



Australian Government
Indigenous Business Australia

IBA Koori Mail Column
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Managing through the global economic crisis

Most of us have been watching the unfolding story of the global economic crisis and will have uncertainties about how this will impact on us as individuals.

I recently met with a number of Indigenous organisations in Perth to discuss what additional measures IBA can introduce to support them in their commercial activities as well as better support arrangements and the need for access to good quality market and industry advice. IBA also met with the private sector and discussed ways of improving the level of involvement of Indigenous people in commercial development projects. The response from industry leaders was positive and I believe they were impressed with the depth of experience in a number of the existing Indigenous commercial corporations who are successfully developing their business base.

A cloud in the form of the global crisis has now cast its shadow over the commercial sector. The issue now is how to get access to good advice and what to do to survive any downturn that might occur. I have been observing for some time a very clear downturn in the tourism sector in locations like Sydney, Cairns and Central Australia but some of IBA's tourism ventures in other locations are still enjoying reasonably profitable outcomes. This is due to the strength of the business and the commodities sector which has been underpinning the accommodation sector and to some extent masking the real depth of the downturn in the tourism sector.

Like most of the readers I am concerned about where the global crisis will finally settle, but I do gain some comfort from the robust nature of the Australian economy and its banking sector. But it is not for me to speculate but rather to say what IBA can do to help.

IBA has written to all of our clients inviting them to stay in touch over this period. IBA is also actively seeking good advice, and monitoring bulletins that are published by the Reserve Bank and other lending institutions.

In addition to that IBA is arranging a meeting of major Indigenous commercial corporations in late November to discuss the situation and any impacts they have begun to see. We propose to have representatives from the banking sector, industry economists and brokers who might be involved in the sale of major assets speaking at this meeting.

I believe by late November there may be a clearer picture of what the bottom of the stock market decline might look like. I also believe it is important that we engage with the banks on the issue of ongoing access to credit over the next six, twelve and eighteen months. That's what keeps business alive and what a number of people who have called me are concerned about. The corporations attending this forum are keen to get together to share their experiences with their colleagues as many of them come from very remote parts of Australia. Good advice and sharing experiences is not easily available in some of these locations.

In a future column I will report on the results of those discussions and the responses from many of our organisations who have worked hard to build a business base and who are seeking access to good quality advice and hints on what actions might be appropriate in a downturn in general spending in some sectors.

There is no doubt that we are going to go through a bumpy period and my focus for the foreseeable future will be to support existing Indigenous businesses and ensuring that the efforts of our commercial corporations is not undermined in this crisis that we face.