Table 71).

Table 71: Indicators of Business Growth

Growth Activity	N	Respondents					
		Urban	Regional	Remote	Private	Community	Cooperative
Purchased additional plant and equipment	194 *59.7%*	88 *68.8%*	75 *83.3%*	31 *75.6%*	156 *74.6%*	29 *72.5%*	8 *88.9%*
Increased number of staff	118 *36.6%*	58 *45%*	39 *43.3%*	21 *51.2%*	85 *40.5%*	24 *60%*	8 *88.9%*
Moved into bigger premises	84 *25.8%*	45 *34.9%*	29 *32.2%*	10 *24.4%*	64 *30.5%*	16 *40%*	9 *100%*
Established additional offices/outlets/ shopfronts	70 *21.5%*	38 *29.9%*	24 *26.7%*	8 *19.5%*	48 *23.1%*	16 *40%*	6 *66.7%*
Total	258	127	90	41	208	40	9

Internal factors affecting business performance: there are a number of internal factors that business owners can manage in order to improve their business's performance. Respondents were asked about which internal factors they viewed as being most important and least important in their business's performance. The most important factor that business owners had control over, that they perceived affected the performance of their business, was good quality products or services (82%). Many small businesses in Australia focus on quality as an indicator of performance, with DISSRTE (2012) reporting that 58.8% of micro businesses and 76.9% of small businesses focus on quality (including customer satisfaction) to moderate or major extent to measure performance. While the indicators used in this study and by DIISRTE (2012) are different, given that half of our sample is small business these results suggest that Indigenous micro and small businesses may be placing a greater emphasis on quality than other small businesses in Australia.

The next most commonly mentioned factor perceived to be most important in influencing success was respondents' own motivation and drive for their business to succeed (77%), and finally the staff employed in the business (61%). Community-owned businesses, however, rated staff (75%) and management (66%) as the most important factors in business success.

Few respondents agreed that promotions (19%) or mentoring and advice (23%) were the most important factor affecting business performance (see Table 72).

Table 72: Internal Factors Affecting Business Performance

Factor	N	Most Important						N	Least Important					
		Urban	Regional	Remote	Private	Community	Co operative		Urban	Regional	Remote	Private	Community	Co operative
Quality product/ service	183 *82%*	98 *74%*	61 *73%*	24 *62%*	154 *73%*	23 *59%*	5 *83.3%*	13 *6%*	7 *5%*	5 *6%*	1 *3%*	10 *5%*	3 *8%*	0 *0%*
Own motivation to succeed	172 *77%*	88 *68%*	58 *68%*	26 *67%*	158 *74%*	13 *38%*	1 *17%*	14 *6%*	8 *6%*	5 *6%*	1 *3%*	6 *3%*	6 *18%*	1 *17%*
Staff	136 *61%*	66 *46%*	52 *64%*	18 *51%*	93 *45%*	33 *75%*	8 *89%*	69 *31%*	49 *34%*	14 *17%*	6 *17%*	66 *32%*	3 *7%*	0 *0%*
Management	113 *51%*	58 *49%*	40 *54%*	15 *44%*	82 *46%*	25 *66%*	6 *75%*	34 *15%*	31 *17%*	2 *5%*	0 *0%*	31 *17 %*	2 *5%*	0 *0%*
Flexible business strategies responding to market trends	84 *38%*	51 *42%*	27 *36%*	6 *19%*	75 *40%*	8 *24%*	1 *17%*	77 *34%*	41 *33%*	29 *39%*	7 *22%*	60 *21%*	12 *35%*	3 *50%*
Business and other networks	68 *31%*	39 *33%*	18 *27%*	3 *37%*	60 *33%*	8 *24%*	0 *0%*	71 *32%*	37 *31%*	25 *37%*	9 *26%*	55 *31%*	13 *38%*	3 *50%*
Training	69 *31%*	26 *21%*	30 *42%*	13 *38%*	46 *26%*	18 *53%*	2 *40%*	66 *30%*	45 *36%*	18 *25%*	3 *9%*	56 *31%*	6 *18%*	1 *17%*
Mentoring/ advice	50 *23%*	35 *32%*	12 *17%*	3 *10%*	40 *23%*	8 *25%*	2 *29%*	62 *28%*	28 *26%*	29 *40%*	5 *16%*	53 *31%*	6 *19%*	2 *29%*
Promotions	43 *19%*	26 *22%*	14 *19%*	3 *9%*	38 *21%*	4 *13%*	1 *20%*	98 *44%*	51 *44%*	38 *52%*	9 *28%*	83 *45%*	12 *39%*	2 *40%*
Total	222	119	68	35	174	33	7	221	119	67	35	179	34	6

Satisfaction with business: job satisfaction is separate from life satisfaction, however running a business often means that these two elements become entwined. Respondents were asked about their satisfaction with a number of factors covering both their business and their life (see Table 73). While only 52.3% of respondents were satisfied or very satisfied with the number of hours they worked, 71.2% were satisfied or very satisfied with their business overall, and 73.8% were satisfied or very satisfied with the contribution that their business made to the community (see Table 74).

Table 73: Satisfaction with Business

Factor	N	Mean ± SD*
The contribution business makes to the community	317	4.1 ± 1
The lifestyle that comes from running a business	320	3.7 ± 1.2
With business overall	319	3.3 ± 1
Recognition received from local Indigenous community	286	3.5 ± 1.3
Support received from local Indigenous community	299	3.3 ± 1.4
Support received from mainstream Australian community	308	3.4 ± 1.1
The number of hours worked in the business	321	3.4 ± 1.2

*1= not at all satisfied, 2 = slightly satisfied, 3 = somewhat satisfied, 4 = satisfied, 5 = very satisfied

Table 74: Satisfaction with Business

Factor	Percentage of Respondents - Satisfied or Very Satisfied						
	% of Total	Urban	Regional	Remote	Private	Community	Cooperative
The contribution business makes to the community	73.8	75	72.4	72.7	71.5	81.6	90
The lifestyle that comes from running a business	59.7	61.3	56.1	62.3	61.1	52.1	70
With business overall	71.2	73	63.6	82.2	71.7	63.3	100
Recognition received from local Indigenous community	59.8	64.1	53	50	57.6	73.4	50
Support received from local Indigenous community	57.9	60.4	57	50	56.2	71.7	60
Support received from mainstream Australian community	53.6	49.1	57	63.2	53.7	50	66.7
The number of hours worked in the business	52.3	50.3	53.3	57.8	52.3	55	50

5.7   Business Challenges

Respondents were asked about challenges faced during the set up of their business, and the current challenges.

Start up challenges: sourcing adequate funding, support systems and staff during start up can be difficult. The adequacy of these factors play an important role in establishing a business and respondents were asked to describe these factors during the early phase and the current phase of their business. All of the key factors showed an improvement from the establishment phase to the current phase of business (see Tables 75 and 78). While profit remained the number one challenge for businesses from start-up to now, there was a significant improvement in this element, from 47.8% of respondents rating their profit as poor or somewhat adequate to 30.7% rating their profit as poor or somewhat adequate. Accounting systems also showed a large improvement, from 42.3% of respondents rating them as poor or somewhat adequate during the early phase of business to only 8.6% of respondents rating them as currently poor or somewhat adequate. This reflects earlier data showing that 85.1% of respondents are currently using an accountant to help with their business operations. The key factors showing strong performance both currently and during

establishment were telecommunications, location of business and internet facilities (see Tables 75 and 78).

Table 75: Adequacy of Key Factors during Start-Up

	N	Percentage of respondents			
		Not Applicable	Poor/Somewhat Adequate	Adequate	Good/Excellent
Profit	276	4	47.8	27.5	20.7
Promotion and marketing	276	5.1	45.7	27.2	22.1
Accounting systems	279	0.7	42.3	31.2	25.8
Sales	276	2.2	41.7	29.7	26.4
Finance e.g. bank loans	277	23.1	41.2	21.7	14.1
Access to key business services and advice	277	5.1	39.7	20.6	34.7
Physical facilities such as buildings	277	4.3	31.8	34.7	29.2
Skilled staff	274	19.3	23.4	23	34.3
Internet facilities (internet access and website)	277	10.5	22.7	26.7	40.1
Attracting Indigenous staff	275	43.3	21.1	12.4	23.3
Location of business	266	5.3	18	24.1	49.6
Telecommunications	279	2.2	15.4	30.5	52

Table 76: Adequacy of Key Factors during Start-Up by Region

Key Factor	Urban			Regional			Remote		
	Poor/ Somewhat Adequate	Adequate	Good/ Excellent	Poor/ Somewhat Adequate	Adequate	Good/ Excellent	Poor/ Somewhat Adequate	Adequate	Good/ Excellent
Profit	77 *49.4%*	42 *26.9%*	30 *19.2%*	41 *46.6%*	25 *28.7%*	18 *20.5%*	14 *43.8%*	9 *28.1%*	9 *28.1%*
Promotion and marketing	72 *46.5%*	41 *26.5%*	33 *21.3%*	42 *47.7%*	21 *23.9%*	22 *25%*	12 *36.4%*	13 *39.4%*	6 *18.2%*
Accounting systems	73 *46.2%*	44 *27.8%*	39 *24.7%*	36 *40.9%*	29 *33%*	23 *26.1%*	9 *27.3%*	14 *42.2%*	10 *30.3%*
Sales	68 *43.6%*	44 *28.2%*	41 *26.3%*	34 *38.6%*	28 *31.8%*	23 *26.1%*	13 *40.6%*	10 *31.2%*	9 *28.1%*
Finance e.g. bank loans	69 *44.2%*	27 *17.3%*	18 *11.5%*	34 *38.6%*	20 *22.7%*	15 *17%*	11 *33.3%*	13 *39.4%*	6 *18.2%*
Access to key business services and advice	65 *41.7%*	31 *19.9%*	51 *32.7%*	34 *38.6%*	21 *23.9%*	29 *33%*	11 *33.3%*	5 *15.2%*	16 *48.5%*
Physical facilities such as buildings	51 *32.7%*	59 *37.8%*	39 *25%*	25 *28.4%*	28 *31.8%*	32 *36.4%*	12 *36.4%*	9 *27.3%*	10 *30.3%*
Skilled staff	36 *23.2%*	35 *22.6%*	54 *34.8%*	19 *21.8%*	18 *20.7%*	34 *39.1%*	9 *28.1%*	10 *31.2%*	6 *18.8%*
Internet facilities , internet access and website	32 *20.5%*	40 *25.6%*	68 *43.6%*	23 *26.1%*	25 *28.4%*	29 *33%*	8 *24.2%*	9 *27.3%*	14 *42.4%*
Attracting Indigenous staff	34 *22.1%*	14 *9.1%*	35 *22.7%*	16 *18.2%*	18 *20.5%*	18 *20.5%*	8 *54.2%*	2 *6.1%*	11 *33.3%*
Location of business	30 *19.4%*	43 *27.7%*	76 *49%*	15 *18.3%*	20 *24.4%*	41 *50%*	3 *40.3%*	9 *31%*	15 *51.7%*
Telecomm-unications	23 *14.6%*	44 *27.8%*	86 *54.4%*	16 *18.2%*	31 *35.2%*	40 *45.5%*	4 *12.1%*	10 *30.3%*	19 *57.6%*
Total	158			88			33		

Table 77: Adequacy of Key Factors during Start-Up by Business Ownership

Key Factor	Private			Community			Cooperative		
	Poor/ Somewhat Adequate	Adequate	Good/ Excellent	Poor/ Somewhat Adequate	Adequate	Good/ Excellent	Poor/ Somewhat Adequate	Adequate	Good/ Excellent
Profit	121 _48%_	70 _27.8%_	56 _22.2%_	10 _55.6%_	5 _27.8%_		1 _20%_	1 _20%_	
Promotion and marketing	115 _45.8%_	71 _28.3%_	55 _21.9%_	9 _47.7%_	3 _15.8%_	4 _21.1%_	2 _40%_	1 _20%_	1 _20%_
Accounting systems	105 _41.5%_	81 _32%_	66 _26.1%_	9 _45%_	4 _20%_	6 _30%_	3 _60%_	2 _40%_	
Sales	103 _40.9%_	77 _30.6%_	70 _27.8%_	11 _61.1%_	3 _16.7%_	2 _11.1%_	1 _20%_	2 _40%_	
Finance e.g. bank loans	105 _41.7%_	56 _22.2%_	37 _14.7%_	7 _36.8%_	3 _15.8%_	2 _10.5%_	2 _40%_	1 _20%_	
Access to key business services and advice	98 _38.9%_	53 _21%_	89 _35.3%_	7 _36.8%_	4 _21.1%_	6 _31.6%_	4 _80%_		1 _20%_
Physical facilities such as buildings	78 _31%_	90 _35.7%_	73 _29%_	6 _31.6%_	4 _21.1%_	8 _42.1%_	3 _60%_	2 _40%_	
Skilled staff	52 _20.9%_	56 _22.5%_	89 _35.7%_	9 _47.4%_	6 _31.6%_	3 _15.8%_	3 _60%_	1 _20%_	1 _20%_
Internet facilities internet access and website	58 _23%_	70 _27.8%_	103 _40.6%_	4 _21.1%_	3 _15.8%_	7 _36.8%_	1 _20%_	1 _20%_	
Attracting Indigenous staff	52 _20.8%_	29 _11.6%_	51 _20.4%_	5 _26.3%_	2 _10.5%_	11 _57.9%_	1 _20%_	3 _60%_	1 _20%_
Location of business	45 _18.6%_	67 _27.7%_	117 _48.3%_	2 _11.1%_	3 _16.7%_	12 _66.7%_	1 _20%_	1 _20%_	3 _60%_
Telecomm-unications	36 _14.2%_	79 _31.2%_	133 _52.6%_	4 _20%_	6 _30%_	9 _45%_	3 _60%_		2 _40%_
Total		253			20			5	

Table 78: Current Adequacy of Key Factors

	Percentage of respondents			
	Not Applicable	Poor/Somewhat Adequate	Adequate	Good/Excellent
Profit	5.8	30.7	22.4	41.2
Finance e.g. bank loans	20.7	25.2	20.1	34
Promotion and marketing	4.2	19.2	28.8	47.9
Sales	4.5	19.1	24.5	51.9
Access to key business services and advice	4.8	16.5	19.7	59
Attracting Indigenous staff	33.8	14.6	12.1	39.5
Physical facilities such as buildings	3.2	13.7	24	59.1
Accounting systems	0.6	8.6	14.9	75.9
Skilled staff	17.6	8.3	14.4	59.7
Location of business	4	7.3	20	68.7
Internet facilities (internet access and website)	1.3	5.1	14.6	79
Telecommunications	0.3	3.5	11.7	84.4

Table 79: Current Adequacy of Key Factors by Region

Key Factor	Urban			Regional			Remote		
	Poor/ Somewhat Adequate	Adequate	Good/ Excellent	Poor/ Somewhat Adequate	Adequate	Good/ Excellent	Poor/ Somewhat Adequate	Adequate	Good/ Excellent
Profit	49 *30.2%*	33 *20.4%*	71 *43.8%*	37 *34.6%*	25 *23.4%*	37 *34.6%*	10 *22.7%*	12 *27.3%*	21 *47.7%*
Promotion and marketing	29 *17.8%*	35 *21.5%*	90 *55.2%*	26 *24.8%*	32 *30.5%*	44 *41.9%*	5 *11.1%*	23 *51.1%*	16 *35.6%*
Accounting systems	16 *9.8%*	19 *11.7%*	126 *77.3%*	10 *9.3%*	17 *15.9%*	80 *74.8%*	1 *2.2%*	11 *24.4%*	33 *73.3%*
Sales	27 *16.6%*	35 *21.5%*	96 *58.9%*	27 *25.5%*	28 *26.4%*	44 *41.5%*	6 *13.3%*	14 *31.1%*	23 *51.1%*
Finance e.g. bank loans	44 *27.3%*	24 *14.9%*	54 *33.5%*	25 *24%*	24 *23.1%*	32 *30.8%*	9 *20.5%*	14 *31.8%*	19 *43.2%*
Access to key business services and advice	25 *15.5%*	35 *21.7%*	90 *55.9%*	19 *18.3%*	15 *14.4%*	67 *64.4%*	7 *15.6%*	11 *24.4%*	26 *57.8%*
Physical facilities such as buildings	26 *16%*	40 *24.5%*	90 *55.2%*	14 *13.3%*	20 *19%*	70 *66.7%*	3 *6.7%*	15 *33.3%*	25 *55.6%*
Skilled staff	12 *7.4%*	18 *11%*	106 *65%*	8 *7.5%*	15 *14.2%*	62 *58.5%*	6 *13.6%*	12 *27.3%*	19 *43.2%*
Internet facilities, internet access and website	5 *3.1%*	17 *10.4%*	138 *84.7%*	11 *10.3%*	21 *19.6%*	74 *69.2%*		8 *17.8%*	37 *82.2%*
Attracting Indigenous staff	21 *13%*	15 *9.3%*	66 *40.7%*	18 *16.8%*	18 *15.9%*	39 *36.4%*	7 *15.6%*	6 *13.3%*	19 *42.2%*
Location of business	14 *8.6%*	35 *21.6%*	107 *66%*	6 *6.1%*	19 *19.2%*	69 *69.7%*	2 *5.1%*	6 *15.4%*	30 *76.9%*
Telecomm-unications	7 *4.3%*	14 *8.6%*	141 *86.5%*	3 *2.8%*	17 *15.9%*	87 *81.3%*	1 *2.2%*	6 *13.3%*	
Total		158			88			33	

Table 80: Current Adequacy of Key Factors by Business Ownership

Key Factor	Private			Community			Cooperative		
	Poor/ Somewhat Adequate	Adequate	Good/ Excellent	Poor/ Somewhat Adequate	Adequate	Good/ Excellent	Poor/ Somewhat Adequate	Adequate	Good/ Excellent
Profit	78 *30.7%*	58 *22.8%*	112 *44.1%*	15 *31.9%*	12 *25.5%*	14 *29.8%*	1 *10%*		3 *30%*
Promotion and marketing	52 *20.6%*	68 *26.9%*	126 *49.8%*	6 *12.5%*	20 *41.7%*	16 *33.3%*	2 *20%*	2 *20%*	6 *60%*
Accounting systems	27 *10.6%*	42 *16.5%*	185 *72.5%*		4 *8.3%*	1 *10%*		1 *10%*	9 *90%*
Sales	48 *18.9%*	66 *26%*	137 *53.9%*	9 *18.8%*	11 *22.9%*	22 *45.8%*	1 *10%*		4 *40%*
Finance e.g. bank loans	67 *26.8%*	49 *19.6%*	84 *33.6%*	9 *19.1%*	12 *25.5%*	18 *38.3%*	2 *20%*	1 *10%*	30 *30%*
Access to key business services and advice	43 *17.2%*	50 *20%*	143 *57.2%*	6 *12.5%*	10 *20.8%*	31 *64.6%*	2 *20%*	10 *10%*	7 *70%*
Physical facilities such as buildings	33 *13%*	65 *25.7%*	146 *57.8%*	7 *14.6%*	9 *18.8%*	31 *64.4%*	3 *30%*	1 *10%*	60 *60%*
Skilled staff	17 *6.7%*	32 *12.6%*	149 *58.9%*	9 *18.8%*	12 *25%*	27 *56.2%*		1 *10%*	9 *90%*
Internet facilities, internet access and website	13 *5.1%*	36 *14.1%*	203 *79.6%*	2 *4.2%*	9 *18.8%*	36 *75%*	1 *10%*	1 *10%*	8 *80%*
Attracting Indigenous staff	39 *15.4%*	27 *10.6%*	83 *32.7%*	5 *10.4%*	9 *18.8%*	33 *68.8%*	1 *10%*	2 *20%*	7 *70%*
Location of business	19 *7.8%*	54 *22.2%*	159 *65.4%*	3 *6.7%*	3 *6.7%*	38 *84.4%*		3 *30%*	7 *70%*
Telecommunications	11 *4.3%*	32 *12.5%*	212 *83.1%*		5 *10.4%*	42 *87.5%*			10 *100%*
Total		255			48			10	

5.8   Business Succession

Respondents were asked about future expectations for their business and if they had a succession plan.

Future expectations: The majority of businesses expected to be continuing for more than 10 years (62.9%). However, 17.9% had a much more limited expectancy for the period that they would continue operations (see Table 81).

Table 81: Lifespan of Business

| Years | N | Respondents | | | | | |
		Urban	Regional	Remote	Private	Community	Cooperative
Less than 1 year	3 *0.9%*	2 *1.2%*	1 *0.9%*		3 *0.9%*		
1-5 years	54 *17%*	26 *15.7%*	16 *15%*	12 *26.7%*	39 *15.2%*	13 *26.5%*	2 *20%*
6-10 years	60 *18.9%*	31 *18.7%*	16 *15%*	13 *28.9%*	53 *20.6%*	5 *10.2%*	2 *20%*
11-20 years	54 *17%*	30 *18.1%*	20 *18.7%*	*4 8.9%*	47 *18.3%*	6 *12.2%*	1 *10%*
21+ years	146 *45.9%*	76 *45.8%*	54 *50.5%*	16 *35.6%*	114 *44.4%*	25 *51%*	5 *50%*
Total	317	166	166	166	257	166	10

Succession planning: Two thirds of respondents (67.7%) had thought about who would replace them if they were unable to continue working in the business, with the majority planning for a family member of existing partner in the business to take over.

Table 82: Succession Plan

	N	Respondents					
		Urban	Regional	Remote	Private	Community	Cooperative
Family member	92	56	25	11	91	1	
	44.2%	47.1%	40.3%	40.7%	52.6%	3.7%	
Existing partner in the business	31	26	3	2	22	7	1
	14.9%	21.8%	4.8%	7.4%	12.7%	25.9%	14.3%
Purchaser	27	15	11	1	25	2	
	13%	12.6%	17.7%	3.7%	14.5%	7.4%	
Friend	5	2	2	1	4	1	
	2.4%	1.7%	3.2%	3.7%	2.3%	3.7%	
Employee	40	12	18	10	20	14	6
	19.2%	10.1%	29%	37%	11.6%	51.9%	85.7%
Other	13	8	3	2	11	2	
	6.3%	6.7%	4.8%	7.4%	6.4%	7.4%	
Total	208	119	62	27	173	27	7

6. Multivariate Quantitative Results

6.1   Effects of Marketing Practices on Business Performance[5]

In order to gain an understanding of what communication channels Indigenous businesses are using, the answers to four research questions were sought. Firstly, we aimed to identify how communication channel usage differs between private, community-owned and cooperative enterprises. We found that community-owned and cooperative businesses were higher uses of all communication channels except word-of-mouth, social media and E-bay, where the use of these communication channels were the same for both types of businesses (see Table 83). The greatest differences in communication channel use were in distribution of fliers or brochures, radio

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[5] This section was completed with Tracey Trudgett-Gale, who completed this work as part of her honours dissertation.

advertising and attending events, most of which are traditional forms of communication and all of which are significant at the 10% level or lower (see Table 83). This may be due to community-owned/cooperative businesses having the resources both in funding and manpower to conduct more traditional forms of promotions and to do so in a range of different formats. There were smaller and insignificant differences in communication channel use between the business types in the use of Yellow Pages, Internet Marketing and Black Pages.

Word-of-mouth was consistently the most used communication channel across all business types, with website and attending events the next two highest for all business types. Word-of-mouth, or the 'Koori Grapevine' as it is referred to in Australian Aboriginal circles (Willmett, 2008), is known to be an effective and widely used communication method in the Aboriginal community. Hence, its popularity as a promotional tool for Indigenous business owners is not unexpected. The least used communication channel by all businesses was E-bay, closely followed by Black Pages, Billboards and TV Commercials. The main reasons given about why these communication channels were the least used were irrelevance; for example why would a builder advertise on E-bay or there was unawareness of the channel or cost. Cost was a major factor with most businesses studied and many felt the outlay required for a TV Commercial was too high for any possible return they may receive. This is consistent with findings more generally in the SME literature (O'Dwyer, Gilmore and Carson, 2009).

Table 83: Mean values of communication channels across business type

	All businesses	Community owned/ cooperative	Privately owned	F/Chi-square test (p-values)
Traditional				
Newspaper advertisement	1.6	1.9	1.5	0.012
TV Commercial	1.2	1.4	1.2	0.002
WOM	4.5	4.5	4.5	0.950
Distribute Fliers or Brochures	2.3	2.8	2.2	0.001
Radio Advertising	1.4	1.9	1.3	0.009
Magazine Advertising	1.4	1.6	1.3	0.022
Direct Mailing of Information	1.5	1.6	1.4	0.698
Yellow Pages	1.5	1.6	1.5	0.925
Billboards	1.2	1.4	1.1	0.027
Social				
Website	3.1	3.4	3.0	0.055
Internet Marketing	2.1	2.1	2.0	0.427
Social Media	2.4	2.4	2.4	0.955
Black Pages	1.2	1.3	1.2	0.474
Other				
Vouchers and Coupons	1.3	1.5	1.2	0.021
Attend events	2.7	3.1	2.6	0.080
E-Bay	1.1	1.1	1.1	0.834

Key: 1 = Never used, 2 = Used and little effectiveness, 3 = Used and somewhat effective, 4 = Used and effective, 5 = Used and very effective.

The next research question examined the relationship between firm location and communication channel usage. Urban-based businesses were found to use website, internet marketing and social media as communication channels at a higher rate compared to remote or regionally-based businesses. Of these, differences in the usage of internet marketing and website were found to be significant at the 1% level, while social media is significantly different at the 5% level.

Urban-based businesses had the highest rate for attending events, which is different to remote based businesses (see Table 84). This is significant at the 1% level, which suggests that remote-based businesses do not have the same opportunity to attend events to network and build relationships

with customers, suppliers or other business owners. The cost associated with attending events may also be a contributing factor.

Regional and remote based businesses were more likely to use traditional forms of communication, including the Yellow Pages and Billboards (see Table 84). This is consistent with Australian SME research, as traditional communication channels have been found to be valuable for regionally based SME's due to their cost-effectiveness and ability to reach a large percentage of the target market (Hailey, 2001). However, no other significant differences in the usage of traditional channels across location was observed.

Table 84: Mean values of communication channels across location

	Urban	Regional	Remote	F-test (p-values)
Traditional				
Newspaper advertisement	1.5	1.7	1.7	0.200
TV Commercial	1.1	1.3	1.3	0.123
WOM	4.5	4.5	4.7	0.474
Distribute Fliers or Brochures	2.4	2.3	2.1	0.301
Radio Advertising	1.4	1.5	1.5	0.803
Magazine Advertising	1.4	1.4	1.2	0.438
Direct Mailing of Information	1.5	1.5	1.4	0.797
Yellow Pages	1.3	1.7	1.6	0.001
Billboards	1.1	1.1	1.5	0.004
Social				
Website	3.4	2.8	2.5	0.000
Internet Marketing	2.3	2.0	1.4	0.001
Social Media	2.6	2.3	1.9	0.029
Black Pages	1.2	1.3	1.0	0.032
Other				
Vouchers and Coupons	1.3	1.2	1.4	0.412
Attend events	3.0	2.5	2.0	0.000
E-Bay	1.2	1.1	1.0	0.298

Key: 1 = Never used, 2 = Used and little effectiveness, 3 = Used and somewhat effective, 4 = Used and effective, 5 = Used and very effective.

The third research question aimed to identify the main segments of businesses in terms of communication channel usage and their characteristics. Cluster analysis was completed by clustering on usage of different communication channels. Three clusters were found to exist. Cluster one, titled *Traditional plus Social Media Users* makes up 24.1% of all businesses studied. Cluster two named *Electronic and Social Media Users* makes up 50% of all businesses studied, while cluster three called *Limited Promotions* consists of 25.9% of businesses (see Table 85).

Table 85: Mean values of communication channel usage across segments

	Segments		
	Traditional plus Social Media Users	**Electronic and Social Media Users**	**Limited Promotions**
Segment Size	**24.1%**	**50.0%**	**25.9%**
Traditional			
Newspaper advertisement	2.40	1.29	1.41
TV Commercial	1.22	1.17	1.18
WOM	4.74	4.48	4.47
Distribute Fliers or Brochures	3.43	2.22	1.56
Radio Advertising	2.09	1.33	1.07
Magazine Advertising	1.82	1.23	1.18
Direct Mailing of Information	2.01	1.24	1.37
Yellow Pages	1.59	1.38	1.69
Billboards	1.23	1.11	1.22
Social			
Website	3.96	3.52	1.42
Internet Marketing	3.78	1.70	1.10
Social Media	3.21	2.55	1.28
Black Pages	1.32	1.24	1.14
Other			
Vouchers and Coupons	1.62	1.21	1.10
Attend events	3.86	2.56	1.76
E-Bay	1.21	1.11	1.11

Key: 1 = Never used, 2 = Used and little effectiveness, 3 = Used and somewhat effective, 4 = Used and effective, 5 = Used and very effective.

Cluster one is made up of businesses who are extensively using a range of traditional and non-traditional communication channels for promotion, hence their name: *Traditional plus Social Media Users*. They are the highest users of newspaper advertisement, TV commercial, distributed fliers and brochures, radio and magazine advertising, direct mailing of information, billboards, website, internet marketing, social media, Black Pages, vouchers and coupons, attend events and E-Bay (see Table 85). They are the highest users of all the communication channels except for Yellow Pages, where they are the second highest users.

This segment consists of more community-owned and cooperative businesses compared to the two other segments (see Table 86). It has the least number of privately-owned businesses across the clusters, a difference which is significant at the 5% level. It also consists of more urban-based businesses, which is significant at the 1% level. Business owners in this cluster are more likely to be tertiary educated which is also significant at the 1% level (see Table 88).

Currently, businesses in this cluster appear to be benefitting from using a range of traditional and non-traditional communication channels for promoting their business. In Table 87, it is evident that businesses in this cluster are experiencing more growth, as they are more likely to be moving into bigger premises (significant at 1% level), establishing additional outlets and increasing the number of staff. Their perception of the adequacy of their sales and profit is also the highest. Of all three clusters, it was found that this cluster- *Traditional plus Social Media Users* - are more likely to have a business plan (significant at the 1% level).

In terms of the owners' own perception of their businesses promotion and marketing efforts, cluster one are less likely to consider their efforts adequate (see Table 87). This significant finding arguably demonstrates a more realistic appraisal and suggests businesses within this cluster recognise the importance of promotions and the complexity in getting it right. They are more concerned about the influence this can have on their businesses performance and therefore conduct it more often.

Table 86: Percentage of Segments across Business Type and Location

	Traditional plus Social Media Users	Electronic and Social Media Users	Limited Promotions	F/Chi-square test (p-values)
Community Owned	23%	13%	11%	0.044
Cooperative	5%	3%	1%	0.350
Privately owned	71%	83%	88%	0.021
Urban	64%	54%	39%	0.006
Regional	29%	35%	36%	0.536
Remote	8%	11%	25%	0.002

Table 87: Firm Performance Across Segments

	Traditional plus Social Media Users	Electronic and Social Media Users	Limited Promotions	F/Chi-square test (p-values)
Diversified in the last 5 yrs	58%	56%	37%	0.008
Started new business activity at different location	28%	18%	14%	0.099
Perception of promotion and marketing	3.40	3.43	3.82	0.000
Perception of sales	3.63	3.50	3.52	0.176
Perception of profit	3.41	3.15	3.30	0.207
Business plan	3.79	3.62	2.72	0.000
Increased number of staff over past 5 years	53%	47%	38%	0.231
Moved into bigger premises	49%	31%	19%	0.001
Purchased additional plant and equipment	80%	71%	77%	0.405
Establishing additional outlets	34%	28%	18%	0.103
Adequacy of cash flow	2.92	2.69	2.99	0.228
Used mentor set up	19%	22%	13%	0.267
Sales Increase	56%	55%	45%	0.320
Profit Increase	52%	52%	44%	0.531

Cluster two named *Electronic and Social Media Users* consists of businesses who are primarily using electronic and social communication channels to promote their business. They are not the highest users of any communication channels, however they are the second highest users of word of mouth, distributed fliers and brochures, radio advertising, magazine advertising, website, internet marketing, social media, Black Pages, vouchers and coupons and attend events (see Table 3). Although they are the second most active group in terms of the range of communication channels they are using, this cluster still tends to favour the new and social channels including word of mouth, website, attend events and social media.

Electronic and Social Media Users have a large proportion of urban-based businesses. There is only a small proportion of remotely-based businesses, with regional businesses making up just over one third of all businesses within this segment (see Table 86). In terms of business type, cluster two has a high percentage of private businesses, less than cluster three but more than cluster one which is significant at the 5% level (see Table 86). This segment also has the highest percentage of female business owners and the second highest percentage of tertiary-educated businesses owners.

Cluster two is the biggest segment, making up half of all businesses sampled. It is therefore apparent that there are a lot of Indigenous businesses who require assistance with the promotion of their businesses. They may be relying on social media communication channels too heavily and may benefit from information on the effectiveness of traditional communication channels in addition to what they are already utilising (Chaston and Mangles, 2002). Also, cluster two's low usage of traditional channels may reflect the low priority among this group for mentoring and advice (the lowest across all groups, which is significant at the 5% level), and the relatively low priority given to promotions (the second lowest across all groups, significant at 1%), (see Table 89).

Table 88: Socio-demographics Across Segments

	Traditional plus Social Media Users	Electronic and Social Media Users	Limited Promotions	F/Chi-square test (p-values)
Female	37%	44%	33%	0.218
Age of Business Owner	44	46	47	0.501
Married	53%	59%	58%	0.718
Partner Involved	48%	39%	43%	0.385
Tertiary Education	71%	61%	46%	0.004
Technical Trade	13%	21%	31%	0.017

Cluster three, named *Limited Promotions,* use communication channels on a limited basis only. They are the highest user of the Yellow Pages alone across the three clusters (see Table 85), suggesting a preference for locally based traditional communication channels. They are the second highest users of newspaper advertisement, TV commercial, direct mailing of information and billboards (see Table 3). Their use of these channels however is still quite limited. Businesses within this cluster use word of mouth the most, distantly followed by attending events and the Yellow Pages. Radio advertising, internet marketing and vouchers and coupons are the least used communication channels for this cluster; and overall they use communication channels at the lowest level.

Cluster three is largely dominated by privately-owned businesses (see Table 4). They also have the largest number of remote businesses across the clusters (see Table 4) and are also more likely to be technically trained or have a trade qualification as opposed to a tertiary education (see Table 88). This cluster also consists of the largest percentage of first time business owners across the three clusters.

This cluster, *Limited Promotions* are the least likely group to have a business plan or experience growth in the forms of increasing the number of staff, moving into bigger premises or establishing additional outlets and shopfronts. Businesses within this cluster have the lowest rate for diversification over the past five years (see Table 87). When asked to rank the most important factors in influencing the performance of their business, promotions received the lowest percentage, a significant finding at the 1% level (see Table 89). Businesses within this cluster are also less likely to believe there is a problem with their promotions (see Table 89). These findings indicate that the owners are not fully cognisant of their Marketing challenges and would therefore benefit from any assistance in this area.

Table 89: Ranking of most important factors across segments

	Traditional plus Social Media Users	Electronic and Social Media Users	Limited Promotions	F/Chi-square test
Staff - most important	54%	53%	47%	0.643
Own motivation - most important	68%	61%	79%	0.028
Training - most important	27%	32%	28%	0.790
Management - most important	60%	48%	44%	0.240
Quality product - most important	80%	69%	69%	0.275
Changing business strategy - most important	30%	42%	29%	0.145
Promotions - most important	38%	16%	11%	0.001
Mentoring/advice - most important	37%	17%	23%	0.022
Business and other networks - most important	27%	30%	38%	0.415

The fourth research question was focused on understanding how communication channel usage may influence firm performance. From the data collected, it is apparent that Indigenous businesses that are using a variety of communication channels are experiencing more growth (see Table 87).

Indigenous businesses within cluster one that are the highest users of most communication channels across the three clusters are more likely to increase the number of staff, move into bigger premises (significant to the 1% level), purchase additional plant and equipment and establish additional outlets. Businesses within this cluster also have the highest percentage of diversification over the past five years. Further evidence is indicated by the lower levels of sales and profit growth (approximately 8-10% lower) of cluster three when compared to cluster one. While this finding is not significantly different, it is suggestive of a link between communication channel usage and growth.

6.2 Effects of Business Networks on Business Performance

We next examine the participation of Indigenous businesses in business and other networks and the effect of this participation on business performance.

As shown in Table 90, the networks that the businesses surveyed most frequently participated in were community organisations and primary or secondary school. Following this was local government, sports teams or clubs, local business organisations (eg Chambers of Commerce), Aboriginal Lands Council and State or National Business Organisations. Overall there was relatively low levels of engagement with Supply Nation, Aboriginal Chambers of Commerce, the Church and Indigenous Business Australia.

To further investigate network engagement among Indigenous businesses and its effect on business performance, a segmentation analysis was conducted. A hierarchical cluster analysis was conducted using Ward's method, based on participation in the networks listed in Table 90. A three segment solution resulted, as also shown in Table 90. The first segment which is labelled *Strong Networks* consisted of 32% of the sample. As its name suggests, the members of this segment have a range of strong networks. For all of the networks apart from Local Business Organisation and State or National Business Organisation, they have the highest level of network engagement. The second segment labelled *Business Networks Only* (22% of businesses only) has the highest level of network engagement of all the segments for Local Business Organisation and State or National Business Organisation, and the second highest level of engagement for Community Organisation, Indigenous Business Australia, Aboriginal Chamber of Commerce, Supply Nation, Local Government and Land Council. For the remaining generally community-related networks (eg Primary or Secondary School, Church, Sports Team or Club) this segment had the lowest engagement. The remaining segment *School and Sports Networks Only,* which was the largest segment with 45% of businesses, had the lowest network engagement for all networks apart from Primary or Secondary School, Church and Sports Team or Club, where it had the second highest level of engagement. Thus members of this

segment are likely to have low network engagement apart from a few community-oriented networks.

Table 90: Segment size and Network Participation across Network Segments

	Strong networks	Business networks only	School and sport networks only	All businesses
Segment size	32%	22%	45%	--
Primary of Secondary School	3.87[#]	2.45	2.77	3.04
Church	2.51	1.25	1.65	1.83
Sports Team or Club	3.92	1.99	2.47	2.80
Community organisation (such as cultural group, men's or women's group, Rotary etc)	4.17	3.61	2.51	3.28
Indigenous Business Australia	2.49	2.06	1.96	2.14
Local Business Organisation eg Chamber of Commerce	3.22	3.30	1.83	2.58
Aboriginal Chamber of Commerce	2.52	1.64	1.31	1.77
State or National Business Organisation	3.13	3.52	1.64	2.54
AIMSC/Supply Nation	2.11	1.59	1.49	1.71
Local Government	3.82	3.10	1.95	2.81
Aboriginal Land Council	3.05	2.59	2.18	2.55

1 – don't talk with, 2 – rarely talk with (yearly or less often), 3- sometimes talk with (every few months), 4 – often talk with (about monthly), 5 – frequently talk with (about weekly)

The location and ownership of businesses in the three segments is shown in Table 91. Urban businesses are more likely to be in the *Strong Networks* or *Business Networks Only* segments, while remote businesses are most likely to be in the *School and Sports Networks Only* segment. Community-owned enterprises are most likely to be represented in the *Business Networks Only* segment, followed by the *Strong Networks* segment, while cooperative businesses are most likely to be in the *Strong Networks* segment. Privately-owned businesses comprise the majority of all segments, but comprise the largest percentage of the *School and Sport Networks Only* segment.

Table 91: Network Segment Membership across Business Location and Business Ownership Type

	Strong networks	Business networks only	School and sport networks only	Chi-square
Urban	60%	57%	44%	8.084*
Regional	31%	28%	38%	
Remote	9%	16%	18%	
Privately owned	72%	74%	91%	21.803***
Community owned	19%	25%	8%	
Cooperatively owned	7%	1%	1%	

Network engagement is associated with much higher business performance. Respondents in the *Strong Networks* segment had much higher perceived cash flow, were more likely to report increased sales, were most likely to have increased staff and moved into bigger premises, and were much more likely than respondents in the *School and Sport Networks Only* segment to have established additional offices, outlets or shopfronts (see Table 92). Note that for two of the indicators, profit increase and purchasing additional plant and equipment, no significant differences were identified across the segments. Members of the *Business Networks Only* generally were the second highest on most indicators including sales increase, increasing number of staff, and moving into bigger premises. They however had the highest number of members establishing additional offices, outlets or shopfronts and the lowest perceived cash-flow, which may be related. The *School and Sports Networks Only* had the worst results for all of the performance indicators apart from, as noted, perceived cash flow.

Thus it appears that there is a strong association between the engagement of businesses in networks and performance. The largest group of business (45%) in the *School and Sport Networks Only* segment, however, have limited network engagement are thus missing out on the business opportunities and informal training and mentoring that occurs through networks. This is most likely to be the case in remote or regional areas, and among privately-owned businesses. Thus any strategy seeking to improve network engagement among Indigenous businesses could focus on assisting private businesses in these locations.

Table 92: Effects of Network Segment Membership on Business Performance

	Strong networks	Business networks only	School and sport networks only	Chi-square
Cash flow#	3.04	2.35	2.86	20.438***
Sales increase	35%	28%	23%	8.717*
Profit increase	27%	27%	18%	7.080
Increased number of staff	62%	43%	34%	14.592***
Moved into bigger premises	41%	37%	22%	8.474***
Purchased additional plant and equipment	75%	82%	71%	2.221
Established additional offices, outlets or shopfronts	32%	33%	20%	4.652*

1 – not enough to cover the most important things that the business needs to do, 2 – enough to cover the most important things that the business needs to do, 3 – enough to cover only some of the things that the business needs to do, 4- enough for just about everything the business needs to do, 5-enough for just about everything the business needs to do and some left over for investing in the business

*** significant at 1% level, * significant at 10% level

6.3   Drivers of Business Success

Regression Analysis

We next present the results of regression analysis designed to identify the factors influencing the success of privately and community-owned Indigenous enterprises. Several dependent variables are used in this analysis. The <u>first</u> dependent used was sales revenue; this was an ordered dependent variable where 1 - <$50,000, 2- $50,001-$200,000, 3-$200,001-$500,000, 4-$500,001-$1 million, 5-more than $1 million.

The <u>second</u> dependent variable is a growth index that was based on the achievement of up to four behavioural growth outcomes over the past five years. Specifically, did the business:

- Increase number of staff
- Move into bigger premises
- Purchase additional plant and equipment
- Establish additional offices, outlets or shopfront

The <u>third</u> dependent variables used was an ordinal dependent variable for the number of employees, where 1 – 1 employee, 2 – 2-5 employees, 3 – 6-10 employees, 4 – 11 plus employees.

The <u>fourth</u> dependent variables used was also an ordinal dependent variable representing the length of time the business has remained in operation, where 1 – 0-2 years, 2 – 3-5 years, 3 – 6-12 years and 4 – 13 plus years.

A range of independent variables were analysed for their effect on firm performance, based on the initial conceptual model underpinning the research and qualitative findings. The independent variables included in the model are summarised in Table 93. Based on the conceptual model a number of other variables were tested but were excluded as their effects were insignificant[6].

Table 93: Definition of Independent Variables include in the Regression Models

Variable	Definition
Control Variables	
Regional	Dummy variable indicating that business was located regionally, urban was the missing category
Remote	Dummy variable indicating that business was located remotely, urban was the missing category
Female	Dummy variable to represent female entrepreneur interviewed, male the missing category
Business Practice Variables	
Business Plan	Variable that measures sophistication of business plan (1-none, 2-yes, in my head, 3-yes, written down, but it's fairly basic, 4-yes, written down, it's substantial but it needs more work, 5-yes, written down, and it's complete and up to date)
Recording Daily Activities	Variable that measures system used to plan and record daily activities (1-none, 2-paper diary, 3-computer-based record-keeping system that combines diary, activities etc)
Accounting System	Variable that measures sophistication of accounting system (1-none, 2-paper ledger book, 3-computer spreadsheet program (eg Excel), 4-send accountants into an accountant or get help from a book keeper, 5-computer-based cashbook system (eg MYOB)
Internet Usage	Index measuring extent of internet usage (1 point each for each of email, website, social media for promotions, Skype, purchasing goods)
Diversification	Dummy variable representing whether respondent has substantially altered production or services in response to changes in market prices or environmental conditions in the past five years
Promotions	Respondents indicated their usage of 16 different promotional techniques on a five point scale, ranging from 1 - never used to 5 – used and very effective. This variable was calculated by summing responses to usage of these 16 techniques, and dividing by 16.

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[6] These other variables included a few other social capital measures (connectedness, sense of place and trust in government), an entrepreneurial innovativeness scale, a motivation scale, previously worked in industry, first business, received finance or assistance since business established (several different variables were trialled), export, supplies products to the Aboriginal community, TAFE/Technical qualification, proportion of Indigenous ownership, marital status and age of the entrepreneur.

Indigenous Products	Dummy variable to represent that the business supplies Indigenous products, otherwise the missing category
Branded as an Aboriginal Business	Dummy variable to represent that the business is branded as an Aboriginal business, otherwise the missing category
Business Support Variables	
Mainstream government and business network engagement	Index representing engagement in three mainstream government and business networks – local government, local business organisation (such as a Chamber of Commerce) and State or National Organisation. Engagement was measured on a five point scale ranging from 1 (Don't talk with) to 5 (Frequently talk with, (about weekly)). Responses to engagement with each of these organisations was summed and divided by three.
Indigenous business network engagement	Index representing engagement in three Indigenous business networks – Indigenous Business Australia, Supply Nation and Aboriginal Chamber of Commerce. The index was calculated in the same way as the previous variable.
Mentor	Dummy variable to represent that an advisor/mentor/coach helped set up the business, otherwise the missing category
Received Commercial Bank Loan	Successful in receiving a Commercial Bank Loan or a Mortgage to support setting up business
Indigenous Partner	Dummy variable to represent that the interviewee's partner is Indigenous, not having an Indigenous partner is the missing category
Non-Indigenous Partner	Dummy variable to represent that the interviewee's partner is non-Indigenous, not having a non-Indigenous partner is the missing category
Degree or Diploma in Business	Dummy variable to represent that the interviewee has a Tertiary level degree or diploma in Business, not having a degree or diploma is the missing category
Business Certificate	Dummy variable to represent that the interviewee has TAFE or Private College business certificate, not having a business certificate is the missing category

Two sets of regression equations were estimated. The first set focuses on the effect of business practices on business performance. To each of these equations, three control variables are added: two for location (Regional and Remote) plus gender.

Effects of Business Practices on Indigenous Business Performance

The first four models are presented in Table 94. These four models contain the entire sample of businesses and differ according to their dependent variables. When examining the pseudo R^2 statistics, it should be noted that these are relative measures similar to the AIC, and should not be interpreted similar to the coefficient of variation (R^2) measure in ordinary least squares regression.

Regarding the control variables, the models indicate that growth, number of employees, age of business and sales revenue tend to be lower for female-run businesses. This is consistent with the additional challenges facing female entrepreneurs documented in the qualitative findings. The effects of location vary, with regional and remote business growing more quickly than urban

businesses (the missing category) but remote businesses have fewer employees. There is also some weak evidence that remote businesses have higher sales revenue than urban business (p<0.15).

Regarding business practices, the sophistication of business planning, accounting systems and promotions were all positively related to the growth index and the number of employees. The extent of internet usage had a marginally significant effect on the growth index and on sales revenue; however this variable was moderately correlated (r=0.560) with promotions which is an indicator of multicollinearity. When promotions was removed from the four equations, then internet usage was a significant explanatory variable for both the growth index and sales revenue at the 1% significance level, and had a relatively large magnitude which indicates that it is closely associated with business performance. Diversification had a positive and highly significant effect on the growth index, business longevity and sales revenue. Unsurprisingly its largest effect was on business longevity. The method used to record daily activities intriguingly had a highly significant and negative effect on the growth index but was positively associated with age of the business. It is not clear why this is the case, but it could be either related to (1) the types of businesses whose owners/managers tend to use diaries, especially electronic diaries which the majority of business owners used or (2) the multi-tasking that often accompanies the usage of electronic diaries. Selling Indigenous products was negatively related to number of employees and sales revenue, while being branded as an Aboriginal business was positively related to number of employees, most probably reflecting that cooperatives and community-owned businesses are more likely to be branded as Aboriginal businesses.

Models 5-8 in Table 95 all have the growth index as their dependent variable, and explore how the effect of practice variables on growth changes depending on whether revenue is below or above $200,000 or whether the business is privately or community-owned. It should be noted that the sample sizes of some models (eg Model 6 and 8) are relatively small, so there is a lack of statistical power. Variables that are marginally significant (ie p<0.15), such as in Model 6, would be likely to become significant with a larger sample size.

For the control variables, we find that 'female' is now only negative and significant for privately owned firms. Further, none of the location variables are significant. For smaller firms (Model 5, revenue less than $200,000), promotions and diversification are the only positively signed and significant variables, and the magnitude of the coefficient for promotions has increased substantially. For larger firms (Model 6), having a business plan, sophistication of accounting systems and extent of internet usage all have a positive effect on growth, though as noted the coefficients are marginally significant (p<0.15). These three variables are however significant at

conventional levels or better in Model 7 for privately- owned businesses; in addition diversification is also significant. For community-owned or cooperative businesses only diversification is positive and significant and being branded as an Aboriginal business has a negative and significant effect on growth. Selling Indigenous products is not significant in any of these four equations.

Table 94: Ordinal Regression Models showing the effect of Location, Gender and Business Practice Variables on Four Different Measures of Firm Performance

	Model 1	Model 2	Model 3	Model 4
Sample	All Businesses			
Dependent variable	Growth Index	Number Employees	Age Business	Sales Revenue
Independent variables:				
Regional	.399*	-.427*	.170	.058
Remote	.575*	.348	.229	.553#
Female	-.369*	-.391*	-.445**	-.931***
Business Plan	.175**	.213***	-.154**	.075
Recording Daily Activities	-.245**	.023	.167*	-.038
Accounting System	.236**	.524***	.061	.356***
Internet usage	.218#	-.127	-.156	.233#
Diversification	.621***	.200	.801***	.417*
Promotions	.682***	.757***	.177	.137
Indigenous Products	-.236	-.554**	.338	-1.177***
Branded as an Aboriginal business	-.223	.473**	.233	.240
N	323	323	318	297
Cox and Snell Pseudo R^2	0.190	0.200	0.088	0.221
McFadden Pseudo R^2	0.069	0.083	0.033	0.086

*** significant at 1% level, ** significant at 5% level, * significant at 10% level, # significant at 15% level

Table 95: Ordinal Regression Models showing the effect of Location, Gender and Business Practice Variables on Four Different Measures of Firm Performance, based on Sub-Sets of the Data Adjusted for Revenue Business and Ownership

	Model 5	Model 6	Model 7	Model 8
Sample	Revenue < $200K	Revenue > $200K	Privately owned	Community /Coop owned
Dependent variable	Growth Index	Growth Index	Growth Index	Growth Index
Independent variables:				
Regional	.267	.211	.214	.899
Remote	.650	.010	.444	.319
Female	-.256	-.037	-.402*	-.287
Business Plan	.137	.209#	.138*	.157
Recording Daily Activities	-.266*	-.236#	-.312***	-.222
Accounting System	.085	.346#	.211**	.552
Internet usage	.000	.369#	.254*	.330
Diversification	.573**	.428	.568**	1.064**
Promotions	1.061***	.441	.694**	.250
Indigenous Products	.188	-.124	-.181	-.365
Branded as an Aboriginal business	-.438	-.193	-.313	-1.816*
N	201	122	263	60
Cox and Snell Pseudo R^2	0.142	0.220	0.183	0.255
McFadden Pseudo R^2	0.058	0.078	0.068	0.092

*** significant at 1% level, ** significant at 5% level, * significant at 10% level, # significant at 15% level

Effects of Support Measures on Indigenous Business Performance

The next two sets of models focus on the effect of support variables on business performance. Here support variables are any factors that provide resources, knowledge or support that are likely to help increase business performance. These are differentiated from business practices as they provide insight into the types of policy mechanisms that may increase the performance of Indigenous businesses.

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As with the last regressions presented, we begin by examining the effect of these variables on four different measures of business performance (Table 96). In general the explanatory power of these models (Pseudo R^2 measures) is somewhat lower than for the regressions focusing on the effect of practice variables, although this might be expected as business performance is likely to be more related to actual practices than support that has or is being provided.

Starting with the control variables, the growth index is again slightly higher for regional and remote businesses compared to urban businesses, and sales revenue is higher for remote businesses compared to urban business (though this is marginally significant $p<0.15$). In these models being a female entrepreneur does not have a negative effect on either the growth index or number of employees, but is negative and significantly related to age of business and sales revenue.

The extent of engagement with non-Indigenous business networks is significantly related to the growth index, number of employees and the age of the business, while engagement in Indigenous business networks has no significant and positive association with any of the four dependent variables. Having a tertiary level degree or diploma in business is positively related to the growth index, number of employees and sales revenue, while having a business certificate is insignificant in all models. No other variables are significant in Model 9 (growth index) or Model 11 (age business). Thus the best predictors of growth and longevity are, apart from location and gender, having a tertiary qualification in business and participating in non-Indigenous business networks. However, for Model 10 (number of employees) and Model 12 (sales revenue) having a partner (either Indigenous or non-Indigenous) was positively and significantly related to the dependent variable. However, when non-Indigenous entrepreneurs are removed from the sample (11.7% of the sample), there is no significant effect of having a non-Indigenous or Indigenous spouse in Model 10, and only having a non-Indigenous spouse has a significant effect in Model 12. For Model 12 (sales revenue), having received a bank loan or mortgage had a positive although only marginally significant effect, but this variable was insignificantly related to all other dependent variables. It is possible that the discipline of having to pay back a loan acted as a constraint on the growth of these businesses. It is also noticeable and puzzling that the use of mentors to help start the business was not positively related to any of the dependent variables, and the only marginally significant association, which was also a negative association, was for Model 12 (sale revenue).

More nuanced results, however, are evident in Models 13 to 18, which all have the Growth Index as their dependent variable (Table 97). These models are based on sub-samples adjusted for age of the business and gender. The results show that engaging in Indigenous business networks are associated with higher growth for businesses operating five years or less (Model 13) and for either

gender (Models 14 and 15). For female-run businesses the magnitude of the coefficient is 57%[7] of the magnitude of the coefficient of having a Tertiary diploma or degree, indicating the importance of these networks for female entrepreneurs in early stage businesses. For male-run businesses operating five years or less (Model 15) engaging with non-Indigenous business networks is also associated with higher growth, but the association is not as large as with Indigenous business networks. However, for any business operating for more than five years (Models 16-18) engaging in more heterogeneous non-Indigenous business networks only is associated with higher growth. This suggests that for younger businesses bonding capital is important for growth, while when businesses develop (more than five years old) that bridging capital is more important.

Regarding qualifications, having a tertiary diploma or degree in business is significant and has a positive effect for businesses operating less or more than five years (Models 13 and 16) and for the female-specific models (Models 14 and 17) where the magnitude of the coefficient increases substantially. However, for the male-specific models (Models 15 and 18) having a degree or diploma is not significantly related to growth. This may reflect the types of industries that male entrepreneurs engage in, which tend to be more trade and construction related, or that males are not as effectively engaging with tertiary business education.

The association with the use of mentors with the Growth Index has changed markedly in Models 13-18. Mentors have a positive effect for all businesses operating for over five years (Model 16) and for male-run businesses operating for over five years (Model 18), but a negative effect on the Growth Index for businesses operating for less than five years (Model 13) or for male-run businesses operating for less than five years (Model 15). This is a puzzling finding. There are several possible explanations. One possibility is that the developmental strategies used by mentors to develop businesses are ineffective or inappropriate for younger businesses, but become more effective for mature businesses. Another interpretation is that mentors encourage a greater amount of consolidation and conservative behaviours in the early stages of the business, but this leads to more growth later. A further possibility is that businesses that are more likely to be struggling seek mentoring in the early stages of running a business, however if they survive then they are more likely to do well later.

The effect of having an Indigenous or non-Indigenous partner (either married or defacto) is also more nuanced. For businesses operating for over five years, no significant effect was identified. For

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[7] Note that involvement in networks is an index ranging from 1 to 5, while having a degree is dummy (0,1) variable. Thus the coefficient for the network variable represents the change in utility from a 1 unit increase in network engagement.

all firms operating less than five years (Model 13) having an Indigenous partner was found to have a positive and significant effect on firm performance, which is contrary to the literature which suggests that having a non-Indigenous partner is positive related to access to finance and higher levels of human capital (Foley 2006). However, the results for Model 14 indicate that having a non-Indigenous partner is positively and significantly related to growth for female entrepreneurs running businesses that have operated for less than five years. The magnitude of this coefficient is about 60% of the magnitude of the coefficient for having a private mentor at start-up, and is about 90% of the magnitude of the coefficient of having a tertiary diploma or degree, which indicates its importance. However, having an Indigenous partner is positively and marginally significantly related to growth for male entrepreneurs running businesses that have operated for less than five years. Note that these results did not change when those businesses that are run by non-Indigenous interviewees were removed from the sample.

Table 96: Ordinal Regression Models showing the effect of Location, Gender and Support Variables on Four Different Measures of Firm Performance

	Model 9	Model 10	Model 11	Model 12
Sample	All Businesses			
Dependent variable	Growth Index	Number Employees	Age Business	Sales Revenue
Independent variables:				
Regional	.474**	-.257	.036	-.003
Remote	.556*	.393	-.079	.512[#]
Female	-.253	-.335[#]	-.456**	-.969***
Non-Indigenous business networks	.368***	.350***	.183*	.097
Indigenous business networks	.118	-.119	-.201[#]	.044
Degree or Diploma in Business	.780***	.630**	.063	.714**
Certificate in Business	.054	.335	.010	.085
Mentor	.210	.256	-.382	-.603[#]
Partner Indigenous	.465[#]	1.154***	.226	.930***
Partner Non-Indigenous	.245	1.063***	-.201	.798***
Received loan	-.467	.295	-.083	.544[#]
N	324	324	318	298
Cox and Snell Pseudo R^2	0.122	0.140	0.045	0.157
McFadden Pseudo R^2	0.043	0.056	0.017	0.059

*** significant at 1% level, ** significant at 5% level, * significant at 10% level, [#] significant at 15% level

Table 97: Ordinal Regression Models showing the effect of Location, Gender and Support Variables on the Growth Index, based on Sub-Sets of the Data Adjusted for Age of Business and Gender of the Interviewee

	Model 13	Model 14	Model 15	Model 16	Model 17	Model 18
Sample	Age<6 years	Age<6 years Female = 1	Age<6 years Female = 0	Age>5 years	Age>5 years Female = 1	Age>5 years Female = 0
Dependent variable	Growth Index	Growth Index	Growth Index	Growth Index	Growth Index	Growth Index
Independent variables:						
Regional	.457	-.818[#]	1.218**	.607*	.832	.706*
Remote	.224	-.200	.372	1.136**	.808	1.558***
Female	-.280	--	--	-.273	--	--
Non-Indigenous business networks	.227[#]	-.292	.296[#]	.535***	.884***	.585***
Indigenous business networks	.399**	.848***	.421[#]	-.159	-.340	-.046
Degree or Diploma in Business	.854**	1.496**	.738	.804**	2.456***	-.168
Business Certificate	-.264	-.056	-.350	0.270	-.161	.498
Mentor	-0.896*	0.923	-1.795**	1.370**	.541	1.666**
Partner Indigenous	.942**	.231	1.176*	-.169	.549	-.448
Partner Non-Indigenous	.442	1.077*	.145	.085	-.457	.252
Received loan	-1.010*	--	--	.092	--	--
N	161	76	85	157	54	103
Cox and Snell Pseudo R^2	0.174	0.253	0.277	0.183	0.373	0.175
McFadden Pseudo R^2	0.063	0.102	0.105	0.066	0.160	0.064

*** significant at 1% level, ** significant at 5% level, * significant at 10% level, # significant at 15% level

Cluster Analysis

Next we present the results of a cluster analysis designed to classify businesses in terms of their performance. This additional analysis is completed to complement the regression analysis, to provide further insight into those businesses which are growing well versus those that are not. An issue with regression analysis is that it breaks performance down into sub-components. Thus a dummy variable for remotely located might be positive, suggesting that remote businesses are performing better than urban ones. However, this dummy variable only shows the effect of being remote after the effect of all other variables have been taken into account. Consequently, if remote businesses tend to have much poorer practices than urban businesses they might overall have much poorer performance, even if the dummy variable for remote was positive and significant. A cluster analysis is one way of overcoming this deficiency by grouping like businesses together.

In this analysis the clustering was conducted using the four business performance variables used as dependent variables in the previous section, namely: the growth index, number of employees, sales revenue and age of business.

This segmentation analysis produced four segments as follows:

- Segment 1: Moderate growth, larger businesses (24.9% of the sample)
- Segment 2: High growth, moderate sized businesses (20.8% of the sample)
- Segment 3: Newer lower growth and smaller size businesses (35.2% of the sample)
- Segment 4: Older lower growth and smaller size businesses (19.1% of the sample)

Moderate growth larger businesses (Segment 1) are most likely to be urban located, however there is a higher proportion of remotely located businesses compared to the low growth segments (Segments 3 and 4) and a smaller proportion of regionally located when compared to these two segments (though marginally significant, p=0.11) (Table 98). This segment contains a majority of privately-owned businesses, but has the highest percentage of community and cooperatively-owned businesses. It is the least likely segment to be female owned/managed. Businesses in this segment were the third most likely to have increased sales revenue and profit compared to the previous year, although the difference with Segment 3 is negligible.

High growth moderate sized businesses (Segment 2) are also overall most likely to be located in urban areas; however this percentage is the lowest of the four segments. It has the highest percentage of remotely-located businesses within a cluster, and the second highest percentage of regionally-located businesses within a cluster. The majority are privately owned, but there is a higher proportion of community-owned businesses than in either Segment 3 or 4, which are the two

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low growth segments. There is a moderate percentage of female entrepreneurs, and members of this segment as might be expected were most likely to have increased sales revenue and profit compared to the previous year.

Newer low growth and smaller size businesses (Segment 3) and *Older low growth and smaller size business* (Segment 4), are like the other segments most likely to be urban based. They contain a higher percentage of regional businesses and a smaller percentage of remote businesses than either Segments 1 or 2. As noted, they are also more likely to be privately owned. Segment 3 has the highest percentage of female entrepreneurs. As also noted, Segment 3 has had similar sales and profit increases over the past year to Segment 1; however Segment 4 is the only segment to have had declining sales and profit, which is consistent with the low value for the growth index. Overall, this suggests that there is a segment of older, small Indigenous enterprises which are in decline.

Table 98: Business Performance Segments, Segments Size, Segmenting Variables and Classification Variables

	Segment 1: Moderate growth larger businesses	Segment 2: High growth moderate sized businesses	Segment 3: Newer low growth and smaller size businesses	Segment 4: Older low growth and smaller size businesses	Chi-square test (p-value)
Segment size and segmenting variables					
Segment size	24.9%	20.8%	35.2%	19.1%	--
Growth Index	2.08	2.62	.78	.61	--
Number of employees (ordinal)	3.40	2.10	1.39	1.43	--
Sales Revenue (ordinal)	4.10	2.23	1.50	1.50	--
Age of business (ordinal)	2.95	2.70	1.50	3.48	--
Classification variables					
Regional	25%	31%	34%	39%	0.110
Remote	18%	20%	9%	5%	--
Urban	58%	49%	57%	55%	--
Privately-owned	71%	80%	92%	89%	0.001
Community-owned	23%	20%	6%	9%	0.003
Cooperatively-owned	5%	0%	1%	0%	0.036
Female	25%	39%	53%	39%	0.002
Change in sales compared to last year[#]	0.34	0.48	0.36	-0.15	0.003
Profit increased compared to last year[#]	0.30	0.40	0.31	-0.21	0.005

[#] 1 – increase, 0 - no change, -1 – decrease

Next we examine how business practices differ across the four segments (Table 99). Only four variables are significantly different across the four clusters: accounting systems, diversification, promotions and selling Indigenous products. These variables show that achieving either moderate or high growth is associated with more sophisticated accounting systems and more promotions. Business planning, while not significant, is more likely to be undertaken by businesses in Segments 1 and 2. Selling Indigenous products is least likely among the larger businesses (Segment 1) while diversification is less likely for entrepreneurs in Segment 3, most probably reflecting their small size and fewer years of operation.

Table 99: Business Performance Segments and Business Practices

	Segment 1: Moderate growth larger businesses	Segment 2: High growth moderate sized businesses	Segment 3: Newer low growth and smaller size businesses	Segment 4: Older low growth and smaller size businesses	Chi-square test/F-test (p-value)
Business Practices					
Business Plan	3.66	3.49	3.30	3.23	0.295
Recording Daily Activities	2.38	2.11	2.35	2.41	0.534
Accounting System	4.70	4.44	3.93	3.73	0.000
Internet usage	2.67	2.77	2.52	2.39	0.772
Diversification	59%	64%	37%	59%	0.002
Promotions	1.93	2.03	1.89	1.80	0.057
Indigenous Products	36%	57%	54%	64%	0.007
Branded as an Aboriginal business	58%	59%	61%	59%	0.970

In Table 100 the support activities undertaken by businesses in each of the four segments is examined. In this table there are significant differences for only three variables: engagement in non-Indigenous business networks, having a tertiary degree or diploma in business, and having a non-Indigenous partner. High and moderate growth segments (1 and 2) are more likely to participate in non-Indigenous business networks and to have a tertiary degree or diploma in business. Moderate growth larger businesses (Segment 1) are most likely to have a non-Indigenous partner, while the older low growth and smaller size businesses (Segment 4) are least likely to have a non-Indigenous partner.

Table 100: Business Performance Segments and Support Variables

	Segment 1: Moderate growth larger businesses	Segment 2: High growth moderate sized businesses	Segment 3: Newer low growth and smaller size businesses	Segment 4: Older low growth and smaller size businesses	Chi-square test/F-test (p-value)
Business Support					
Non-Indigenous business networks	2.83	2.86	2.46	2.35	0.009
Indigenous business networks	1.99	1.90	1.91	1.80	0.695
Degree or Diploma in Business	26%	26%	14%	12%	0.049
Technical Trade Qualification	21%	16%	25%	18%	0.522
Mentor	8%	11%	11%	7%	0.915
Partner Aboriginal	26%	23%	17%	29%	0.280
Partner Non-Indigenous	68%	54%	58%	43%	0.007
Received loan	10%	8%	4%	9%	0.656

Last we present data in Table 101 showing the distribution of segments across industry types. The industries with a larger number of businesses and with a relatively high percentage of businesses located in the medium and high growth segments (Segments 1 and 2) have been shaded grey.

Of the industries with grey shading, those with higher percentages of high growth businesses are:

- Information Media and Telecommunications (33.3%)
- Education and Training (30.4%)
- Arts and Recreation Services (29.7%)
- Professional, Scientific and Technical Services (19.4%)
- Construction (19.4%)

Industries with higher percentages of medium growth businesses are:

- Construction (38.9%)
- Administrative and Support Services (32.1%)
- Education and Training (26.1%)
- Retail Trade (25.9%)
- Information Media and Telecommunications (22.2%)

The industries most likely to have a high representation in Segment 4, which is showing the greatest evidence of decline include:

- Retail trade (33.3%)
- Information Media and Telecommunications (27.8%)
- Administrative and Support Services (21.4%)
- Professional, Scientific and Technical Services (20.9%)

Thus while there is a concentration of medium and high growth businesses in some industries, these same industries may also have a high percentage of poorly performing businesses, suggesting that the way the businesses are managed and the support that they are getting may be more influential in affecting business performance than the industry the business is located in. However, some industries (eg Retail Trade) do appear to have a relatively higher percentage of declining firms than those that are growing compared to other industries.

Table 101: Business Performance Segments against Industry Type

	Segment 1: Moderate growth larger businesses	Segment 2: High growth moderate sized businesses	Segment 3: Newer low growth and smaller size businesses	Segment 4: Older low growth and smaller size businesses	Total
Agriculture, Forestry and Fishing	1 *33.3%*	1 *33.3%*	0 *0.0%*	1 *33.3%*	3
Mining	2 *50.0%*	1 *25.0%*	1 *25.0%*	0 *0.0%*	4
Manufacturing	1 *25.0%*	2 *50.0%*	0 *0.0%*	1 *25.0%*	4
Construction	14 *38.9%*	7 *19.4%*	9 *25.0%*	6 *16.7%*	36
Wholesale Trade	2 *50.0%*	1 *25.0%*	1 *25.0%*	0 *0.0%*	4
Retail Trade	7 *25.9%*	3 *11.1%*	8 *29.6%*	9 *33.3%*	27
Accommodation and Food Services	1 *14.3%*	1 *14.3%*	4 *57.1%*	1 *14.3%*	7
Transport, Postal and Warehousing	0 *0.0%*	0 *0.0%*	1 *100.0%*	0 *0.0%*	1
Information Media and Telecommunications	4 *22.2%*	6 *33.3%*	3 *16.7%*	5 *27.8%*	18
Financial and Insurance Services	0 *0.0%*	1 *50.0%*	0 *0.0%*	1 *50.0%*	2
Rental, Hiring and Real Estate Services	4 *50.0%*	1 *12.5%*	2 *25.0%*	1 *12.5%*	8
Professional, Scientific and Technical Services	13 *19.4%*	13 *19.4%*	27 *40.3%*	14 *20.9%*	67
Administrative and Support Services	9 *32.1%*	3 *10.7%*	10 *35.7%*	6 *21.4%*	28
Public Administration and Safety	2 *40.0%*	1 *20.0%*	2 *40.0%*	0 *0.0%*	5
Education and Training	6 *26.1%*	7 *30.4%*	8 *34.8%*	2 *8.7%*	23
Health Care and Social Assistance	1 *20.0%*	1 *20.0%*	3 *60.0%*	0 *0.0%*	5
Arts and Recreation Services	4 *10.8%*	11 *29.7%*	14 *37.8%*	8 *21.6%*	37
Other Services	2 *14.3%*	1 *7.1%*	10 *71.4%*	1 *7.1%*	14

Custom Tables Showing Application of Business Practices and Support across Location and Ownership Type and Effects on Business Performance

Next we examine the same set of performance, business practice and support variables across location and ownership structure. This enables an examination of whether problems with business practice and support are localised to a specific region or ownership type.

First in Table 102 we have the performance variables summarised. It is apparent that based on the first four variables that remote businesses are performing the best, though remote and regional businesses are performing similarly in terms of the Growth Index. Urban and regional businesses are performing similarly for the other three measures. However, a much higher percentage of urban businesses are reporting increases in sales and profit.

In terms of business ownership, it is apparent that cooperative businesses are performing best for the first four growth variables, and community-owned businesses are performing second best. But paralleling the situation for urban businesses, a much higher percentage of privately-owned businesses are reporting increases in sales and profit.

Table 102: Performance Variables against Location and Ownership Type

	Region			Business Ownership		
	Urban	Regional	Remote	Privately owned	Community owned	Cooperative
Growth Index	1.36	1.52	1.56	1.34	1.73	2.50
Number of employees (ordinal)	2.09	1.95	2.31	1.87	2.88	3.50
Sales Revenue	2.26	2.22	2.71	2.17	2.88	4.33
Age of business (ordinal)	2.47	2.52	2.52	2.34	3.21	3.44
Change in sales compared to last year[#]	37%	16%	15%	32%	10%	25%
Profit increased compared to last year[#]	28%	9%	20%	24%	5%	50%
Regional				33%	35%	60%
Remote				11%	33%	0%
Urban				56%	33%	40%
Privately owned	88%	78%	64%			
Community owned	9%	15%	36%			
Cooperatively owned	2%	5%	0%			

[#] 1 – increase, 0 - no change, -1 – decrease

Next we examine the business practice variables (Table 103). These results indicate that for one of practices - accounting systems - remote businesses have the best practices and regional businesses have the second highest level of sophistication. However for most practices (recording daily activities, internet usage, diversification, promotions) performance is highest in urban areas followed by regional areas. Business planning is likely to be done best in regional areas. Selling Indigenous products or being branded as an Indigenous business is most likely in an urban area, followed by a regional area.

For business ownership, for five practices in Table 103 (business planning, recording daily activities, accounting systems, diversification and promotions) we see a consistent pattern of the highest levels of adoption being by cooperatives, followed by community-owned businesses, with privately owned businesses having the lowest level of adoption, and often by an increased margin. For internet usage, the community-owned businesses have the highest level of adoption, followed by privately-owned businesses, and then cooperatives. Indigenous products are most likely to be sold by community-owned businesses followed by privately-owned businesses and the cooperatives.

Cooperative and community-owned businesses are very likely to be branded as Aboriginal businesses, and almost twice as likely as a privately owned business.

Table 103: Business Practice Variables against Location and Ownership Type

	Region			Business Ownership		
	Urban	Regional	Remote	Privately owned	Community owned	Co operative
Business Plan	3.39	3.52	3.33	3.27	4.06	4.33
Recording Daily Activities	2.40	2.25	2.16	2.28	2.41	2.60
Accounting System	4.13	4.25	4.32	4.11	4.54	4.72
Internet usage	2.76	2.41	2.04	2.54	2.59	2.40
Diversification	55%	48%	44%	50%	55%	80%
Promotions	1.95	1.89	1.76	1.86	2.08	2.13
Indigenous Products	57%	50%	38%	49%	73%	40%
Branded as an Aboriginal business	66%	57%	53%	55%	90%	100%

Lastly we examine how the business support variables change across location and business ownership (Table 104). Non-Indigenous business network engagement is highest in urban areas, while Indigenous business network engagement is lowest in remote areas, and second lowest in urban areas. Having a tertiary degree or diploma is most likely in urban areas, though having a trade or technical qualification is much more likely in remote areas. Having a mentor is most likely in an urban area, and twice as likely as in a regional area. No remote areas businesses report having the support of a mentor in setting up their businesses. Urban businesses are most likely to have received a loan, followed by regional businesses.

In terms of business ownership effects, cooperatives and community-owned businesses are more likely to participate in non-Indigenous business networks, while private businesses are more likely to have participated in Indigenous business networks. This suggests a need to help privately-owned businesses engage in non-Indigenous business networks, and cooperative and community-owned businesses to participate in Indigenous networks. Entrepreneurs running community-owned businesses are most likely to have a tertiary degree or diploma, at almost twice the frequency of privately-owned businesses. Trade and technical qualifications are more common among privately-owned business owners/managers. Mentoring is more likely to occur for privately-owned than community-owned businesses; however cooperative businesses report the highest frequency of government supported mentoring. Only private businesses reported receiving a loan. In terms of partners, the only unique finding is for cooperatives where the entrepreneur is much more likely to have a non-Indigenous partner and less likely to have an Indigenous partner.

Overall, these results suggest that remote and community/cooperative owned enterprises are having the highest levels of business performance, although a higher proportion of privately-owned and urban businesses are reporting increased sales and profit. In terms of business practices we find that for most practices remote businesses have the lowest adoption of quality practices which is mostly highest in urban areas. In terms of support, there is a general pattern of urban and then regional businesses having much higher levels of support than remote businesses. This higher adoption of quality practices and higher levels of support could explain the more frequent reported increase in sales and profit among urban businesses. It suggests that better practice adoption through improved support could lift the performance of remote and regionally-based businesses.

In terms of ownership effects, overall adoption of quality practices is higher among community/cooperative businesses than privately owned businesses. However, the different forms of support are not all highest for community and cooperatively-owned businesses. For businesses that are privately owned certain types of support are more likely to occur (mentors, technical or trade qualification, participation in Indigenous business networks), however other forms of support are more likely to be received by community/cooperative businesses (non-Indigenous networks, degrees).

Table 104: Business Support Variables against Location and Ownership Type

	Region			Business Ownership		
	Urban	Regional	Remote	Privately owned	Community owned	Co operative
Non-Indigenous business networks	2.69	2.51	2.55	2.48	3.16	3.27
Indigenous business networks	2.03	1.72	1.58	1.94	1.57	1.13
Degree or Diploma in Business	21%	16%	16%	17%	29%	20%
Business Certificate	11%	13%	7%	10%	14%	10%
Technical Trade Qualification	17%	22%	38%	23%	14%	10%
Mentor	12%	8%	0%	10%	4%	20%
Partner Indigenous	22%	21%	24%	22%	22%	10%
Partner Non-Indigenous	57%	56%	58%	57%	53%	70%
Received loan	8%	6%	4%	8%	0%	0%

6.4 Community Contributions of Indigenous Businesses

Next the contributions to community across business type and location are examined using our quantitative data. The results presented in Table 105 confirm the finding from the qualitative research that both private and community-owned Indigenous businesses contribute to their communities. However, the general pattern for the majority of the items is that the contributions of the community-owned enterprises exceed those of the privately-owned enterprises. There are only a few exceptions. Owners of privately-owned businesses are more likely to volunteer time to be involved in local community events or activities, and a similar proportion of community and privately-owned enterprises are likely to sponsor local teams or cultural events and act as a positive role model for young people in the community. While only a small sample, cooperative businesses generally make similar or larger community contributions for most but not all items. It is noteworthy that that the proportion of businesses making contributions to community is quite high for many items. For example, 94% of community-owned and 64% of privately-owned Indigenous enterprises seek to employ Indigenous people. Between 89-92% of privately, community and cooperatively owned business owners/managers seek to act as a positive role model for young people in the community. Between 79-100% of privately, community and cooperatively owned businesses provide services to the Indigenous community.

Also shown at the bottom of Table 105 are three items relating to owners/managers' satisfaction with their community contributions and their response to two Likert-scale questions relating to the importance they attach to (1) helping future generations in the Aboriginal/TSI community and (2) challenging non-Indigenous Australia's perceptions of Aboriginal people. Satisfaction with contribution to the community is slightly higher among community-owned than privately-owned enterprises, and highest of all among cooperative businesses. All business types consider it very important to helping future generations in the Aboriginal/TSI community and challenge non-Indigenous Australia's perceptions of Aboriginal people, although this is highest among the community and cooperatively owned business owners and managers.

The overall importance of community contributions to private versus community/cooperatively-owned enterprise owners can also be gleaned by examining the correlation between satisfaction with their community contributions and overall satisfaction for each of the business types (Table 106). This correlation is much larger for the community/cooperatively owned enterprises (0.54 compared to 0.39), and is the largest of the correlations.

Table 105: Community Contributions of Private, Community and Cooperatively-owned Businesses

	Privately owned	Community owned	Cooperative	Chi-square/F-test
Community contributions				
Volunteer time to be involved in local community events or activities not related to their business	67%	61%	90%	0.596
Attend meetings of industry group	13%	32%	0%	5.127**
Been on management or organising committee	12%	19%	17%	1.480
Sponsor local sport teams or cultural events	54%	55%	70%	0.033
Provide services to Indigenous community	79%	96%	100%	7.838***
Provide discounted/free goods or services to Community Groups or Events:				
- Occasionally	36%	20%	0%	4.660**
- Frequently	36%	57%	80%	8.062***
Provide advice and support not paid for:				
- Occasionally	22%	20%	10%	0.075
- Frequently	56%	69%	80%	2.921*
Seek to employ Indigenous People	62%	94%	100%	18.704***
Give percentage of profits to community organisations and initiatives	17%	49%	40%	24.850***
Act as positive role model for young people in community	89%	92%	90%	0.346
Satisfaction and motivations				
Satisfaction contribution to community~	4.00	4.16	4.70	3.542*
Importance helping future generations Aboriginal/TSI community*	4.77	4.84	5.00	2.438
Importance change mainstream Australia's perception of Aboriginal people*	4.73	4.90	4.90	4.298**

Notes: # 2-yes at least once per fortnight, 1- yes but less often than once per fortnight, 0 – no;
~ 1-not at all satisfied, 2-slightly satisfied, 3-somewhat satisfied, 4 –satisfied, v-very satisfied;
* 1-strongly disagree, 2-disagree, 3-neither agree nor disagree, 4-agree, 5-strongly disagree

Table 106: Correlations with Overall Satisfaction Across Business Type

	Privately owned	Community/ Cooperatively owned
The contribution your business makes to the community	0.39**	0.54**
The lifestyle running your business brings you	0.40**	0.49**
The number of hours you are working in your business	0.30**	0.25**
The support you receive from your local Indigenous community	0.33**	0.26**
The recognition you receive from your local Indigenous community	0.33**	0.13
The support you receive from the mainstream Australian community	0.27**	0.30**

Next in Table 107, summary data on the community contributions of urban, regional and remote businesses is presented. The data suggests that the differences across location are not substantive and that for a number of items there is little difference across the regions (sponsor local sporting teams or cultural events, give percentage of profits to community organisations and initiatives and provide services to the Indigenous community). For two items (provide discounted/free goods or services to Community Groups or Events and seek to employ Indigenous people) the proportion of businesses making this contribution in remote areas is larger than in urban areas. For four items (volunteering time, participating on a management committee, acting as a role model and providing advice) the proportion of remote businesses is lower than either urban or regional businesses. In one case, volunteering time, this is substantially lower. Thus the results are mixed: some contributions occur more frequently among remote businesses, some occur less frequently, and some occur with similar frequency. Overall it appears that the contributions in remote areas may be slightly lower than in urban or regional areas. This is supported by the lower level of reported satisfaction with community contributions among remote business owners/managers, and that the remote business owners and managers are less aspirational in seeking to help future generations or change mainstream Australia's perceptions of Aboriginal people.

Table 107: Community Contributions of Urban, Regional and Remote Indigenous Businesses

	Urban	Regional	Remote
Community contributions			
Volunteer time to be involved in local community events or activities not related to their business	69%	70%	51%
Attend meetings of industry group	12%	20%	11%
Been on management or organising committee	17%	13%	4%
Sponsor local sport teams or cultural events	54%	56%	53%
Provide services to Indigenous community	85%	79%	80%
Provide discounted/free goods or services to Community Groups or Events:			
- Occasionally	31%	37%	29%
- Frequently	42%	32%	51%
Provide advice and support not paid for:			
- Occasionally	24%	21%	13%
- Frequently	59%	58%	60%
Seek to employ Indigenous People	66%	71%	71%
Give percentage of profits to community organisations and initiatives	23%	23%	20%
Act as positive role model for young people in community	91%	90%	84%
Satisfaction and motivations			
Satisfaction contribution to community[~]	4.12	3.99	3.95
Importance helping future generations Aboriginal/TSI community[*]	4.84	4.81	4.56
Importance change mainstream Australia's perception of Aboriginal people[*]	4.77	4.81	4.59

Notes: [#] 2-yes at least once per fortnight, 1- yes but less often than once per fortnight, 0 – no;
[~] 1-not at all satisfied, 2-slightly satisfied, 3-somewhat satisfied, 4 –satisfied, v-very satisfied;
[*] 1-strongly disagree, 2-disagree, 3-neither agree nor disagree, 4-agree, 5-strongly disagree

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Appendix 1: Qualitative Moderators Outline for Business Interviews

About the Business: general

1. Could you please tell us about your business and what it does?

- *What does your business do? List the main activities.*

- *Do you provide any goods and services to the Indigenous community? If so, what are they?*

- *Would any of these goods and services be considered to be Indigenous products?*

- *Who are you main suppliers? What proportion of these are Indigenous?*

- *Is your business seasonal?*

- *How long has the business been operating?*

- *Do you advertise your business?*

2. What type of business is this (private enterprise; community-owned; cooperative)?

   - Are you a sole trader/partnership/incorporated business?
   - [If not a sole trader, ask for brief details on who the other owners are? eg. partners, and if they are Indigenous or non-Indigenous]
   - Is your equity/ownership in the business greater than 50% or less than 50%?

About the Business: set up
3. Why did you set up or move into the business?

4. Did anyone help you set up the business, such as a mentor or advisor, or someone you could ask advice from?

- **If yes,** *What sort of person are/were they and what help did they provide? Are they in business, or have they had business experience?*
- **If yes**, *has your experience with a mentor or advisor been a good one? How?*
- *Do you still receive advice from your mentor/advisor, or would you want a mentor or advisor in the future?*

About the Business: finance

5. How did you initially raise the capital required to set up the business?

- Bank
- Personal savings
- IBA loan
- Borrow from family
- Other (describe)

- *Did you apply for a bank loan?*
  - **If Yes** *to a bank loan, was it successful and how were you treated by the bank?*
  - **If No** *to a bank loan, why not?*

- *Were you successful in seeking any other assistance? (IBA, NEIS, etc)*
  - **If Yes**, *what support did you receive?*
  - **If No**, *why was your application unsuccessful?*

- *Have you raised working capital for your business since it was first set up?*

About the Business: personal

6. What effect has your role in this business enterprise had on you and your family?

7. How does your business contribute to your local community and local economy?

8. How does your Aboriginal culture impact on what your business does and how it is run?

9. Does being an Aboriginal business person affect your relationship with customers and suppliers?

About the Business: links within and outside the Aboriginal Community

10. What business and other networks/community groups do you participate in (eg Land Council, Legal Service, Aboriginal Chamber of Commerce etc.)?
    - *What roles do you have in these groups?*

11. How do these networks or groups affect your business?

12. How linked in do you feel to your community?

About the Business: experience, education and training

13. What is your experience in business and in this industry?
    - *Did you grow up in a business environment—were any of your family members involved in operating a business?*

14. What type of training, both formal and informal, have you had to help you with managing your business?

15. Have your employees received any formal or informal training to help them with their positions?
    - *Would you like further training for you or your employees?*
    - *If yes, What sort of training and why?*

16. How do you seek information that would be helpful for improving your business?

About the Business: employment
17. Could you please tell us about your employees and how this has changed over time?

    - *How many people does your business employ? Male? Female?*

- *How many of your employees are Indigenous? Male? Female?*
- *Do you employ anyone from your family? Do any work for your business on a voluntary basis?*
- *Has this changed over time?*

18. Do you think your business will grow to the point where you need a partner or investor?

19. Has your business grown so that you need more skilled employees? Has this influenced the number of non-Indigenous employees you have?

About the Business: challenges

20. What problems did you face setting up your business? How did you solve these?

21. What are the main challenges that your business faces since set up? How did you solve these?

    Do you face any challenges with respect to:
    - *Telecommunications?*
    - *Physical facilities such as buildings?*
    - *Access to key business services and advice?*
    - *Finance?*
    - *Promotion and Marketing?*
    - *Access to markets?*
    - *Skilled staff?*

About the Business: innovation

22. Has your business adopted practices, new technologies or products or others innovations that has helped your business?

    - *What roles do computers and computer technology have in your business?*
    - *How do you manage your accounts? (eg cash book, spreadsheets, MYOB, accountant)*

- *How confident do you feel in the use of these technologies?*
- *Have you used an industry expert, accountant or lawyer in your business?*
- *Are you planning any other changes in coming years?*

About the Business: success

23. What are the factors you look at in considering if this business is a success or failure?

24. Do you think your business is successful so far? In what ways?
    - *Is each of the following staying the same, increasing or decreasing?*

        - *Sales, profit*

25. What factors have been most important in influencing the performance of your business?

26. What further assistance would be useful for your business in the future?

About the Business: female entrepreneurs
[If the business owner being interviewed is female]

27. What do you think as an Aboriginal/TSI woman you particularly bring to your business?
    - *Do you think you do anything in business differently because you are female? What sorts of things?*

28. Do you think your community sees you differently as an Aboriginal/TSI businesswoman?

    [If the business owner being interviewed is male and a partner or other business owner is female:]

29. How do you see the contribution of [female partner] to the business?
    - *Who does what sort of tasks in the business?*
    - *Do you think that having a woman involved in running the business is a good or a bad thing? How?*

About the Business: Going forward

30. What are your future goals for your business?

    - *How long do you think you will be in business?*
    - *Do you think you will start a different business in the future should you stop running this one?*

31. Have you thought about who would run your business if you were no longer able to do so?

32. Are there any key messages you would give other Aboriginal/TSI people who are thinking about starting a business?

About you

33. What is your age category: 18-29, 30-39, 40-49, 50-59, 60+

34. Are you married?

    - **If married**, is your spouse Aboriginal/TSI?

35. Do you know any other Aboriginal/TSI businesses that you think might be interested in participating in this research?

Appendix 2: Qualitative Moderators Outline for Stakeholder Interviews

Background

1. What is your organisation's name?
2. Please describe your position in the organisation
3. Could you please tell us about the history of this organisation?
4. What are the main activities of your organisation?
5. What in the attitude of your organisation to Indigenous enterprises?
6. Does your organisation assist both private and social Indigenous enterprises?

[Questions could be asked about private and social enterprises separately as below or jointly]

Private enterprises

7. Could you please comment on the significance of Indigenous private Enterprises and the role that they do/can play in Australia?
8. From your experience, what are the major *characteristics* of **private** Indigenous Enterprises?
9. What are the *major barriers* that Indigenous people face in *establishing* a private enterprise?
10. What are the *major problems* that Indigenous people face in *running* a private enterprise?
11. In your view what is the *significance* of Indigenous **private** enterprises to *Indigenous community development*?
12. In your view what is the *role* of Indigenous **private** enterprises in *reducing Indigenous socio-economic disadvantage*?
13. What is the role of Indigenous women in **private** enterprises?
14. What policies and programs does your organisation have in place to assist **private** Indigenous Enterprises?
15. In your view, what strategies/policies/programs would be most effective in increasing the *establishment of* new Indigenous **private** enterprises?
16. In your view, what strategies/policies/programs would be most effective in increasing the *success of* existing Indigenous **private** enterprises?
17. How can *young* Indigenous people best be assisted to *establish* a private enterprise?
18. Can you identify any *new areas of business* that Indigenous **private** enterprises could move into in the coming decade?

19. Can you identify any *existing areas of business* that Indigenous **private** enterprises could significantly improve their performance in over the coming decade?

20. If you could do one thing to assist Indigenous **private** enterprises what would that be?

Social enterprises

21. Could you please comment on the significance of Indigenous social Enterprises and the role that they do/can play in Australia?

22. From your experience, what are the major characteristics of **social** Indigenous Enterprises?

23. What are the *major barriers* that Indigenous people face in *establishing* a social enterprise?

24. What are the *major problems* that Indigenous people face in *running* a social enterprise?

25. In your view what is the *significance* of Indigenous social enterprises to *Indigenous community development*?

26. In your view what is the *role* of Indigenous social enterprises in *reducing Indigenous socio-economic disadvantage*?

27. What is the role of Indigenous women in social enterprises?

28. What policies and programs does your organisation have in place to assist **social** Indigenous Enterprises?

29. In your view, what strategies/policies/programs would be most effective in increasing the *establishment of* new Indigenous social enterprises?

30. In your view, what strategies/policies/programs would be most effective in increasing the *success of* existing Indigenous social enterprises?

31. How can *young* Indigenous people best be assisted to *establish* a private enterprise?

32. Can you identify any *new areas of business* that Indigenous social enterprises could move into in the coming decade?

33. Can you identify any *existing areas of business* that Indigenous social enterprises could significantly improve their performance in over the coming decade?

34. If you could do *one thing* to assist Indigenous **social** enterprises what would that be?

Appendix 3: Quantitative Questionnaire

PART 1 SOME INFORMATION ABOUT YOU AND YOUR BUSINESS

To start off we would like to ask a few questions about you and your business.

1.1 What does your business do? _____

1.2 What is your role in this business?

☐ Owner

☐ Manager → **Go to Q 1.6**

1.3 Is your employment status in the business:

☐ Full-time ☐ Part-time ☐ Other: _____

1.4 Is this your first business?

☐ Yes → **Go to Q 1.6** ☐ No → **Go to Q 1.5**

1.5 If no, please briefly describe your previous business(es).

_____

_____

1.6 Do you provide any goods and services specifically to or for the Indigenous community?

☐ Yes ☐ No

1.7 If yes, what percentage? _____ %

1.8 Would any of these goods and services be considered to be Indigenous products?

☐ Yes ☐ No

1.9 Do you export any of your goods and services?

☐ Yes ☐ No

1.10 What year did your business start up? _____

1.11 Is your business: ☐ Private Enterprise ☐ Community-owned ☐ Co-operative

If community owned, is your business: ☐ For profit ☐ Not-for-profit

1.12 If a private enterprise, are you a: ☐ Sole Trader ☐ Partnership ☐ Incorporated Business

1.13 What is the proportion of Indigenous ownership? _____ %

PART 2   SOME INFORMATION ABOUT THE SET UP OF YOUR BUSINESS

Next, we'd like to ask you some questions about the set up of your business.

2.1   Did any one of the following help you set up the business? *You may tick more than one, if appropriate*

     A. Colleague/employer/other business owner → **Go to Q 3.1**

     B. Government business advisor/mentor/coach, *please specify:*_____

     C.   Private business advisor/mentor/coach, *please specify:*_____

     D. Family relations with business experience → **Go to Q 3.1**

     E. Family relations without business experience → **Go to Q 3.1**

     F. Other, *please specify:* _____   → **Go to Q 3.1**

     G. None of the above → **Go to Q 3.1**

     H. I was not working for the business when it was set up → **Go to Q 3.1**

2.2   If you used a government or private business advisor/mentor/coach, who provided the funding for this? _____

2.3   Do you still receive advice from your mentor/advisor?

     ☐   Yes   ☐   No

PART 3   FINANCE FOR YOUR BUSINESS

Next, we'd like to ask you some questions about how you accessed finance to set up your business.

3.1   Did you initially raise the capital required to set up the business from any of the following?
Please tick all that apply

A.   Bank, *please specify name of bank & loan type:*   → **Go to Q3.3**   D.   Personal Savings
_____

B.   Mortgage on house or other property   E.   IBA Loan

C.   Borrow from Family   F.   Angel Investor

G.   Other, *please specify:* _____

H. I did not raise capital from any of these sources

3.2   If you did not raise money from a bank to set up your business, did you apply for a bank loan but were unsuccessful in receiving it?

☐   Yes   ☐   No

3.3   In setting up your business, did you seek any of the following forms of assistance?
Please tick all that apply

A.   Grant funding

B.   Equity provision

C.   IBA Into Business Workshop

D.   Other IBA Business advice or mentoring

E.   Other: *please specify*_____

F.   No, I did not seek any of these forms of assistance → **Go to Q 3.5**

3.4   Were you successful in receiving any of these other forms of assistance?
Please tick all that apply

A.   Grant funding

B.   Equity provision

C.   IBA Into Business Workshop

D.   Other IBA Business advice or mentoring

E.   Other: *please specify*_____

3.5   Have you borrowed money or received another form of financial assistance for your business since it was first set up?

☐   Yes, please specify:_____   ☐   No

PART 4   BUSINESS EMPLOYMENT

Next, we'd like to ask you a few questions about your business employment.

4.1   Including yourself, how many people does your business employ? _____

4.2   How many of your employees are: Male_____   Female _____

4.3   How many of your employees are Indigenous? _____

4.4   How many of your Indigenous employees are: Male _____   Female _____

4.5   Do you prefer to employ Indigenous people over non-Indigenous people?

☐   Yes   ☐   No   ☐   No preference

4.6   In the next two years, do you expect the number of Indigenous staff you employ will:

A.   Increase   C.   Stay the same

B.   Decrease   D.   Unsure

PART 5   EXPERIENCE AND TRAINING

We are now going to ask you some questions about your experience in this industry and training of both yourself and your employees.

5.1   Did you work in this industry or a related industry prior to setting up your business?

☐   Yes → **Go to Q 5.2**   ☐   No → **Go to Q 5.3**

5.2   How many years did you work in this industry or a related industry prior to setting up your business? _____ → **Go to Q 5.4**

5.3   What were you doing before you started this business?

     A.   Employed in an unrelated industry   C.   Unemployed

     B.   Studying or at school   D.   Other, *please specify:*

                                                      _____

5.4   Were any of your family members involved in operating a business before you started your business?

☐   Yes   ☐   No

5.5   Have you received any formal training (i.e. where you were enrolled in a course or a program) to help you with managing your business?

☐   Yes, *please specify:* _____   ☐   No

5.6   Have you received any informal training to help you with managing your business?

☐   Yes, *please specify:* _____   ☐   No

5.7   Have your employees received any formal training to help them with their positions?

☐   Yes, *please specify percentage of employees:* _____   ☐   No

☐   I do not have any employees

5.8   Have your employees received any informal training to help them with their positions?

☐   Yes, *please specify percentage of employees:* _____   ☐   No

☐   I do not have any employees

5.9   In the past five years have you completed a short course relevant to business management e.g. financial planning, people management, promotion and marketing, workplace safety, website maintenance, customer service? *Tick one box only*

☐   Yes, *please specify:* _____   ☐   No

PART 6   PROMOTION

Next we'd like to ask you some questions about how you promote your business.

6.1   How effective have each of the following promotional methods been for your business?
Please circle one number in each row

	Never Used	Used but of little effectiveness	Used and somewhat effective	Used and effective	Used and very effective
Newspaper advertisement	1	2	3	4	5
Television commercial	1	2	3	4	5
Word of mouth	1	2	3	4	5
Distribute flyers/brochures	1	2	3	4	5
Radio advertisement	1	2	3	4	5
Magazine advertising	1	2	3	4	5
Direct Mailing of information	1	2	3	4	5
Website	1	2	3	4	5
Internet marketing e.g. sending brochures via email	1	2	3	4	5
eBay	1	2	3	4	5
Social media- facebook/twitter, etc	1	2	3	4	5
Yellow Pages	1	2	3	4	5
Black Pages/Digedi, etc	1	2	3	4	5
Vouchers/Coupons	1	2	3	4	5
Billboards	1	2	3	4	5
Attend events e.g. festivals/conferences	1	2	3	4	5

Other, *please specify:*

6.2   Is your business branded as an Aboriginal business or is it branded as a mainstream business?

☐   Aboriginal business   ☐   Mainstream business → **Go to Q 7.1**

☐   Both

6.3   If branded as an Aboriginal business, do you believe your goods and services have to be of superior quality to your competitors to be considered to be as attractive as those offered by mainstream businesses?

☐   Yes   ☐   No

PART 7 SOME OTHER INFORMATION ABOUT HOW YOU RUN YOUR BUSINESS

The next set of questions are about how you manage your everyday business activities.

7.1 Do you have a business plan for your business? *Please tick one box*

    A. No

    B. Yes, in my head

    C. Yes, written down, but it's fairly basic

    D. Yes, written down, it's substantial, but it needs more work

    E. Yes, written down, and it's complete and up to date

7.2 What is the main system that you use to plan and record your daily business activities? *Please tick one only*

    A. None

    B. Diary (paper)

    C. Computer-based record-keeping system that combines diary, activities, etc

    D. Other, *please specify:* _____

7.3 What is the main system of recording your business transactions and/or accounts (i.e. cashbook) that you use? *Please tick one only*

    A. None

    B. Ledger book (paper)

    C. Send accounts in to an accountant or get help from a book keeper

    D. Computer spreadsheet program (eg Microsoft Excel)

    E. Computer-based cashbook system (e.g. MYOB, Quicken, Microsoft Money)

    F. Other, *please specify:* _____

7.4 In the past, have you used any of the following experts/advisors in your business?

☐ Industry expert (other than an IBA consultant)   ☐ Accountant   ☐ Lawyer

☐ Other, *please specify:* _____

☐ I have not used any experts/advisors in my business

7.5　Are you currently using any of the following experts/advisors in your business?

☐ Industry expert　　☐ Accountant　　☐ Lawyer

☐ Other, *please specify*: _____

☐ I am not using any experts/advisors in my business

7.6　Do you use the internet as part of your business? *Please tick all that apply*

☐ Email　　　　　　　　　　　　☐ Skype

☐ Website　　　　　　　　　　　☐ Purchasing goods

☐ Social media for promotions　　☐ I don't use the internet
　 e.g. facebook

☐ Other, *please specify:* _____

7.7　During the past five years have you diversified your business activities in any of the following ways? *Tick all that apply*

A.　Substantially changed existing goods or services offered in response to changes in market conditions

B.　Started a new business activity conducted at a <u>different</u> location to your current business premises that:
- is related to your main business

C.　Started a new business activity conducted at a <u>different</u> location to your current business premises that:
- is <u>not</u> related to your main business

D.　Other, *please specify:* _____

E.　I have not diversified at all

Next, we'd like to ask you some questions about your attitudes towards managing your business.

7.8　Please indicate the extent to which you agree with each of the following statements.
Please circle one number in each row

	Strongly disagree	Disagree	Neither disagree or agree	Agree	Strongly agree
I am willing to try new things	1	2	3	4	5
I am open to new ideas about running a business	1	2	3	4	5
Knowing about new technology that becomes available is important to me	1	2	3	4	5

PART 8 SOME INFORMATION ABOUT HOW YOUR BUSINESS IS GOING

Next, we'd like to ask you some questions about how your business is going.

8.1   Broadly, what is the volume of your annual sales/revenue:

A.   Less than $50,000

B. $50,000 - $200,000

C. $200,000 - $500,000

D. $500,000 - $1,000,000

E.   More than $1,000,000

F.   Not sure

8.2   Compared to last year have your **sales:**

☐ Stayed the same   ☐ Increased → **Go to Q 8.3**   ☐ Decreased → **Go to Q 8.4**

☐ Not sure

8.3   Over the last year did your sales increase by:

A.   0 – 10%   C.   21 – 30%   E.   more than 40%

B.   11 – 20%   D.   31 – 40%   F.   not sure

8.4   Over the last year did your sales decrease by:

A.   0 – 10%   C.   21 – 30%   E.   more than 40%

B.   11 – 20%   D.   31 – 40%   F.   not sure

8.5   Over the past year, has your net **profit (sales revenue less all costs):**

☐ Stayed the same   ☐ Increased → **Go to Q 8.6**   ☐ Decreased → **Go to Q 8.7**

☐ Not sure

8.6   Over the last year did your net profit increase by:

A.   0 – 10%   C.   21 – 30%   E.   more than 40%

B.   11 – 20%   D.   31 – 40%   F.   not sure

8.7   Over the last year did your net profit decrease by:

A.   0 – 10%   C.   21 – 30%   E.   more than 40%

B.   11 – 20%   D.   31 – 40%   F.   not sure

8.8   Over the past five years, has your business grown in any of the following ways? (Note if your business has been operating for less than five years, please answer this question for the period that your business has been operating)
Tick all that apply

   A.   Increasing the number of staff

   B.   Moving into bigger premises

   C.   Purchasing additional plant and equipment (such as extra vehicles)

   D.   Establishing additional offices, outlets or shopfronts

8.9   From the following list, please indicate the three most important and three least important factors in influencing the performance of your business? *Please tick three items in the most important column and three items in the least important column*

	Three Most Important	Three Least important
Staff		
Own motivation/determination to succeed		
Training		
Management		
Quality product/service		
Changing business strategy to keep up to date with latest trends		
Promotions		
Mentoring/advice		
Business and other networks		

8.10   At the moment, do you feel your cash flow is: *Please tick one box*

   A.   Not enough to cover the most important activities of the business

   B.   Enough to cover the most important activities of the business

   C.   Enough to cover only some of the things the business needs to do

   D.   Enough for just about everything the business needs to do

   E.   Enough for just about everything the business needs and some left over for investing in developing the business

8.11   Overall, how satisfied are you with each of the following: *Please circle one number in each row*

	Not at all satisfied	Slightly satisfied	Somewhat satisfied	Satisfied	Very satisfied
The contribution your business makes to the community	1	2	3	4	5
The lifestyle running your business brings you	1	2	3	4	5
The number of hours you are working in your business	1	2	3	4	5
The support you receive from your local Indigenous community	1	2	3	4	5
The recognition you receive from your local Indigenous community	1	2	3	4	5
The support you receive from the mainstream Australian community	1	2	3	4	5
Your business overall	1	2	3	4	5

PART 9 SOME INFORMATION ABOUT THE BUSINESS CHALLENGES

Next, we'd like to ask you several questions about any challenges your business has faced, both during the start up of your business and now.

9.1 Were you involved in the business at its start up?

☐ Yes   ☐ No → **Please go to Q 9.3**

9.2 Please describe the adequacy of the following at the **start up** of your business:
Please circle one number in each row.

	Poor	Somewhat Adequate	Adequate	Good	Excellent	Not Applicable
Accounting systems	1	2	3	4	5	N/A
Telecommunications	1	2	3	4	5	N/A
Internet facilities (internet access and website)	1	2	3	4	5	N/A
Physical facilities such as buildings	1	2	3	4	5	N/A
Location of your business	1	2	3	4	5	N/A
Access to key business services and advice	1	2	3	4	5	N/A
Finance, e.g. bank loans	1	2	3	4	5	N/A
Promotion and marketing	1	2	3	4	5	N/A
Sales	1	2	3	4	5	N/A
Profit	1	2	3	4	5	N/A
Skilled staff	1	2	3	4	5	N/A
Attracting Indigenous staff	1	2	3	4	5	N/A

9.3   Please describe the adequacy of the following for your business **now**: *Please circle one number in each row.*

	Poor	Somewhat Adequate	Adequate	Good	Excellent	Not Applicable
Accounting systems	1	2	3	4	5	N/A
Telecommunications	1	2	3	4	5	N/A
Internet facilities (internet access and website)	1	2	3	4	5	N/A
Physical facilities such as buildings	1	2	3	4	5	N/A
Location of your business	1	2	3	4	5	N/A
Access to key business services and advice	1	2	3	4	5	N/A
Finance, e.g. bank loans	1	2	3	4	5	N/A
Promotion and marketing	1	2	3	4	5	N/A
Sales	1	2	3	4	5	N/A
Profit	1	2	3	4	5	N/A
Skilled staff	1	2	3	4	5	N/A
Attracting Indigenous staff	1	2	3	4	5	N/A

PART 10   BUSINESS GOING FORWARD

10.1   How long do you think you will remain in business?

    A.   Less than 1 year from now   C.   6 – 10 years   E.   21 years plus

    B.   1 – 5 years   D.   11 – 20 years

10.2   Have you thought about who would run your business if you were no longer able to do so?

    ☐ Yes   ☐ No

10.3   If yes, who do you think would run your business?

    A.   A family member   D.   A different relative or friend

    B.   An existing partner in the business   E.   An employee

    C.   Someone who purchases the business from me

    F.   Other, *please specify:*_____

PART 11 YOUR LINKS WITHIN AND OUTSIDE THE ABORIGINAL COMMUNITY

Next we would like to ask several questions about your links within and outside the Aboriginal community.

11.1   Do you help out any local groups or volunteer (e.g. Aboriginal Land Council, Legal Service, Aboriginal Chamber of Commerce, sport, P&F group)?

A.   Yes, at least once per fortnight

B.   Yes, but less than once per fortnight

C.   No

11.2   In the past 12 months, have you attended or participated in any of the following cultural events without payment?

A.   Ceremony

C.   Sporting Event

B.   Funeral

D.   Festival/carnival involving arts, craft, music of dance

E.   Other, *please specify:* _____

F.   None of the above

11.3   Do you attend meetings of an industry group (e.g. Aboriginal Chamber of Commerce, Tourism Operators Council)?

☐   Yes, *please specify:* _____   ☐   No

11.4   Have you been on a management committee or organising committee for any local group or organisation over the past five years?

☐   Yes, *please specify:* _____   ☐   No

11.5   How connected would you say you are with mainstream Australian businesses that operate near you? *Please tick one box*

A.   Well, with most of the mainstream businesses

B.   Well, with some of the mainstream businesses

C.   I prefer to keep to myself

11.6   How connected would you say you are with Aboriginal businesses that operate near you? *Please tick one box*

A.   Well, with most of the Aboriginal businesses

B.   Well, with some of the Aboriginal businesses

C.   I prefer to keep to myself

D.   There are no Aboriginal businesses that operate near my business

Next we'd like to ask more questions about your social and professional networks.

11.7   For the following organisations, please circle a number between 1 and 5 that best indicates how often you talked to or met with each kind of group **over the past 12 months**.

Please circle one number in each row

	Don't talk with	Rarely talk with (yearly or less often)	Sometimes talk with (every few months)	Often talk with (about monthly)	Frequently talk with (about weekly)
Primary or Secondary School	1	2	3	4	5
Church	1	2	3	4	5
Sports Team or Club	1	2	3	4	5
Community Organisation (such as cultural group, men's or women's group, Rotary etc)	1	2	3	4	5
Indigenous Business Australia	1	2	3	4	5
Local Business Organisation (such as Chamber of Commerce in your town)	1	2	3	4	5
Aboriginal Chamber of Commerce	1	2	3	4	5
State or National Business Organisation	1	2	3	4	5
Australian Indigenous Minority Supplier Council (AIMSC) *now Supply Nation*	1	2	3	4	5
Local Government	1	2	3	4	5
Aboriginal Land Council	1	2	3	4	5
Other, please specify: _____					

The next set of questions seeks information about your attitudes towards your local area.

11.8   For the following statements, please circle a number between 1 and 5 that best suits how you think or feel about your local area. *Please circle one number in each row*

	Strongly Disagree	Disagree	Neither agree or disagree	Agree	Strongly Agree
My local area means a lot to me	1	2	3	4	5
I identify strongly with my local area	1	2	3	4	5
I am very attached to my local area	1	2	3	4	5
My local area is the best place for my business	1	2	3	4	5
I enjoy doing things in my local area more than any other place	1	2	3	4	5
No other place can compare to my local area	1	2	3	4	5

PART 12   CONTRIBUTIONS TO COMMUNITY

12.1   In which of the following ways does your business contribute to your local Indigenous community and local economy? *You may tick more than one, if appropriate*
You can say Yes or No as we are going along

   A.   Sponsor local sporting teams/clubs or cultural events

   B.   Provide services to Indigenous community

   C.   Provide discounted or free goods or services to Indigenous community groups and events.

      C.a   If yes, is this occasionally (e.g. few times a year) or regularly (e.g. once a month or more often)

   D.   Provide advice and support to members of the Indigenous community that are not paid for

      D.a   If yes, is this occasionally (e.g. few times a year) or regularly (e.g. once a month or   more often)

   E.   Actively seek to employ Indigenous people

   F.   Give percentage of profits to Indigenous community organisations and initiatives

   G.   Volunteers time to be involved in local community events or activities which are not related to business

   H.   Acts as a positive role model for the young people of the community

   I.   Other, *please specify:* _____

12.2   How important to you are each of the following? *Please circle one number in each row*

	Not at all important	Slightly important	Somewhat important	Important	Very important
Participating in mainstream Australia	1	2	3	4	5
Helping future generations in the Aboriginal/TSI community	1	2	3	4	5
Change or challenge mainstream Australia's perception of Aboriginal people	1	2	3	4	5

PART 13 SOME INFORMATION ABOUT YOUR VIEWS OF THE GOVERNMENT

The next set of questions seeks information about your attitudes towards government run organisations.

13.1 Please indicate your agreement with the following statements about the government. *Please circle one number in each row*

	Strongly disagree	Disagree	Neither disagree or agree	Agree	Strongly agree
Government programmes are run by a few big interests looking out for themselves	1	2	3	4	5
Government programmes waste a lot of taxpayers money	1	2	3	4	5
You can trust government organisations involved in delivering programmes to do what is right most of the time	1	2	3	4	5
It's a mistake to get involved with government programmes because they change and you never know what will happen	1	2	3	4	5
The people running government programmes are smart people who usually know what they are doing	1	2	3	4	5

PART 14   ABOUT YOURSELF

PLEASE NOTE: The questions in this part are optional, but your responses will enable us to assess whether this survey has sampled a representative group of Indigenous business owners. All answers are strictly confidential.

14.1 What is your age category?

A.   18-29 years   C.   40-49 years   E.   60+ years

B.   30-39 years   D.   50-59 years

14.2 Are you married or in a de facto relationship?

☐ Yes - married   ☐ Yes – de facto   ☐ No

14.3 If married or in a defacto relationship, is your spouse or partner an Aboriginal/Torres Strait Islander?

☐ Yes   ☐ No

14.4   If married or in a defacto relationship, is your spouse or partner actively involved in the business?

☐   Yes   ☐   No

14.5   Are you:

☐   Indigenous   ☐   Non-Indigenous

14.6   What is the highest level of formal education you have completed or are completing?

A. No formal schooling   F.   Completed Year 12 / Form 6 / HSC / VCE

B. Primary   G.   Technical/trade (e.g. TAFE)

C. Some secondary   H.   Tertiary degree or diploma in business

D. Completed Year 10 / Form 4   I.   Other Tertiary (e.g. bachelor degree)

E. Completed Year 11 / Form 5   J.   Postgraduate

Thank you very much for your time.

Other Comments:

Are there any other comments you would like to make about what helps Indigenous Businesses to be successful or the challenges that they face?