

## Submission to the inquiry into economic self-determination and opportunities for First Nations Australians.

The Northern Australia Indigenous Reference Group (IRG) welcomes the opportunity to provide a submission to the Joint Standing Committee on Aboriginal and Torres Strait Islander Affairs Inquiry into economic self-determination and opportunities for First Nations Australians. The focus of our submission is to answer the Terms of Reference questions raised by the committee.

### Northern Australia Indigenous Reference Group

The IRG is an expertise-based advisory group comprised of Indigenous leaders with experience in Indigenous business and economic development in northern Australia. Current IRG members were appointed in 2021 to provide policy advice to the Minister for Northern Australia and the Minister for Indigenous Australians on practical actions to enhance the economic prosperity of Indigenous Australians in the north. IRG members are presented at **Attachment A**.

### Northern Australia

Northern Australia comprises 53 per cent of Australia's landmass, defined as all of the Northern Territory, as well as the Northern parts of Queensland and Western Australia that intersect with the Tropic of Capricorn, including the Indian Ocean Territories (see Figure 1).



Figure 1- Northern Australia<sup>1</sup>

The region is abundant with untapped potential and talented people. Northern Australia has a competitive advantage in resources, energy, agriculture, aquaculture and tourism and its proximity to Asia and the Pacific creates trade potential to drive Australia's economic growth over the next decade and beyond. This continues on established trade between Indigenous Australians and South East Asian peoples over millennia. Northern Australia is mineral rich with deposits of lithium and rare earth metals that will be vital to the electrification of the country as we move toward a net zero future.<sup>2</sup> It is on the frontline of the nation's defence, border protection and biosecurity and it is home to a young and growing Indigenous

<sup>1</sup> Office of Northern Australia. (2021) *Our North, Our Future: 2021-2026*. Accessed on 06/03/2024. Retrieved from <https://www.infrastructure.gov.au/sites/default/files/documents/Our-North-Our-Future-2021-2026-Targeted-Growth.pdf> (p.2)

<sup>2</sup> Invest Northern Territory. (2022) *Minerals*. Accessed on 24/10/2022. Retrieved from <https://invest.nt.gov.au/infrastructure-and-key-sectors/key-sectors/minerals>.

population which will play an increasing role in its growth. Unlocking the north's potential is key to the development of the nation as a whole.

Aboriginal and Torres Strait Islanders have significant assets to bring to the northern Australia development agenda. Aboriginal and Torres Strait Islanders comprise 16 per cent of the northern Australian population, far greater than their three per cent share of the national population, and maintain rights or interests in around 78 per cent of the land mass in the north.<sup>3</sup> The Indigenous population is younger and growing at a faster rate than the rest of the Australian population.<sup>4</sup> Aboriginal and Torres Strait Islanders are projected to constitute approximately half of the working age population of northern Australia by 2050.<sup>5</sup> Outside of major population centres in northern Australia this is already the case.<sup>6</sup>

Developing the north, however, is not without its challenges. northern Australia is home to only 1.3 million people or around 5.3 per cent of the Australian population.<sup>7</sup> Its sparse population, the vast distances between major centres and extreme weather conditions can make it difficult, and costly, to do business and to provide adequate social and economic infrastructure. Housing shortages and higher costs of living can make attracting and retaining a skilled workforce difficult<sup>8</sup>. For Aboriginal and Torres Strait Islanders in the north, increasing cost of living pressures are exacerbated by remoteness, a lack of investment in infrastructure and already significant disadvantage stemming from centuries of dispossession and marginalisation.

## Submission

The Northern Australia Indigenous Reference Group (IRG) has been vocal about the opportunities and challenges that Aboriginal and Torres Strait Islander Australians face in achieving economic self-determination. The group has provided numerous perspectives on various key areas, including training, employment, business development, infrastructure development, capital unlocking, and most recently leveraging intellectual property.

---

<sup>3</sup> Ibid

<sup>4</sup> Australian Bureau of Statistics (2017) in Australian Venture Consultants Pty Ltd, (2020) *A new framework for accelerated development of the Northern Australian Indigenous economy*, provided. Accessed on 26/10/2022. (p.38).

<sup>5</sup> Joint Select Committee on Northern Australia (2014) in Australian Venture Consultants Pty Ltd, (2020) *A new framework for accelerated development of the Northern Australian Indigenous economy*, provided. Accessed on 26/10/2022. (p.38).

<sup>6</sup> Australian Bureau of Statistics (2017) in Australian Venture Consultants Pty Ltd, (2020) *A new framework for accelerated development of the Northern Australian Indigenous economy*, provided. Accessed on 26/10/2022. (p.38).

<sup>7</sup> Office of Northern Australia. (2021) *Our North, Our Future: 2021-2026*. Accessed on 06/03/2024. Retrieved from <https://www.infrastructure.gov.au/sites/default/files/documents/Our-North-Our-Future-2021-2026-Targeted-Growth.pdf> (p.2)

<sup>8</sup> Ibid

The IRGs perspective also draws on international and intergenerational experiences to provide a comprehensive understanding of fostering economic independence for Aboriginal and Torres Strait Islander people and communities.

### 1. *Opportunities for, and Barriers to Training, Employment, and Business Development:*

#### *Opportunities:*

The IRG have identified numerous opportunities for Aboriginal and Torres Strait Islander people in employment, training, and business development, they include:

#### *Training and Education*

Building capacity through training and education are the foundation for workplace confidence, which has a direct correlation with the ability of an individual to perform successfully at work and to feel secure in their employment<sup>9</sup>. However, the levels of training and education for Aboriginal and Torres Strait Islander peoples in Australia is markedly lower than non-Aboriginal and Torres Strait Islander people. Ninety per cent of non-Aboriginal and Torres Strait Islander Australians finish high school or achieve a Certificate Level II or equivalent in a vocation as opposed to 65 per cent of Aboriginal and Torres Strait Islander Australians who attain the same level<sup>10</sup>. Aboriginal and Torres Strait Islander Australians are also 30 per cent less likely to have achieved a tertiary qualification than non-Aboriginal and Torres Strait Islander people<sup>11</sup>.

The IRG recommends:

1. Tailoring training and education to meet the needs of Aboriginal and Torres Strait Islander people in Northern Australia as follows:
  - a. Having the platform for treating people as individuals in positive action initiatives - Training needs to identify personal strengths and skills to build on, and areas for improvement within each individual and their unique context;
  - b. Services to be flexible - Training and education services should consider prior learning and individual capacity including the individual's confidence, personal skills, capacity to talk with others and so on;
  - c. Education and training to be culturally appropriate - Education and training should be provided in a culturally appropriate manner with cultural values,

<sup>9</sup> United States Merit Systems Protection Board. (2021). *Confidence in Ability to Perform Successfully* (p.10). Accessed on 27/10/2022. Retrieved from:

[https://www.mspb.gov/studies/researchbriefs/Confidence\\_in\\_Ability\\_to\\_Perform\\_Successfully\\_1868023.pdf](https://www.mspb.gov/studies/researchbriefs/Confidence_in_Ability_to_Perform_Successfully_1868023.pdf)

<sup>10</sup> Australian Institute of Health and Welfare. (2021). Indigenous education and skills. Accessed on 26/10/2022. Retrieved from <https://www.aihw.gov.au/reports/australias-welfare/indigenous-education-and-skills>

<sup>11</sup> Ibid

practices and ways of learning as the foundation for curriculum design and delivery;

- d. Education and training to be locally delivered - Education and training should be delivered locally or include culturally appropriate means to access training. This includes the provision of transport, accommodation and wrap around services for those that need to travel away from home to access opportunities or digital access that meet the needs of the individual and the community;
- e. Investing in foundational skills development from early primary, secondary schooling, tertiary and trade - Investment needs to be made into building language, literacy and numeracy as foundational skills to prepare people for the workplace, particularly for school leavers and the long term unemployed;
- f. Supporting behavioral change in investment in trade-based training to build non-academic skills in line with future labour demand; and
- g. Supporting underrepresented mentors to guide students journey from primary, secondary and outside of their academic or trade related education.

Further, the IRG considers that Aboriginal and Torres Strait Islander peoples' participation in the fields of science, technology, engineering and maths (STEM) and digital fields must be increased.

- *STEM and digital education*

As the world becomes increasingly digitalised the job market of the future will rely heavily on knowledge in STEM subjects. Jobs in STEM have increased at a much higher rate than non-STEM jobs and will continue to do so into the future<sup>12</sup>. Jobs that may not be classed as STEM right now are also likely to have need some level of knowledge in STEM areas into the future too, such is the rapid change in technology and digitisation that is occurring<sup>13</sup>.

It is well documented that Aboriginal and Torres Strait Islander children and young adults are much less likely to be involved in STEM topics<sup>14</sup>. Enrolments in these topics for Aboriginal and Torres Strait Islander people and especially Aboriginal and Torres Strait Islander women in tertiary education is far below the level for other Australians<sup>15</sup>. The IRG recommends that

---

<sup>12</sup> Department of Employment and Workplace Relations. (2020). *No STEM-ing of growth for Aussie jobs* Accessed on: 24/10/2022. Retrieved from: [STEM jobs growing almost twice as fast as other jobs - Department of Employment and Workplace Relations, Australian Government \(dewr.gov.au\)](https://www.dewr.gov.au/australian-government/australian-curriculum/national-stem-education-resources-toolkit/introductory-material-what-stem/why-stem-important)

<sup>13</sup> Department of Education. (2022). *Why is STEM important?* Accessed on: 26/10/2022. Retrieved from: <https://www.education.gov.au/australian-curriculum/national-stem-education-resources-toolkit/introductory-material-what-stem/why-stem-important>

<sup>14</sup> Department of Education. (2022). *Aboriginal and Torres Strait Islander students*. Accessed on: 26/10/2022. Retrieved from: <https://www.education.gov.au/australian-curriculum/national-stem-education-resources-toolkit/i-want-know-about-stem-education/which-school-students-need-stem-education/aboriginal-and-torres-strait-islander-students>

<sup>15</sup> Ibid

government and industry come together to invest in STEM programs including secondary and tertiary scholarships with specific positions for Northern Australian Aboriginal and Torres Strait Islander students. Any pathway into STEM or Digital Jobs that is created must be Aboriginal and Torres Strait Islander designed and led, so that it is culturally safe and meets the needs of Aboriginal and Torres Strait Islander people. This will increase enrolment and achievement levels and ultimately upskill our Aboriginal and Torres Strait Islander peoples to achieve employment in these areas.

The recent world pandemic had shown us that working from home, including operating businesses, is possible. There are no reasons why Aboriginal and Torres Strait Islander people in regional and remote communities in Northern Australia could not work in jobs or service markets that are primarily located elsewhere domestically or internationally. With the right infrastructure and skills, Aboriginal and Torres Strait Islander communities could participate in such activities as cyber security. This opens up opportunities for Aboriginal and Torres Strait Islander people to participate in the global economy and benefit from the technological revolution.

The capacity to work from home requires the requisite infrastructure complimented by Aboriginal and Torres Strait Islander led training to enable local Aboriginal and Torres Strait Islander people to maintain it. Community based technicians could ensure that problems are identified and fixed quickly and efficiently and that Aboriginal and Torres Strait Islander communities, once connected, remain connected. Training local technicians provides jobs and skills for our people and a ready and available workforce for the Government and private employers.

### *Employment*

Meaningful employment lies at the heart of opportunity. Employment serves not only as a means of income for individuals and families but also as a pathway to developing skills and experience, increasing self-esteem, ensuring financial security, and enhancing living standards. Moreover, the health advantages of having a fulfilling job are widely recognised, including improvements in physical and mental health, social inclusion, and better developmental results for the children of employed individuals<sup>16</sup>.

Despite this, the employment rates for Aboriginal and Torres Strait Islander people in the northern regions are far from reaching the national average. Though the goal of the Closing the Gap reforms to boost the employment rate of Aboriginal and Torres Strait Islander people, there is still much progress to be made<sup>17</sup>. However, the IRG maintain that increasing

---

<sup>16</sup> Biddle 2013, Gray et al. 2014 and WHO 2012 cited in Australian Institute of Health and Welfare. (2022). *Indigenous Employment*. Accessed on: 26/10/2022. Retrieved from: [Indigenous employment - Australian Institute of Health and Welfare \(aihw.gov.au\)](https://www.aihw.gov.au/indigenous-employment)

<sup>17</sup> Australian Institute of Health and Welfare. (2022). *Indigenous Employment*. Accessed on: 26/10/2022. Retrieved from: [Indigenous employment - Australian Institute of Health and Welfare \(aihw.gov.au\)](https://www.aihw.gov.au/indigenous-employment) & Employment. (2022). *National Indigenous Australians Agency*. Accessed on: 25/10/2022. Retrieved from: <https://ctgreport.niaa.gov.au/employment>

Aboriginal and Torres Strait Islander participation in employment in Northern Australia can be achieved by:

- ensuring that education and training is accessible, affordable and relevant to the jobs that are available now and in the future in communities;
- adapting training to suit the learning styles of participants;
- making workplaces culturally safe;
- ensuring career pathways for Aboriginal and Torres Strait Islander Australians; and
- supporting the establishment and growth of Aboriginal and Torres Strait Islander business which are more likely to employ and invest in Aboriginal and Torres Strait Islander people and communities<sup>18</sup>.

The size of the Northern Australia Aboriginal and Torres Strait Islander population, residential stability, links to traditional lands and growth trajectory means that Aboriginal and Torres Strait Islander people will perform an increasingly important role in the workforce and the Northern Australia economy.

- *Creating careers, not just jobs*

It is important that the job opportunities offered to Aboriginal and Torres Strait Islander individuals include opportunities for advancement in their careers, rather than just starting positions or short-term contracts. Enabling advancement opportunities that align with an individual's skills, interests, and aspirations is key to achieving long-term employment success, including reaching senior positions. The development of a skilled Aboriginal and Torres Strait Islander workforce through investment and commitment is key to addressing Indigenous economic participation and address any skills shortage in regional, rural, and remote areas, particularly in the north where the impact is greatest.

### *Business Development*

Aboriginal and Torres Strait Islander businesses play a key role in empowering and upskilling local Indigenous populations across the north. Aboriginal and Torres Strait Islander businesses are over 100 times more likely to employ Indigenous workers than other businesses and they are more likely to invest in Indigenous peoples' development and in Indigenous communities<sup>19</sup>. Aboriginal and Torres Strait Islander businesses are also adept at mobilising workforces in rural and regional communities including the re-engagement of those currently not participating in the workforce. Supporting independent, authentic Indigenous businesses and Traditional Owner groups trying to create local opportunities in their communities is an avenue for genuine capacity building and self-determination.

---

<sup>18</sup> Supply Nation and First Australians Capital (undated) *Indigenous Business Growth: Working together to realise potential*. Accessed on 21/11/2022. Retrieved from <https://supplynation.org.au/wp-content/uploads/2018/10/Building-Indigenous-Growth-Report.pdf>

<sup>19</sup> Supply Nation and First Australians Capital (undated) *Indigenous Business Growth: Working together to realise potential*. Accessed on 21/11/2022. Retrieved from <https://supplynation.org.au/wp-content/uploads/2018/10/Building-Indigenous-Growth-Report.pdf>

Supporting growth in Aboriginal and Torres Strait Islander businesses requires Governments to lead the way by improving Indigenous procurement practices and supporting Indigenous entrepreneurship. There is an appetite for Aboriginal and Torres Strait Islander Australians to start and grow their own businesses, seen in the rising rates of Aboriginal and Torres Strait Islander entrepreneurship across the country, including in Northern Australia. Over 2000 Indigenous Australians are expected to start their own business by 2026<sup>20</sup> however, the majority of this activity is located in the South Eastern corner of the country.

In Northern Australia there are a limited amount of privately owned Aboriginal and Torres Strait Islander businesses, Aboriginal and Torres Strait Islander women are particularly impacted in this regard, only four per cent of employed Indigenous women were business operators themselves<sup>21</sup>. There is a clear gap where the market has failed in Northern Australia requiring a government response.

#### - *Indigenous Procurement Policy*

The Indigenous Procurement Policy (IPP) plays a crucial role in promoting economic empowerment and social inclusion for Indigenous communities. The policy aims to increase the participation of Indigenous businesses in government contracts and procurement processes.

IRG recognise that by prioritising the engagement of Aboriginal and Torres Strait Islander businesses, the policy creates opportunities for these enterprises to grow and prosper. This not only contributes to the economic development of Aboriginal and Torres Strait Islander communities but also helps in addressing socio-economic disparities that have historically marginalised our people.

A key benefit of the IPP is that it provides a platform for Indigenous businesses to showcase their capabilities and compete on an equal footing with other suppliers. This promotes fair competition and encourages diversity within government supply chains.

Moreover, by awarding government contracts to Aboriginal and Torres Strait Islander businesses, the policy fosters job creation within these communities. This leads to increased employment opportunities and ultimately improves the overall well-being of individuals and families.

The IPP was introduced with the aim of promoting economic empowerment and increasing opportunities for Aboriginal and Torres Strait Islander businesses in Australia. However, like any policy, it is not without its challenges and issues.

---

<sup>20</sup> National Indigenous Australians Agency (2021), *The Indigenous Business Factsheet*. Accessed on 28/11/2022. Retrieved from [https://www.niaa.gov.au/sites/default/files/publications/ibss\\_factsheet.pdf](https://www.niaa.gov.au/sites/default/files/publications/ibss_factsheet.pdf)

<sup>21</sup> Office for Women (2015), a profile of Australian Women in Business. Accessed on 17/12/2022. Retrieved from [https://www.pmc.gov.au/sites/default/files/publications/profile\\_of\\_australian\\_women\\_in\\_business.pdf](https://www.pmc.gov.au/sites/default/files/publications/profile_of_australian_women_in_business.pdf)

The following recommendation sets out principles established by the IRG to guide discussions with governments to improve First Nations outcomes from the implementation of government Indigenous procurement policies (IPPs)<sup>22</sup>.

The IRG recommends the Australian Government seek to improve First Nations business participation through the following principles:

*Principle 1. Consistent and effective procurement.* Ensure government procurement maximises the positive effect on Indigenous businesses and communities, provides genuine opportunities for market participation and addresses 'black cladding'<sup>23</sup> through:

- Consistently applying the definition of an Indigenous business as, at a minimum, 51 per cent Indigenous owned and controlled<sup>24</sup>.
- Consideration of a tiered level of Indigenous ownership in the selection of businesses and contractors in end-to-end procurement processes. A tiered approach could apply preferences such as:
  - First preference: 100 per cent Indigenous owned and controlled.
  - Second preference: more than 51 per cent Indigenous owned and controlled.
  - Traditional owner/Place Based Indigenous ownership.
- Applying IPP requirements to the full supply chain, including head contractors, sub-contractors and suppliers, of significant government contracts.

*Principle 2. Representative and authentic procurement.* Maximise First Nations outcomes from government procurement by increasing procurement targets and ensuring the authenticity of Indigenous business ownership and control by:

- Increasing Commonwealth IPP targets to a minimum of four per cent of the number and value of contracts being awarded to Indigenous businesses to better align with population parity<sup>25</sup>.

---

<sup>22</sup> For the purposes of this document, 'governments' includes Commonwealth and State and Territory Governments as well as Government entities and statutory authorities such as, but not limited to, the Northern Australia Infrastructure Facility, Indigenous Business Australia, the Indigenous Land and Sea Council and Supply Nation.

<sup>23</sup> Black cladding refers to the situation where large non-indigenous corporations enter into disingenuous partnership with Indigenous businesses and over-represent the involvement and control indigenous businesses have in order to appear more attractive in procurement selection processes.

<sup>24</sup> Indigenous controlled organisations are variably defined as those that can demonstrate that Aboriginal and Torres Strait Islander people are involved in the daily operation of the enterprise and have effective control at least equal to the degree of ownership Indigenous. Indigenous control could include control at Board and executive level with a minimum number of Indigenous directors on the board, a minimum quorum of majority Indigenous Directors at Directors' meeting, and/or the Board chair to be Indigenous.

<sup>25</sup> As at 30 June 2021 Aboriginal and Torres Strait Islander people represented 3.8 per cent of the Australian population. Retrieved from <https://www.abs.gov.au/statistics/people/aboriginal-and-torres-strait-islander-peoples>



- Introducing local, Indigenous-led certification processes to confirm the Indigeneity of Indigenous business owners and verify Indigenous control of businesses. It is preferred that jurisdictional certification feed into three national database and be the certifying authorities, with SN maintaining a database maintenance role only. This respects Aboriginal led processes that are placed based.
- Jurisdictional IPP targets should reflect population parity.

*Principle 3.* Transparent and accountable procurement. Improve transparency and accountability for First Nations outcomes from government procurement by:

- Strengthening monitoring and compliance measures in funding agreements and procurement contracts between the Commonwealth and the States and Territories and between governments and contractors.
- Applying financial and other penalties in funding agreements when stated Indigenous procurement outcomes are not met.
- Funding an Audit Office or Compliance Officers to ensure the mandatory minimum requirements have been applied to contracts. In addition to reporting non-compliance, the auditor will also have the authority to enact penalties for non-compliance.

*Principle 4.* Innovative and flexible procurement. Incentivise innovation and flexibility in IPPs to allow for different ways to improve Indigenous business and community outcomes by:

- Inclusion of bonus payments for achievement or exceeding of targets. Allowing /providing for a budget for Indigenous participation on projects.
- Considering the potential for broader and longer term of benefits to Indigenous communities through procurement contracts. For example, skills and capability development, legacy infrastructure and equipment, and improved resilience and liveability.

There is an opportunity to learn from existing Aboriginal and Torres Strait Islander owned organisations and programs that have developed successful spin-off companies to provide services such as construction, commercial cleaning, in-home care and health services and tender for other in-demand municipal services. At the same time, it is necessary to support such spin-offs to become majority Aboriginal and Torres Strait Islander owned and operated while being vigilant to reduce the incidence of 'black-cladding' which can arise from the presence of government supports to grow Aboriginal and Torres Strait Islander enterprise.

- *Creating culturally safe workplaces*

To attract and retain Aboriginal and Torres Strait Islander employees, workplaces must provide an environment that is culturally safe, where employers consciously nurture shared respect, shared meaning and shared knowledge. Creating an appropriate environment

requires organisations to be connected to the communities in which they operate and to invest in business and employer capability.

- *Increasing connectivity for Aboriginal and Torres Strait Islander businesses*

A very real, tangible change that can be made to facilitate Aboriginal and Torres Strait Islander business generation and growth is improved digital connectivity so that Indigenous businesses, particularly in regional and remote Northern Australia, can be connected and compete in the broader economy, domestically and abroad. Struggling with telecommunications connectivity limits access to markets, in turn limiting their ability to do business and to develop the skilled workforce that Northern Australia needs.

Digital connectivity infrastructure that is built to support Aboriginal and Torres Strait Islander businesses should be complimented by community-based technicians who can attend to issues quickly and efficiently. Training local technicians provides jobs and skills for our people and a ready and available workforce for the Government and private employers.

- *Supporting Indigenous business networks*

The historical experience for Aboriginal and Torres Strait Islander people throughout the twentieth century has included significant social disadvantage and marginalisation from the mainstream economy. Success in business is highly contingent on access to capital and business networks, which puts Aboriginal or Torres Strait Islander businesses at a disadvantage compared to their mainstream peers. These disadvantages can be partly overcome by support to Indigenous businesses to firstly, collaborate and build their own peer networks, and secondly, build bridges to government and corporate sector allies in Indigenous business development.

Indigenous business networks are a crucial vehicle to enable peer support, advocacy and capacity-building for Indigenous businesses. Indigenous business networks or chambers have emerged at the State and Territory level and in some regions in the past decade, but they are less well-developed in Northern Australia, where further support is required from government and industry.

The Northern Territory Indigenous Business Network (NTIBN) has been operating for over a decade, and supports regional Indigenous business hubs across the NT. Despite being significantly underfunded and resourced, NTIBN is a members-based organisation, the peak body representing NT Indigenous businesses. NTIBN is the preferred certifying authority of Indigenous Businesses in the NT. NTIBN is 100 per cent Indigenous owned and led and governed by a board of successful Indigenous business owners.

NTIBN is a business growth and advocacy services provider. The NTIBN acts for its members and peoples with the understanding that it is real, self-determined and Indigenous led economic participation that will Close the Gap. NTIBN is Indigenous-centric and works to ensure an Indigenous first approach to everything it does.

Likewise, the Queensland Indigenous Business Network (QIBN) though only just newly established, it is an independent representative body created to provide a unified voice for Queensland's Aboriginal and Torres Strait Islander businesses. Like NTIBN, QIBN aims to champion the interests of Indigenous entrepreneurs, drive economic growth, foster partnerships, and advocate for essential support and resources.

Regrettably, there is a gap in the northern regions of Western Australia, and there is a need for a similar Indigenous Business Network that would help and function in the same way the other networks function, i.e. too provide essential services to budding Aboriginal and Torres Strait Islander entrepreneurs.

The presence of regional Indigenous business networks in Northern Australia is crucial for offering services. Such networks should be led by Aboriginal and Torres Strait Islander business representatives themselves. Ultimately these organisations should be self-supporting, based on member subscriptions, industry sponsorship and fee-for-service offerings. However, they are typically underfunded and require seed funding for the establishment phase before they become self-sustaining. This is an appropriate role for governments. Once established, Indigenous business networks are ideal partners for government programs aimed at Indigenous business capacity-building.

The IRG recommends:

2. Governments provide seed funding to establish or support existing Indigenous business networks in regions of Northern Australia not currently serviced; and,
3. Governments need to partner with Indigenous business networks in the design and delivery of their Indigenous business capacity-building programs and initiatives.
4. It is worth making investments into individual communities at a local level, especially in bricks-and-mortar commercial areas.

Investing in Aboriginal and Torres Strait Islander communities at the local level, particularly in bricks-and-mortar commercial zones, is a strategic move that governments should not overlook. These investments hold the key to unlocking sustainable economic development and empowering Indigenous Australians to shape their own futures.

Moreover, investing in local commercial infrastructure sends a powerful message of trust and partnership, demonstrating a genuine commitment to self-determination and community-led progress.

## *2. Impediments to Building Economic and Social Infrastructure*

### *Economic Infrastructure*

#### *- Financial landscape for Individuals (General)*

Aboriginal and Torres Strait Islander entrepreneurs face unique challenges that can hinder their business success. Access to capital, lack of business networks, and cultural barriers are

just a few of the issues they must overcome. Securing start-up funding is a major obstacle, as many Aboriginal and Torres Strait Islander people lack the collateral or credit history required by traditional lenders. This puts them at a significant disadvantage compared to non-Indigenous entrepreneurs.

Additionally, the absence of established business connections and mentorship opportunities makes it difficult for Indigenous entrepreneurs to gain the knowledge and support needed to navigate the complexities of entrepreneurship. Cultural differences in communication styles and decision-making processes can also create misunderstandings with non-Indigenous partners and clients.

To address these challenges, targeted programs and policies are needed to provide Aboriginal and Torres Strait Islander entrepreneurs with the resources, training, and networking opportunities to establish and grow their businesses.

- *Financial landscape for Individuals and Indigenous Business Australia*

For Aboriginal and Torres Strait Islander individuals Indigenous Business Australia (IBA) is seen as the go to, as a way for Aboriginal and Torres Strait Islander entrepreneurs to access capital to help finance their business venture. The IRG acknowledge IBA's role in providing these services, however, individuals still face those unique barriers when applying for financial assistance through IBA. For example, people still need large capital holdings, to be used as collateral/deposit for a business loan, there are issues navigating overwhelming bureaucratic processes when applying for assistance.

For those reasons, government should consider advocating for inclusive policies and support systems that could be used in creating a more equitable environment for Aboriginal and Torres Strait Islander entrepreneurs to thrive.

The IRG recommend that the Australian government:

5. Introduce targeted programs and policies to provide Aboriginal and Torres Strait Islander entrepreneurs with the resources, training, and networking opportunities to establish and grow their businesses.
6. Advocating for inclusive policies and support systems that could be used in creating a more equitable environment for Aboriginal and Torres Strait Islander entrepreneurs to thrive.

- *Financial landscape for Aboriginal and Torres Strait Islander local governments*

Aboriginal and Torres Strait Islander local governments operate within a complex financial landscape characterised by limited revenue streams, competing funding priorities, and economic disparities. Unlike mainstream local governments, Aboriginal and Torres Strait Islander local governments often rely heavily on government grants and subsidies, which are subject to fluctuations and uncertainties. Additionally, factors such as underreporting of

populations in many Indigenous communities which form the basis of payments to local governments, remoteness, limited industry and economic development opportunities, and socio-economic disadvantage further compound financial challenges.

- *Local Indigenous government strengths and vulnerabilities*

Despite these challenges, Aboriginal and Torres Strait Islander local governments possess inherent strengths that contribute to their financial sustainability. These include strong community ties, cultural resilience, and a deep understanding of local needs and priorities. Moreover, Indigenous governance structures often prioritise transparency, accountability and community engagement, fostering trust and confidence amongst residents.

However, Aboriginal and Torres Strait Islander local governments also face vulnerabilities such as limited access to capital, reliance on external funding sources, and capacity constraints. These vulnerabilities can undermine financial stability and hinder long-term planning and investment in essential services and infrastructure.

- *Strategies for the financial sustainability of Aboriginal and Torres Strait Islander local government*

To enhance their financial sustainability, Aboriginal and Torres Strait Islander local government must adopt a multi-faceted approach that addresses both short-term challenges and long-term objectives.

The IRG recommend that the Australian government:

7. Re-set the allocation of general-purpose Financial Assistance Grants to Indigenous local governments.

The IRG are of the view that the percentage contributions between the Commonwealth, state and territory and local government authorities do not take into consideration the underreporting of populations experienced in many Indigenous communities and the need for cash poor local governments to transfer costs to local people through taxes and other means, especially in remote communities where the cost of living is already high. The IRG recommend a review of the contribution formula between the Commonwealth, state and territory and local governments to ensure that there is no downstream impact on the standard of living of already struggling communities.

8. Review co-contribution requirements for infrastructure funding, acknowledging the unique circumstances faced by Indigenous local governments.

The IRG would like the review to acknowledge the constraints that Aboriginal and Torres Strait Islander local councils face in raising co-contributions to access funding to build and maintain resilient infrastructure such as roads and bridges. As non-ratable communities, Indigenous councils mostly work with severely constrained budgets to deliver a complex

level of community services. Importantly this includes services generally not provided by mainstream local governments such as aged care and accommodation services.

9. Enable Indigenous local governments to compete for projects on a level playing field.

The IRG propose that restrictions on Indigenous councils making a profit from funding, such as disaster recovery grants, should be lifted, treating councils in the same way as external contractors. Aboriginal and Torres Strait Islander councils often have the plant, equipment and workforce to deliver projects such as road construction. Enabling Indigenous councils to conduct business like the private sector, would provide an opportunity to leverage their resources for economic growth, self-sufficiency and self-determination. This opportunity would lead to job creation within our communities and an improvement in living standards.

### *Social Infrastructure*

Aboriginal and Torres Strait Islander local governments in northern Australia play a pivotal role in advancing the socio-economic well-being and cultural resilience of Indigenous peoples. It is imperative for policymakers, stakeholders, and Aboriginal and Torres Strait Islander leaders to work together collaboratively to address the socio-economic sustainability of Indigenous communities in the north.

Inadequate funding, jurisdictional disputes, and historical inequities have all hindered progress. Without access to essential services, education, and economic opportunities, our communities will continue to lag behind in key quality of life indicators. Addressing the root causes of this systemic marginalisation must be a top priority for policymakers committed to reconciliation and empowering Indigenous self-determination.

### *3. Options to Unlock Capital and Leverage Intellectual Property*

#### *Leverage IP*

##### *- Leveraging Intellectual Property*

Before we unlock and leverage any Intellectual Property rights the first step is in protecting those cultural and intellectual property rights and recognising and respecting the inherent sovereignty and self-determination of Aboriginal and Torres Strait Islander peoples.

This involves acknowledging Aboriginal and Torres Strait Islander peoples' rights to control, own and benefit from their cultural expressions, traditional knowledge and cultural heritage. Governments, corporations and other stakeholders must commit to upholding these rights and refraining from exploiting or appropriating Aboriginal and Torres Strait Islander cultural and intellectual property without consent.

Establishing robust legal frameworks and mechanisms is essential. IRG acknowledges that government has begun with reforms to its current Intellectual Property Stand-Alone legislation but need to embrace international agreements that recognise and protect these rights, including the United Nations Declaration on the Rights of Indigenous Peoples and the Nagoya Protocol<sup>26</sup> on Access and Benefit Sharing.

Additionally, Aboriginal and Torres Strait Islander communities should be involved in the development and implementation of laws and policies that affect their cultural and intellectual resources.

Community-led approaches involve engaging Indigenous elders, knowledge holders and cultural leaders in decision making processes, developing protocols for the use and dissemination of traditional knowledge and implementing systems for monitoring and enforcing rights. By centering Indigenous voices and perspectives, these approaches promote cultural autonomy and resilience.

The protection of **all** Aboriginal and Torres Strait Islander cultural and intellectual property rights is not only a matter of legal and ethical responsibility but also a fundamental human rights issue. Upholding these rights is essential for preserving the diversity, integrity and resilience of Indigenous cultures and knowledge systems for future generations.

#### - *Unlocking Capital*

To unlock capital, you need first to attract financial institutions and investment to fund Indigenous capital for business development, it's crucial to take a strategic and compelling approach. Aboriginal and Torres Strait Islander entrepreneurs have immense potential, but often face systemic barriers in accessing the capital needed to grow their ventures.

A way of attracting investment by financial institutions could be through highlighting the unique value propositions of Indigenous-owned businesses, as well as the social and economic impact of investing in Indigenous communities, you can make a strong case for why financial institutions should prioritise this area. There is a rich cultural heritage, innovative mindsets, and community-focused ethos that Indigenous entrepreneurs bring to the table.

Congruently, financial institutions and investment funds could implement policy that prioritises Indigenous communities and offer vital capital for business growth. By creating tailored financial products and services, these financial institutions can help address the unique needs and challenges faced by Aboriginal and Torres Strait Islander entrepreneurs and communities.

Access to capital remains a significant barrier for many Aboriginal and Torres Strait Islander-owned businesses. Traditional financial institutions often lack the understanding or flexibility to meet the specific requirements of Indigenous-led ventures. Indigenous-focused financial

---

<sup>26</sup> [The Nagoya Protocol on Access and Benefit-sharing \(cbd.int\)](https://www.cbd.int/nagoya)

institutions, on the other hand, can leverage their deep community connections and cultural knowledge to develop innovative financing solutions.

The IRG recommend that the Australian government:

10. Government collaborate with Indigenous economic development organisations to create tailored funding programs and pitch opportunities that make it easier for investors to get involved. This could be done through a combination of education, relationship-building, and a value proposition, which could help unlock the immense potential of Indigenous Intellectual business development and drive much-needed capital investment into our communities.
11. Government grants and subsidies specifically targeted at Indigenous businesses can help bridge the funding gap.

#### *4. The international and intergenerational experiences of fostering economic independence for First Nations communities;*

The path to economic independence for Aboriginal and Torres Strait Islander communities is complex, nuanced, and deeply rooted in the unique histories and cultural identities of our people. That said, by drawing on our intergenerational wisdom, we can chart a course towards sustainable prosperity that empowers Aboriginal and Torres Strait Islander people to control our own economic destinies.

Around the world, other First Nations communities such as in Canada, and New Zealand have been making progress in creating inventive economic models that combine traditional methods with contemporary business practices<sup>27</sup>. These success stories offer valuable lessons on navigating the challenges of infrastructure development, access to capital, and skills training - all while preserving cultural integrity.

Equally important are the intergenerational perspectives that Aboriginal and Torres Strait Islander Elders can provide. By tapping into the accumulated knowledge and lived experiences of community members, we can design economic development strategies that resonate at a deeper level and foster lasting change. This intergenerational approach is crucial for ensuring that progress is not merely a flash in the pan, but a sustainable transformation that benefits First Nations people for generations to come.

#### *5. Any other related matters.*

- *Access Deficits*

Economic participation for Indigenous remote communities in this country is hindered by serious access deficits. Infrastructure, resources, and economic opportunities are essential factors that contribute to the ongoing cycle of poverty and marginalisation.

---

<sup>27</sup> [How Indigenous peoples are reshaping modern economies | World Economic Forum \(weforum.org\)](https://www.weforum.org/articles/how-indigenous-peoples-are-reshaping-modern-economies/)



To address these structural deficits, a comprehensive and collaborative approach is necessary. Governments must work closely with Indigenous leaders and communities and;

- a) Assist communities by supporting bricks and mortar commercial zones, given the lack of available commercial space for lease in many places.
- b) Unlock access to entry level insurance for small business intenders in these northern communities as their postcode works against them in the insurance space.
- c) Improve access to safe microfinance (under \$20,000). Microfinance programs that are currently funded and subsidized are not secure due to their high interest rates and short terms, causing vulnerable individuals in Northern communities to increasingly rely on Predatory Loans. Despite the general relaxation of interest rates in the sector during COVID, these programs maintained their rates, causing vulnerable individuals from marginalised communities to go unnoticed in the Finance Sector. If these loans are promoted as 'safe microfinance', they need to be accessible to vulnerable individuals, which they currently are not.
- d) Make it mandatory for major NGOs receiving government funding to involve Northern Indigenous communities in the **co-design** and **ownership** of microfinance programs. For example, the No Interest Loan Scheme (NILS), by remote communities (not Indigenous people from SEQ but actually from our lived-experience Northern communities). If these govt funded programs are intended to benefit Indigenous people the most (in remote regions), why are they not part of the solution, the Design, the ownership, and employment outcomes?
- e) Open up opportunities for successful business initiatives like the NEIS Program to extend their reach to Northern Australia and remote Indigenous communities, while empowering NEIS graduates to have a voice and be recognised in the industry.
- f) Acknowledging the limited access to items like laptops in remote communities, causing difficulties for Indigenous people in the Northern Region to access support. In light of this, it is necessary to think about strengthening business workshops led by Indigenous-focused business entities such as the IBA, by reintroducing in-person Business Development workshops.
- g) Often outer island communities in Torres Strait are locked out of meaningful conversations as consultations only go as far as Thursday Island. As the lived experiences of outer island residents are different to those living on Thursday Island, contextual and place-based responses are critical for local impact, outcomes and ownership.

#### - *Low School Attendance*

Another important obstacle that must be tackled is the long-standing issue of low school attendance in remote Indigenous communities, especially within the IRG footprint.

*'Gaps in attendance are evident for Indigenous children as a group from the first year of schooling. The attendance gap widens during secondary school. In 2019, the attendance rate for Indigenous primary*

*school students was 85 per cent—a gap of around 9 percentage points. By Year 10, Indigenous students attend school 72 per cent of the time on average—a gap of around 17 percentage points.*<sup>28</sup>

There is a plethora of research, reports and responses to tackle the barriers to school attendance, staffing, resourcing and curriculum including bi-lingual schools.<sup>29</sup> As you know, the Commonwealth contributes substantial funds to the State and Territory Governments and non-governments sector to operate schools with additional funds provided for Indigenous status, remoteness and other social indicators. So, there is no shortage of investment, yet this is not reflected in outcomes such as school attendance.

We have thousands of Aboriginal and Torres Strait Island children from remote communities, over decades that have not attended school. This issue left unaddressed undermines future efforts in training, employment and business development because the people we are trying to empower and support don't have enough education to take up opportunities.

---

<sup>28</sup> [School Attendance | Closing The Gap \(niaa.gov.au\)](https://niaa.gov.au/school-attendance-closing-the-gap)

<sup>29</sup> [How ready are Australian schools to help First Nations children to succeed at school? - Monash Education](#)

## Attachment A

### IRG Membership

- **Mr Colin Saltmere**, Chair – Managing Director of the Indjalandji-Dhidhanu Aboriginal Corporation, the Myuma and Rainbow Gateway companies, and Adjunct Professor with the University of Queensland’s Aboriginal Environments Research Centre.
- **Ms Tara Craigie** – Managing Director of J&T Craigie Pty Ltd, Indigenous Engagement Consultant at AAM Investment Group, and President at Northern Cowboys Association and Founder of Territory Rodeo Services.
- **Mr Jerome Cubillo** – Chief Executive Officer of the Northern Territory Indigenous Business Network, Chairperson of Larrakia Nation Aboriginal Corporation (LNAC), and on the Board of Ironbark Aboriginal Corporation representing LNAC.
- **Mr Troy Fraser** – Chief Executive Officer of Doomadgee Aboriginal Shire Council and formerly Community, Youth and Economic Development Manager at the Aboriginal Development Benefits Trust.
- **Mr Peter Jeffries** – Chief Executive Officer of Murujuga Aboriginal Corporation and has formerly worked with the WA Police Force, Rio Tinto, the Yamatji Marlpa Aboriginal Corporation, Woodside and his own business offering consulting services and Aboriginal cultural tourism.
- **Ms Gillian Mailman** – Managing Director of Fibre Optics NQ, Chief Executive Officer of MJB Solutions Pty Ltd, Director of Indigenous Wealth Hub, and Director of Illuminate FNQ.
- **Ms Ninielia Mills** – CEO of Nyamba Buru Yawuru (NBY), and a Traditional Owner from Yawuru country which includes Broome.
- **Ms Flora Warrior** – Principle Consultant of Saltwater Blue Consultancy Services and Traditional Owner and resident from Lag Mabuyag (Mabuiag Island in the Torres Strait) – Goemulgal people, and is from the Panai Dugong – Crocodile clan.