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ABORIGINAL AND TORRES STRAIT ISLANDER
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SUB-COMMITTEE ENQUIRY

*Enterprising Australia — planning,
preparing and profiting from trade and
investment*

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Abbreviations

ATSIC	Aboriginal and Torres Strait Islander Commission
CDC	Commercial Development Corporation
CLC	Central Land Council
IBA	Indigenous Business Australia
IBI	Indigenous Business Institute
ILUA	Indigenous Land Use Agreement

Executive summary

The opportunities for development of businesses on Aboriginal and Torres Strait Islander lands and waters which might attract inward investment or generate export sales are varied, extensive and real. This Submission does not comprehensively scope all opportunities but provides enough examples to demonstrate the enormity of untapped resources and business opportunities available within the Indigenous estate.

However, impediments to the development of these resources and businesses exist. Regional Indigenous non-government organisations are playing an increasingly important role in research and development, brokerage and facilitation of the establishment of regional Indigenous industries and businesses. However, because of lack of resources to adequately deal with the demands on them, regional development agencies tend to be overwhelmed. In particular Native Title Representative Bodies are unable to keep up with the demand for negotiating Indigenous Land Use Agreements and other agreements in the time-frames required by business.

Thus, while the opportunities are substantial, the resources to plan, research, develop, foster and sustain regional or local Indigenous businesses would appear to be inadequate. The physical remoteness, poverty and marginalisation of Indigenous people aggravate the barriers.

More training and education programs are needed to support entrepreneurs and managers of Indigenous enterprises. The mechanisms available for the delivery of business facilitation support are varied. The potential shortfall between the availability of these types of business support programs and the need is substantial. There is also scope for greater engagement of Corporate Australia in supporting Indigenous economic development.

To attract inward investment, including into infrastructure development, and/or to take up the sizeable export opportunities, taxation concessions should be offered to potential investors and joint venture partners to provide them with incentives to counter the disincentives. The economic cost/benefits of generating increased economic activity on Indigenous lands and waters by introducing such incentives in Australia are worthy of investigation.

Indigenous leaders must assess the current state of their community and develop strategies to address those debilitating factors which are impediments to sustainable progress. ATSIC advocates that in order for Indigenous communities to become self-sufficient they must be 'Strategically Positioned' and capable of capitalising on the economic opportunities that may be available.

Introduction

The Joint Standing Committee on Foreign Affairs, Defence and Trade through its Trade Sub-Committee has initiated an enquiry entitled *Enterprising Australia — planning, preparing and profiting from trade and investment*. The Aboriginal and Torres Strait Islander Commission has been invited to make a submission to the Committee.

The terms of reference of the Enquiry are:

"To examine and report on increasing Australia's trade and investment through initiatives for economic expansion, in particular:

- The role of development agencies in economic expansion such as the Industrial Development Agency in Ireland and the Economic Development Board in Singapore;
- Reasons for the success or otherwise of development agencies in establishing countries and regional areas as economic leaders;
- The comparative role of such development agencies to existing agencies in Australia;
- Incentives and impediments to foreign investment in Australia such as transport systems, taxation, telecommunications infrastructure, production costs, industrial relations structures, legal systems, federal systems of government and research and development initiatives;
- The adequacy of a skilled workforce in Australia particularly in new growth areas such as, though not limited to, financial services, information technology, e-business, education, pharmaceutical and health care, and the competitiveness of that workforce; and
- Opportunities for encouraging inward investment and promoting export sales".

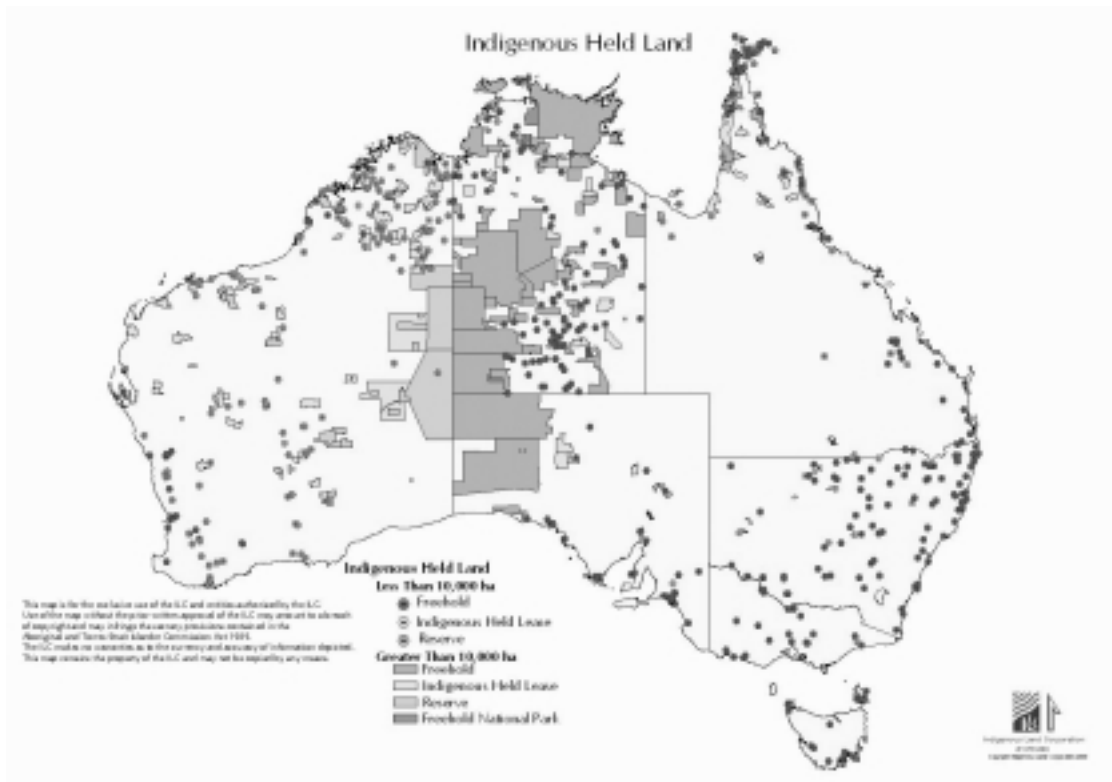
This Submission from the Aboriginal and Torres Strait Islander Commission (ATSIC) seeks to:

- Identify unrealised opportunities for inward investment and promoting export sales by Australian Indigenous businesses on Indigenous lands and waters, (either undertaken by Indigenous entrepreneurs alone or in partnership with a non-Indigenous investor or entrepreneur);
- Identify possible impediments to these opportunities being taken up;
- Offer some solutions to overcoming these impediments; and,

- Recommend a range of initiatives to facilitate increased inward investment and generation of export sales.

While reading this Submission, a number of key points should be borne in mind:

1. Businesses currently operating on Aboriginal and Torres Strait Islander lands and waters and in Aboriginal and Torres Strait Islander communities tend to be primarily community service businesses — airlines, food stores, petrol stations and so forth. Only a minority of businesses provide goods or services to non-Aboriginal people. There are, of course, some notable exceptions to this, particularly in the arts, tourism and cattle growing industries, where goods and services are provided for non-Indigenous Australians and overseas visitors and for export. However, these tend to be the exception rather than the norm.
2. There is a wide range of development opportunities on Aboriginal and Torres Strait Islander lands and waters available to Indigenous people for export businesses or which would be attractive to inward investors. There is no shortage of business opportunities. This is not the reason for the underdevelopment of Indigenous business.
3. The establishment of any business in an Aboriginal or Island community or which involves Indigenous entrepreneurs, contributes indirectly to the likelihood of future inward investment or generation of export sales by promoting the development of a business culture in communities, increasing skill levels and providing a demonstration effect of successful business operation. Supporting small and micro-business development at the community level is an important input and lays the foundation for the development of larger business proposals and growth of small businesses into potentially larger export businesses.
4. The most successful model for substantial business development in Indigenous communities to date would appear to be the joint venture model where the Indigenous group provides the land, resource, labour and some equity, while the joint venture partner provides investment capital, technology, management and marketing. Another successful model involves Indigenous persons as producers and owners of companies or cooperatives which then outsource tasks such as processing, sales and marketing.
5. It should be noted that there is a range of businesses already operating or proposed to start on Indigenous lands and waters, however, only those business opportunities likely to attract inward investment or generate export sales are discussed in this Submission.



1. Opportunities for attracting inward investment and/or generating export sales

ATSIC advocates that in order for Indigenous communities to become self-sufficient they must be 'Strategically Positioned' and capable of capitalising on the economic opportunities that may be available. ATSIC also advocates that in order to do this, Indigenous leaders must assess the current state of their community and develop strategies to address those debilitating factors which are impediments to sustainable progress.

In the following pages a range of identified business opportunities is discussed. The available opportunities have not been comprehensively identified and those listed are taken from industry studies and strategic plans that have been prepared, or are case studies of significant businesses currently being established or proposed to be established'. They are intended to be exemplary only of the types of opportunities that are available to some Aboriginal and Torres Strait Islander communities and organisations. No primary research has been undertaken in the preparation of this Submission and the author has relied on existing reports, strategies and other documents previously compiled.

The industry and business opportunities discussed in this Submission are:

1. Aquaculture and marine industries
2. Rural industries
3. Exporting of camel meat
4. Horticulture and agriculture
5. Bushfoods
6. Forestry
7. Tourism
8. Arts and crafts industries
9. Mining and mining-related industries
10. Exporting appropriate technologies to third world countries
11. Digital network project
12. Design and delivery of training and education programs

Only those opportunities that have already been identified and investigated or marked for investigation by Indigenous regional development agencies² or by ATSIC are listed. Other business development opportunities exist and are frequently discussed in both Indigenous and non-Indigenous circles.

¹ Austrade has recently commissioned the preparation of an export directory of Indigenous owned and operated businesses which are export ready but this is not yet available.

² The term 'regional development agencies' refers to those Indigenous organisations that have assumed a role in research, development, planning and facilitation of Indigenous economic and community development, e.g. Balkanu Aboriginal Development Corporation, Central Land Council, Tangentyere Council, Torres Strait Regional Authority and others throughout Australia.

1.1 Aquaculture and marine industries

The draft National Aquaculture Development Strategy for Indigenous Communities in Australia has recently been released. The draft Strategy refers to a workshop held in Canberra in 1999 entitled *Aquaculture Beyond 2001*, where it was estimated that the value of the industry in Australia could achieve \$2.5 billion by the year 2010. As pointed out in the draft Strategy's Executive Summary, the industry is particularly suited to Indigenous communities who have traditional ownership over significant areas of coastal and inland areas well suited to aquaculture. Such industries are also attractive to Indigenous communities for their consistency with traditional lifestyles.

Independent of the preparation of a draft Strategy, a number of communities in the Torres Strait and in other parts of Australia have undertaken feasibility studies into aquaculture and marine industries development and some have already commenced projects. For example, feasibilities have been undertaken in relation to redclaw crayfish farming and barramundi farming at Kowanyama on the west coast of Cape York and on Mornington Island. A multi-species hatchery has been commenced on the Tiwi Islands. Oysters have been farmed in Tasmania, Western Australia and South Australia for some time.

In the Torres Strait there are currently three individually owned seafood processing facilities which produce crayfish for export. These are sold through a buying agent in Cairns. The product is becoming scarce and there are sustainability questions about this industry. The Torres Strait Regional Authority has investigated other aquaculture industry options including giant clam, tropical abalone and sea slug. The conclusions drawn were that while there is clearly a market (domestic market is assessed as small while the export markets are assessed as potentially large), the economies of scale required to justify investment in the level of infrastructure needed to establish multi-species hatcheries makes establishment of these industries prohibitive at this point in time. The industry for tropical species is in its infancy and so the level of risk is assessed as too high at present.

Entry into the pearling industry is still under consideration. While the waters of the Torres Strait are considered to be ideal for pearling, again economies of scale require substantial investments. Some early discussions have been held with potential joint venture partners, however, these have not yet progressed.

In the 1970s the Queensland Government provided Indigenous communities with licences that were generally held by the community chairperson and did not necessarily reflect traditional ownership. These licences are still available but they are not often used. There is potential to use these in Queensland, but there is a need for facilities for processing, storage and transport to markets.

The commercial fishing industry is keen to do business with Aboriginal and Torres Strait Islander people, although there are some issues still to resolve, including Native Title in the sea, arrangements with commercial fishermen, clan estate based fishing and issues relating to fishing for multi-species and sustainability (fish, beche de mer, trochus, crayfish). **ATSIC believes that the negotiation of local and regional agreements between commercial fishermen and Indigenous interests represent the best long term strategy to address these issues.**

Access to capital for infrastructure development, access to technical and management expertise, and difficulties in identifying suitable joint venture partners limit participation in the aquaculture and marine industries. The high risk nature of the industry, i.e. vulnerability to weather and environmental conditions and its newness, also discourages participation. There is also a need to adapt existing technologies and research results to suit the conditions under which Indigenous communities might practice aquaculture and to develop appropriate training programs.

1.2 Rural industries

The National Aboriginal and Torres Strait Islander Rural Industry Strategy prepared by ATSIC and the Department of Primary Industries and Energy (1997) states

"...there are particular opportunities in establishing new enterprises where Aboriginal (sic) and Torres Strait Islanders can offer a competitive advantage in the market place, and in production for domestic consumption by Indigenous communities themselves". (1997:9)

There is a good deal of interest amongst Aboriginal people living in remote places in operating cattle enterprises and some groups have successfully acquired and are now operating profitable stations. In Central Australia, Mistake Creek Station, a cattle property on Aboriginal lands, exports cattle and, according to the Central Land Council, there is opportunity for other Aboriginal-owned properties in Central Australia to engage in cattle production for export. Training and education would be required to assist communities to take up such opportunities, however, there is also scope for joint venturing with neighbouring pastoralists.

The Indigenous Land Corporation has also commenced the Kimberley Aboriginal Beef Strategy, which involves Indigenous properties exporting cattle to Asian markets.

In Tasmania, Thule Farm, owned by the Flinders Island Aboriginal Association, runs 200 head of cattle and 4 000 sheep. The organisation is also currently looking at propagating native Tasmanian species, including pyrethrum crops for the essential oil market, tea-tree crops, hot houses to grow flowers for sale and possibly a market garden. The organisation is also investigating

acquisition of fishing, abalone and crayfish licenses, other aquaculture ventures and possibly wind generation³.

In Cape York the beef cattle industry is characterised by a low level of technology adoption, poor product quality, low production per hectare and per head, and a low cattle population (120 000 - 150 000 head); however, its long term potential is strong.

In most cases Aboriginal participation in rural industries has been restricted due to lack of access to capital for infrastructure development and lack of management expertise. In some instances, properties that have been acquired have been severely run down and will take some time and capital injection to recover. Co-ordinated marketing strategies will also be critical to accessing export markets.

1.3 Exporting of camel meat

The Central Australian camel industry had an estimated value in 1992 of \$2.5 million. It is the industry's goal to be worth at least \$12 million by the year 2005. Australia is the only country in the world that can boast disease-free camels and this provides a significant competitive edge for export to Muslim countries. The Camel Industry Association has received \$200 000 per annum from the Northern Territory Government over the past five years to develop this as an industry, and live export to Malaysia and the Philippines has commenced. The assessment is that the export of camel meat is on the cusp of becoming a major industry.

Most camels in Australia are on Aboriginal land but there is a significant lack of infrastructure to trap, harvest and hold camels pending orders. There are no yards and no management expertise. Camel projects have commenced on three Aboriginal communities in Central Australia and other communities are also interested in participating in the industry. Indigenous Business Australia⁴ is currently negotiating funding one project that will become a demonstration project.

There are opportunities for other animals to form the basis of new industries. There are a number of research projects under way looking at commercialisation of wild species and the management implications of these. Balkanu Aboriginal Development Corporation is also a partner in the ARC Key Centre for Wildlife Management whose primary focus is the commercial sustainable utilisation of wild species.

³ 'Thule Farm: Project pride strengthens morale', National CDEP News, Edition 11, March 2001.

⁴ Indigenous Business Australia (formerly known as the Commercial Development Corporation) is a Commonwealth Government statutory authority set up to assist and enhance Aboriginal and Torres Strait Islander self-management and economic self-sufficiency. This is achieved through engaging in a range of different business ventures including property, mining and mine services, manufacturing, retail and services, tourism and financial services. The IBA's current capital base is \$60 million and generally the IBA does not take an interest in projects where its equity is less than \$1 million.

1.4 Horticulture and agriculture

The Central Land Council (CLC) has developed an Aboriginal horticultural strategy. At least seven areas of Aboriginal land with commercial horticultural potential have been identified. Market analysis has identified a number of suitable commercial crops including table grapes, citrus fruits, dates and other fruits and vegetables. A joint venture model has been identified as the most appropriate for developing horticulture projects. Under this structure Aboriginal landowners provide land, water, equity and labour while the joint venture partner brings investment, technical expertise, management and marketing. It is proposed to establish an Aboriginal horticulture development corporation for Central Australia (Centrefarm Aboriginal Corporation) with one of its proposed purposes being to drive the project development process.

Since 1997 the CLC has assisted the Aboriginal landowners of the Angarapa Aboriginal Land Trust (formerly Utopia) to advance a proposal to establish a 200 hectare joint venture citrus development between the Aboriginal landowners and a leading South Australian citrus company.

A number of other communities, including some within the Nulla Mimila Kutju region, have an interest in developing arid-land horticulture projects (e.g. dates, nuts, native flora bearing food and medicinal substances), and a large number of communities have over the years expressed interest in establishing market gardens, mainly for internal consumption and some for supply to outside communities. Lack of infrastructure and technical and management expertise has hindered success of these community industries.

1.5 Bushfoods

The bushfoods industry at present is very immature but has potential for growth, both in terms of attracting inward investment for cultivation of bushfoods and for increased export sales. At present, with little marketing or promotion, orders for bushfoods are well in excess of supply. For instance, in Central Australia, one of three suppliers operating in the region indicated that orders in excess of 500 to 600 tonnes of wattleseed per annum are placed while only 500 kilos are collected and able to be supplied. Similarly, all bush tomatoes (*solanum centrale*) collected are sold. The consulting ecologist currently preparing a bushfoods strategy for the CLC, has indicated that collection from the wild is ecologically sustainable.

Funding for R & D has been limited to date (\$40000 per annum for two years from the Rural Industry Research and Development Corporation). Aboriginal groups will require business development assistance to further develop the industry and some infrastructure will be required. Over 80 communities in Central Australia are involved in bushfoods collection at present, with most of the collection being undertaken by middle-aged and older women.

These women have limited access to vehicles, which is the primary restriction on their ability to undertake bushfoods collection.

Scope exists for the cultivation of bushfoods, as the harvesting of foods from the wild is unreliable due to the unpredictability of heavy rains or bushfires. As such, this may provide an opportunity for inward investment, with a joint venture arrangement being a suitable vehicle. Coles Supermarkets is currently liaising with Aboriginal groups across Australia to encourage supply to its new line of bushfoods and has indicated that it will commence increased promotion of bushfoods in the near future. Establishment of cultivation projects will face similar impediments to other such projects — need for infrastructure, access to capital and access to management and technical expertise.

Other regions in Australia have expressed interest in bushfoods, including Cape York and South Australia. It is understood that cultivation of bushfoods is taking place on the East Coast of Australia but no data could be obtained.

There may be similar opportunities for joint ventures with Aboriginal and Torres Strait Islander groups in the development of bush medicines for the herbal remedy market, perfumes, oils and fragrances, the production of dried and fresh native flowers, the development of rare orchid, palm and fern nurseries and the development of a seed trade in bush foods, flowering bushes and native exotic palms.

In addition to the joint venture model described above, a suitable model for business development, in particular for collection of bushfoods from the wild, is that of a collective where the collectors own the company jointly, with profits going back into growing the business and better payment for collectors. The company, which may cover a significant region, undertakes processing, product development and marketing and employs appropriately qualified staff to take on these roles.

Bushfoods are also suited to development in collaboration with eco-tourism thereby increasing the overall viability of both industries.

Opportunities for participation in this industry will increase with the development of cultivation and management techniques at which point infrastructure investment, management and technical expertise and industry training will be required.

1.6 Forestry

The potential exists for some Aboriginal communities to develop sustainable forestry management practices that allow them to manage existing forestry resources and develop new plantations. The development of sustainable forestry management is only applicable to a few areas currently owned or managed by Aboriginal communities and relationships will need to be

developed between forest management companies, electrical engineering firms and communities. Products can be produced and labelled with an Aboriginal brand which are ecologically sustainably managed and produced thereby accessing high value international markets. These products include solid wood products such as ironwood for boutique markets including musical instruments. Thinnings and mill wastes can also be used for fuel for electricity generation to supply local communities and displace diesel-fired generators. The development of these generating facilities will need secondary industry running off the plant to make the project economically feasible. Examples include steam-drying kilns for pottery or wood products.

There are few constraints to the potential development of a forestry industry for Aboriginal communities; generally the technology for growing, harvesting and milling the trees already exists; technology for small capacity electricity generation is readily available and can be sourced through numerous companies. Many of these systems have been installed in small communities throughout Asia and are designed for remote communities. There is little need for extensive further research, except perhaps in the area of plantation management and development in some areas.

Capital investment is not seen as an impediment providing relationships can be formed and contractual arrangements put in place to ensure all parties are adequately protected and serviced accordingly. Current infrastructure such as roads, access to water, communications and electricity may slow down development of projects. However, if the overall economics of a forestry project is correctly costed and includes obtaining these items where they are needed then forestry development should proceed on the back of economic and sustainable feasibility.

One agribusiness consulting firm has been working with a number of engineering firms and electricity generators sourcing biomass for electricity generation that is then offset against coal fired electricity generation and is used as part of the Federal Government strategy for two per cent renewable energy. As most of the electricity generation in most Indigenous communities is via diesel generator, there is opportunity to replace this greenhouse gas emitting electricity generation fleet with biomass generators.

Timber cropping on Aboriginal lands also warrants further investigation, particularly in association with mining and other clearing operations.

1.7 Tourism

In 1997 ATSIIC and the Office of National Tourism launched the National Aboriginal and Torres Strait Islander Tourism Industry Strategy (NATSITIS). The first step in implementing the Strategy was to commission market research and consultants were engaged to do this. Their conclusions, as discussed in their draft Report dated 25/2/00, are:

"The survey demonstrates that generally most people's interest [in Aboriginal and Torres Strait Islander cultural experience] can be addressed through the range of Indigenous tourism experiences currently available. There is potential, however, for more Indigenous products to be incorporated into a broader range of Australian experiences". (A.C. Nielsen 16:2000)

The authors of the Report go on to say:

"...the special interest traveller (i.e. whose entire trip is motivated and planned around Indigenous Tourism Experiences) is a relatively small segment of the market. There is considerable potential for Indigenous operators to expand their businesses through increasing the attractiveness of Indigenous tourism product to the general Holiday/Leisure Travellers". (2000:17)

Ryan and Huyton in their recent research into tourist perceptions and preferences in Central Australia, have made similar findings:

"The actual proportion of visitors with a strong ... interest in Aboriginal culture is in fact small. Ryan and Huyton (1999) indicated that it was as small as three per cent, although a further 30 per cent had an interest that was tied in with an interest in National Parks and landscape". (2001:22)

Ryan and Huyton concluded that

"Given the limited interest of the market, it is important that if Aboriginal people do wish to be involved [in the tourism industry], they should seek product dispersion". (2001:23)

Non-Indigenous businesses and some Indigenous-owned businesses operating in places and regions where there are significant numbers of Indigenous people living are proving profitable. There are a number of Indigenous owned luxury resorts, specialist eco-tourism ventures, and four-wheel drive adventure tours. It would seem worthwhile to investigate the feasibility of creating additional saleable, low-impact experiences, which take advantage of the number of protected areas in Australia and Indigenous interest in those protected areas. The Australian Tourism Commission is currently attempting to engage the private sector in partnering with Indigenous groups in tourism, although this is reportedly proving difficult.

In the Torres Strait, tourism is not a prime focus. The fragility of the Torres Strait requires low-impact tourism and its remoteness limits the opportunities for development of a sizeable tourism market. However, recently nearly \$1 million was invested at Coconut Island to build tourism facilities aimed at the high yield overseas markets, targeting the German tourism sector, while some other islands are currently investigating opportunities to provide facilities for top end sports fishermen. The latter may provide opportunities for joint venture projects.

Opportunities for rural tourism were also identified in the Rural Industries Strategy, referred to above. According to Tourism Queensland, the industry

in Queensland has tended to promote beaches and failed to promote inland and remote areas for tourism. Opportunities exist for Indigenous communities located inland or in remote locations to participate in agritourism, recreational fishing, trophy hunting, farmstays and other tourism products away from beaches.

While opportunities for Indigenous people to participate in tourism are not limited, there are other factors that act to constrain their participation. These factors include:

- Absence of a lead agency in government to take responsibility for driving implementation of the Tourism Industry Strategy
- Difficulties developing and sourcing sufficient Indigenous product
- Difficulties in accessing capital
- Need for institution strengthening at national and regional levels
- Need for greater opportunities for information sharing and support between successful and new operators
- An absence of industry leaders and mentors within the mainstream industry willing to support Indigenous tourism operators
- Need for Indigenous operator training
- Accreditation and authenticity remain at issue

1.8 Arts and crafts

Cultural arts and crafts industry potential includes painting and graphic design, fibre craft, textiles, performing arts (including music industry development, and traditional and contemporary theatre and dance), photography, jewellery, film, woodcraft (including spears, fire sticks), glass making, creative writing, publishing and multimedia.

In 1997 the Indigenous arts and crafts industry was estimated to be worth close to \$200 million per annum (ATSIIC 1997:5). In the past five years the industry has grown and is certainly worth well in excess of that figure now. The Sydney Olympics is assumed to have contributed to sales.

There is still significant potential for growth in this industry, which is an attractive one to pursue since it meets a range of cultural and social objectives in addition to economic ones. It is estimated that the majority of Indigenous artists are over 40 years of age and that 80 per cent live in remote locations. There is scope for encouraging younger artists and for greatly increasing participation rates in this industry.

In 1997, around half the sales of Indigenous arts and crafts were estimated to occur through the tourism market. At the time, this represented a fourfold increase in value over the preceding 10 years. The Cultural Industry Strategy, prepared by ATSIIC in 1997, points to an increasing awareness amongst art lovers

"... of the diversity of Aboriginal art, relating to regional differences in style and inspiration, and individual artistic expression. Several Aboriginal artists, (both individuals and community-based enterprises) have achieved a considerable national and international reputation, with a consequent keen market for their product... Paintings on canvas, paper or bark sheets are probably the most significant component of Indigenous art sales, and have particular appeal to the export market... There is a high demand for crafts involving production of traditional forms such as boomerangs, spears, didgeridoos, woomeras, bull roarers, as well as representations of native fauna, woodcrafts are often family or community based group enterprises". (1997:7-11)

There is a limited discerning market for high quality fibre arts which is an industry dominated by older women. There is also a growing popularity amongst art lovers of textiles. Desert in Central Australia is currently planning a promotional trip to New York to place a range of high quality fabric paintings in galleries there. There is enormous opportunity to increase this form of marketing and product placement.

In the Torres Strait, whose art is distinctive in style and expression?

"There is an evident emergence of young Torres Strait Islander artists who are gaining national profile. There is considerable strength and talent in the areas of music, dance and painting". (1997:7)

Commercial performing arts companies include those directed at the tourism market (Tjapukai has 700 tourists per day attend performances). There would appear to be limited potential for expansion in this segment of the industry:

"Experience suggests that with the notable exception of Tjapukai, performing arts companies are heavily dependent on government sponsorship or part-time employment of the artists in other activities, or both".

Multi-media is a newly emerging art form and one with enormous potential. While the nature of the equipment involved makes it expensive, this is nevertheless an industry which has particular appeal to young artists and musicians.

The souvenir industry produces reproductions, or purported reproductions of Aboriginal and Torres Strait Islander designs and other objects for the tourist market. Most of them are cheap items that convey an impression, often inaccurately, of Aboriginal and Torres Strait Islander influence (eg the didgeridoo). Indigenous artists are forced to compete with the souvenir market which are mass-produced overseas and are not Indigenous made products. Many multi national companies opt for cheaper fake products,

which affect the level of export sales of these products. Companies must be encouraged to enter into direct dialogue with Indigenous artists to create investment opportunities and increase export sales of the souvenir market.

Assessments are that the market for Indigenous product, both for the souvenir market and for the more discerning fine art markets, is greater than the available product. Marginalisation and lack of business skills of artists is cited as the main barrier to obtaining more products. According to Tourism Queensland, "we have struggled to increase Indigenous product" (*pers comm Mary-Clare Power 19/4/01*). Recent research by the Bureau of Tourism Research suggests that overseas tourists are leaving Australia without being able to purchase Indigenous art, due to inability to locate Indigenous made product.

It is felt that other parts of Australia could benefit from the type of support offered to Central Australia by regional support organisations such as Desart:

"... there are no established or emerging information networks, at regional, State/Territory or national levels. There are some regional agencies that perform a networking and support role, such as Desart in Central Australia, but these are few and far between. This is partly because networks which have operated in the past have not received sustained funding". (Cultural Industry Strategy 1997:23)

To date ATSIIC has provided funding for the label of authenticity, preparing a code of conduct for tourism and developing an accreditation program for tourism operators. These are important preparatory steps but fall short of full implementation of the Cultural Industry Strategy.

Missed opportunities arise as a result of the underdevelopment of the Cultural Industry. For instance:

"It is apparent that there is a considerable market for graphic design based on Indigenous themes ... success as a graphic designer requires a different set of skills to those required by an artist producing single works of art, and Aboriginal and Torres Strait Islander people may need assistance in making the appropriate industry links. This involves becoming involved in production processes that have until now been dominated by non-Indigenous participants". (1997:10)

Aboriginal artists in Australia are in the main totally dependent on non-Indigenous people who act as agents in promoting their work. Their production and storage equipment is also severely limited, making large-scale production impractical:

"Compared with mainstream cultural industries, there is relative strength in design capacity, but weakness in production and promotion". (1997:9)

This results in:

"... the most successful enterprises may be those that are able to effectively market their work rather than those producing the best quality product... it is in the interests of cultural industries as a whole for the best quality production to obtain appropriate market exposure". (1997:33)

Case Study

Ernabella Arts, based in Central Australia, has over 90 artists and a 30 year tradition in textile arts. A pilot project for the Cultural Industry Strategy discussed above, was a silk-screening project where the group focused on design and outsourced production. Outsourcing arrangements were established with manufacturers in Sydney and Melbourne who work under the control of the artists, enabling Ernabella Arts to increase its product volume and range. This is considered a relevant model for a number of other Indigenous textile enterprises based in remote areas. (1997:13)

1.9 Mining and mining-related industries

To date the mining sector has been the most active inward investor and generator of export sales on Indigenous lands. As a result, the mining industry is currently the most sophisticated and informed in terms of its ability to form and navigate relationships with Indigenous people in Australia. The role of Native Title Representative Bodies, mostly Aboriginal land councils in facilitating mining and mining-related activities, underscores the essential role that non-government Indigenous-controlled regional organisations play in facilitating inward investment. Increasingly, the mining industry is creating new ways to enter into partnerships with Indigenous landholders and deliver benefits to these groups. There has been a perceptible change in attitude and approach of such companies which in the main have become increasingly more open-minded in their understanding of the needs and objectives of Indigenous communities, of the likely social and economic impacts of their activities and of constructive and appropriate ways to mitigate negative impacts and maximise potential benefits.

1.10 Exporting appropriate technologies to third world users

There is opportunity for private companies and universities to develop technology in joint partnership with Aboriginal and Torres Strait Islander communities that would then have export potential to the third world. As one example, a miniature boiler design is presently being exported by Sinclair Knight Merz to Malaysia and the Philippines. Similarly, research with Indigenous communities on alternative and renewable energy source technologies, such as solar power and wind generation, could have possible export potential.

There is currently no strategy in place that sets out to deliberately encourage and facilitate investigation of potential opportunities in this field.

1.11 Information and telecommunications technology

Networking the Nation is a five-year, Federal Government Regional Telecommunications Infrastructure Fund, which provides funding for regional, rural and remote communities to enable them to identify their communication needs and develop projects that meet those needs. Since its launch in 1997, *Networking the Nation* has funded over 400 projects and allocated almost \$200 million of its \$250 million fund.

New technologies and their associated benefits such as Internet access, electronic commerce, teleworking and on-line training and education offer new opportunities for economic development in remote Indigenous communities not previously available. The attraction and benefits of new technologies to regional communities are demonstrated by their quick uptake within those communities, (as of October 2000, 51 per cent of regional homes have a computer), and have implications for all areas of business and commerce.

It will be essential to economic development in Indigenous communities that they have access to the Internet and other information and telecommunications technologies. The poverty of communities acts as a serious limitation on this, but it must remain a high priority.

Case Study

Under the *Networking the Nation* scheme, the Balkanu Aboriginal Development Corporation received \$100 000 to develop an appropriate business and implementation plan for establishment of a narrowband digital network in Cape York. Entitled the Cape York Digital Network (CYDN) Project, it involves the use of information technology and telecommunications infrastructure and services to promote greater opportunities and benefits in the areas of health, training, employment and social justice.

The aim of CYDN is to provide digital services to Cape York communities at an affordable level. Infrastructure will be supplied to meet the specific needs of each community and used to support videoconferencing, Internet, telephony, infomatics, electronic funds transfer and other multimedia tools that comprise a 'required community teleservice'. Economic opportunities exist in the areas of:

- * E-commerce
- * Selling of teleservice platforms
- * Carriage content service provision
- * Reduction of costs inherent to long distance in remote Cape York
- * Case management tools
- * Multimedia infrastructure and service provider
- * Intellectual property management

* Lowering of the overheads in developing IT&T

Examples of other projects funded by *Networking the Nation* benefiting Indigenous communities include:

Pitjantjatjara Council Inc: Developing a strategic plan to investigate the provision of Internet access for five Pitjantjatjara communities.

Coonamble Shire Council: Development of a telecentre to provide extensive training and community awareness in the use of the Internet.

Indigenous community located at Armidale, Guyra and Uralla: Investigation of the communications needs of three Aboriginal communities.

Barambah Aboriginal Community Care Agency Inc: Enhance access to the Internet for the Cherbourg community.

Examples of other projects funded through *Networking the Nation* that may have beneficial implications for Indigenous communities include:

Northern Territory Cattlemen's Association: Investigate the delivery of more reliable and affordable Internet access to remote households in the Northern Territory.

Hunter Regional Tourism Organisation: Hunter Tourism e-Commerce Trial. Involves over eighty tourism operators working together to develop a website which allows potential tourists to explore holiday options and book and pay for their holidays online.

In addition to these projects, the Federal Government is implementing The Remote and Isolated Islands Fund which provides \$20 million over a three year period to 2002 to assist in meeting the telecommunications needs of people in remote island communities such as the Torres Strait.

1.12 Design and delivery of training and education programs

It is widely recognised that there is a need for more training programs to be developed and delivered to Indigenous people and others living in remote places in a wide range of fields including:

- Professional development, including Indigenous management development programs
- Business skills
- Leadership
- Supervisory skills

- Administration
- Community development
- Community planning
- Construction
- Home maintenance
- The arts
- Tourism
- Land management
- Negotiation skills
- Mediation skills
- Administration and accounting
- Generic mining skills

There is also a market for delivery of many of these programs, once developed, to Asia, Africa and the Pacific. It is understood that one Australian college specialising in delivery of education and training to Indigenous Australians has been approached by an African organisation in relation to the provision of expertise to that country.

In addition there are opportunities to provide high profile programs for the Corporate Sector in community relations and Aboriginal and Islander relations and to provide training programs in Aboriginal and Torres Strait Island culture and arts to private sector individuals interested in learning about these.

Although some of these training programs are already being provided by TAFE and private sector providers, there is still a significant shortfall between availability of quality programs and the size of the potential market. There is little scope currently available for non-Aboriginal or Islander people to learn from Aboriginal and Islander people. There is opportunity for Indigenous people to create such a business, advisedly as a joint venture with an experienced training provider or even a university, and to develop and provide some of these programs on a fee-for-service basis, for both Australian and overseas students.

2. Impediments to pursuing these opportunities

In this section of the Submission, likely impediments to the establishment and success of businesses on Aboriginal and Torres Strait Islander lands and waters are discussed. Some of these impediments are unique to Indigenous businesses, while some are typical of all businesses but may be more pronounced in the Indigenous context for cultural or historical reasons.

2.1 Conflicting community priorities and low levels of income

There is a need to recognise that Indigenous community organisations are preoccupied with provision of an adequate level of goods and services, including essential services, to members of their local communities. Such local organisations face competing demands on their limited resources. Virtually all local organisations and most regional Indigenous organisations have a number of roles and functions, economic development being only one of many. Generation of businesses for export is a low priority in the face of other demands. Nevertheless, Indigenous organisations recognise the importance of business development in the creation of an economic base for communities as long term solutions to their problems. Generally Indigenous organisations are overwhelmingly supportive of any initiative designed to foster increased levels of economic activity in Indigenous economies.

The poverty and marginalisation of the majority of Indigenous people means that there are generally low levels of business activity in communities. This serves as an impediment to economic development since the 'critical mass' that is necessary to stimulate economic growth of all forms in communities is generally lacking. Inward investment and establishment of businesses that generate export sales can contribute to the creation of an economic base and increased levels of economic activity generally in the community and region. Providing inward investment and establishment of businesses makes these contributions, Indigenous leaders welcome them.

2.2 Cultural and environmental sensitivities

Traditional lands and resources are a key asset for Indigenous communities. The use of lands and resources raises particular issues for Indigenous communities and outside investors, including:

- Resources are frequently non-renewable;
- Exploitation of resources for enterprise purposes raises issues of social, cultural and environmental impact; and

- Exploitation of non-renewable resources by the current generation raises the question of responsibility to future generations⁵.

Economic development must only occur in a way that respects traditional values and the communal nature of Indigenous land and resource ownership now and in the future. Culturally and ecologically sustainable development of communal resources is critical.

A key concern for Indigenous people, therefore, is that non-Indigenous entrepreneurs may come in and take up opportunities without benefit for the Indigenous landowners. This concern needs to be treated as legitimate.

2.3 Lack of resources in regional bodies

Dedicated non-government, Indigenous-controlled, regional development agencies, or Indigenous agencies which assume regional development functions in addition to their other functions, have a vital role to play in controlling the development process to ensure that proper safeguards are in place. The difficulty is that such a role requires these agencies to gatekeep as well as to facilitate.

Anecdotal evidence suggests that lack of resources in regional development agencies is a major impediment to developing regional industries and assisting entrepreneurs to realise business opportunities. The following are comments made by potential entrepreneurs about their experiences in approaching regional development agencies with their business proposals:

"The opportunities are real but we found it hard to get past the gatekeepers".

"We got a real slap in the face from [the regional economic development agency]. They told us that they did not have enough time to meet with us and that they had no capacity to expedite our requests".

"I think they often hold things up because they don't know how to deal with them".

"Aboriginal leaders are too busy. We kept being put on to white staff".

"We gave up in the end. Business can't afford to wait".

"We got juggled around — I would keep ringing and ringing and not go anywhere. They said they had financial problems and political crises to worry about".

"We know they are filtering out the 'white shoe brigade' which is fair enough, but they do not have the capabilities to evaluate projects. They base things on personal assessments. They are remote so it adds to the cost for us".

⁵ Extract REDS 2000.

"Even if we could see an opportunity we would have difficulty finding a suitable Aboriginal partner".

Conversely, regional development agencies experience 'time wasters' and 'scammers':

"Every year at least two investors come up and we know this is a complete scam. They must think we are complete idiots".

"Effectively this is someone trying to get their hands on easy money".

"They come to us with proposals full of holes".

"Lack of capital is generally not the problem for us. Finding suitable joint venture partners is".

2.4 Under-resourced Native Title Representative Bodies

Native Title Representative Bodies perform statutory functions under the Commonwealth's Native Title Act 1993 which have a significant impact on investment and trade. In particular they are required to research and prepare native title claims and to assist native titleholders in negotiations with parties wishing to use land subject to native title. There are 16 such bodies, which have regional or State jurisdictions and cover most of Australia's landmass.

It is recognised by industry, governments and Native Title Representative Bodies that reaching agreements with native titleholders is the best way to establish developments on land subject to native title. In ATSIC's view, the amendments made to the Native Title Act in 1998 reduced the likelihood of agreements being reached because the procedural rights granted to native title claimants were diminished in favour of greater powers to impose developments being granted to governments.

To the extent that those amendments established a process for negotiating Indigenous Land Use Agreements to facilitate the use of native title land by other parties, the capacity to achieve agreements has been seriously jeopardised by the lack of funding for the Representative Body system.

These bodies were given substantially more functions following the passage of the amendments in 1998 but were not given any additional resources. Independent reviewers have estimated the annual shortfall to be around \$30m. Most agreements for development cannot proceed without the involvement of the representative body and while they remain seriously under-resourced, there are inevitable delays in negotiating agreements for project developments.

Delays across Australia in establishing ILUAs are a potential serious impediment to inward investment and the establishment of major projects

on Indigenous lands and waters. For example, Indigenous Business Australia states on its web-site:

" [Indigenous Business Australia] will not become involved in any Native Title claims process. However, once Native Title issues have been resolved, [Indigenous Business Australia] will consider investing in commercial enterprises that might flow from any Native Title process". (www.cdc.gov.au 2001)

A senior officer of Indigenous Business Australia has expressed concern that Native Title Representative Bodies are " overwhelmingly under-resourced" :

" We deal with a lot of Native Title matters. We are looked to try and help the private sector to come up with a workable solution to Native Title but that is not our role and we don't have the expertise. The inability of the rep bodies to rapidly respond to the need to resolve Native Title matters when a project surfaces means that the timeliness of the project goes out the window and with investment opportunities, timeliness is critical. These people [investors] are not going to sit around endlessly if they've got money in their pockets. They just go off and find another project". (pers comm Brideoake 18/4/01)

2.5 Need for legislative review

In Queensland these difficulties are overlaid by legal impediments to the establishment of leases on Deed of Grant in Trust lands and the requirements of the *Community Services Act (1984)* which places limitations of the ability of Aboriginal and Torres Strait Island Councils to borrow and initiate investment projects including joint ventures. There has been a long recognised need to review State legislation and make it friendlier to development agendas, however, to date, this has not occurred.

2.6 Lack of capital

Lack of capital is a problem experienced not only by Indigenous entrepreneurs. Putting a product, an idea or resource together with a venture capitalist or some one able to take the product to market is a major hurdle to any business person not well connected. However, the 'inaccessibility' of Indigenous people because of culture, language, remoteness, class differences, marginalisation and the confusion caused by Indigenous ownership structures and land tenure compounds the problem.

While income streams from royalties and other sources might have provided capital for investment, there are barriers (historical, social and commercial), to the application of these to form a capital base for business development.

Anecdotal evidence collected through telephone interviews in the preparation of this Submission suggest that some prospective businesses involving inward investment partners are failing to be established because of the length of time the Indigenous partner requires in order to bring its equity to the project. Extended delays in approval for applications for

funding support, whether grant or loan funds, are reportedly a major disincentive to non-Indigenous partners.

In the Torres Strait, the view is that lack of capital is not a problem, since "if the economics of a project stack up there are always investors", however, problems are experienced in attracting the right partners to the region. Typical of other regional development agencies, the Torres Strait Regional Authority is often approached by potential joint venture partners who are not considered to be suitable partners.

Indigenous Business Australia has targeted the mining and mining-related industries and tourism. It now has a policy of not funding agriculture, horticulture or aquaculture projects because of the risks associated (weather, prices). It has recently disposed of one oyster farm (sold to the Indigenous owners) and now has only one project on Indigenous land (Tjapukai Dance Theatre). Indigenous Business Australia's reluctance to enter into investment projects on Indigenous land means that a gap exists for the provision of capital and venture capital for a wide range of potentially lucrative (although sometimes high risk) ventures on Aboriginal or Torres Strait Island land or waters likely to attract inward investment or generate export sales.

The Indigenous Tourism Summit 2000, held by Tourism Council Australia (TCA) in conjunction with Aboriginal Tourism Australia, which discussed impediments to development of the Indigenous tourism industry in Australia, noted:

"...Almost every business at the Summit experienced the small business syndrome – a lack of available financial capital. Without sufficient debt to equity ratios it is extremely difficult to convince a bank manager to finance a new business. It is even more difficult to convince a bank manager to provide finance for a business where the loan applicant has little business experience... it is apparent that many of the Indigenous tourism start ups face similar problems to tourism small businesses. There is however one major point of difference – most Indigenous businesses are regional and they face the problems of inadequate infrastructure and an even more difficult task to build a rapport with the bank manager who may be located 200 or 300 kilometres away".

2.7 Negative stereotyping of Indigenous business

Most Indigenous lands are held as inalienable freehold. There is an assumption that inalienable freehold prevents development. In fact, once Native Title matters are satisfactorily resolved and an ILUA entered into, leases can be granted over these lands. Providing the lease extends beyond the life of the investment, investors are willing to accept leasing and this has not proved an obstacle to development involving inward investment on Indigenous lands.

Risks attached to doing business with Indigenous people or on Indigenous lands are greatly exaggerated and are also a major impediment to development of Indigenous resources. The stereotypes about the suitability of Indigenous people as joint venture partners are very negative and work against the development of business opportunities available on Indigenous lands and waters.

Even where stereotypes are not negative, ignorance or lack of appreciation of appropriate protocols when dealing with Indigenous organisations and communities, may act as barriers. The draft National Aquaculture Development Strategy for Indigenous Communities in Australia states:

"In many cases, non-Indigenous organisations, who may welcome equity participation by Indigenous people in commercial aquaculture, have little or no experience of the relevant social and cultural issues". (2000:12)

2.8 Marginalisation of Indigenous groups from mainstream business activity

The same circumstances of culture, language, remoteness, class differences, marginalisation and the confusion caused by Indigenous ownership structures and land tenure form barriers to the formation of joint venture partnerships between substantial businesses and Aboriginal entrepreneurs/corporations and/or the formation of linkages with other groups and enterprises with capabilities to form a prospective market and take the product to market.

There is a lack of mechanisms for participation of Indigenous entrepreneurs and agents in the business community (particularly the 'big end of town'). Thus the ability of Indigenous entrepreneurs to participate as members of a business community are extremely limited.

This shortcoming was highlighted by the Indigenous Tourism Summit 2000:

"... Communication amongst operators appears to be a significant hurdle. The only time that operators get the opportunity to share information is at forums like the one arranged by TCA and the like. It was evident that a far greater emphasis needs to be placed on information sharing and support between successful and new operators... It was unanimously agreed that a greater emphasis should be placed on mentoring within the Indigenous sector and between the sector and the mainstream industry. There appears to be an absence of industry leaders and mentors within the mainstream industry willing to support Indigenous tourism operators".

2.9 Failure of mainstream government agencies to invest in programs

The three Indigenous Industry Strategies prepared in 1997 have only partially been implemented. According to officers of ATSIC this is so partly because:

"Responsibilities rest with other agencies and these agencies claim to have too few resources to contribute to implementation – despite the fact that these same agencies participated in the development of these Strategies".

Despite the fact that it is stated in the Strategy documents that implementation is to be reviewed annually, no such reviews have been undertaken, presumably since there is little point.

It seems that significant opportunities have been lost through the failure to implement these Strategies and raises concern that the latest draft Aquaculture Strategy, which appears to hold so much promise, may also fail at the implementation stage.

The Indigenous Tourism Summit 2000 described the Indigenous Tourism Industry Strategy as a milestone and expressed the view that it had provided the major guiding principle for the development of policies to assist Indigenous businesses. While the Summit agreed that the Strategy remains relevant within the present policy environment, concerns were broached about the absence of any lead agency responsible for implementation of the Strategy.

2.10 Lack of access to, and failure to access, mainstream programs

The draft Aquaculture Strategy draws attention to the impediments to development of Indigenous lands and waters posed by bureaucracy:

"Some of the bureaucratic processes and various legislative requirements in relation to aquaculture are considered by some Indigenous people to impede industry growth. It would be advantageous to undertake a review of government activities, decision-making processes and legislative requirement to identify impediments that apply specifically to Indigenous aquaculture and determine how the various processes can be improved". (Draft 2000:5)

Such sentiments may be taken to apply to all industries in which Indigenous groups have an interest. For example, the Indigenous Tourism Summit 2000 noted that:

"... The institutional context for Indigenous tourism is weak, probably as weak as it has ever been. There needs to be far more co-ordination between industry and the government agencies involved in Indigenous tourism. Partnership is the central element to the success of Indigenous tourism".

The Indigenous Tourism Summit 2000 also noted the opportunities for increasing Indigenous awareness of programs and assistance already available to them:

"There is limited knowledge about what [education, training and business support] programs are out there, how to access these programs and the different funding options that are available for Indigenous tourism businesses".

While the Cultural Industry Strategy states that:

"There is a range of product development support available to mainstream manufacturing industries (specifically including cultural industries) which are not being accessed by Indigenous artists". (1997:29-30).

According to the General Manager of one Indigenous regional development agency, Aboriginal people are being directed away from State and Federal Government mainstream funding programs towards those specifically earmarked for Aborigines and Torres Strait Islanders. Since mainstream programs tend to be better funded, and since there is a need to reduce the marginalisation of Indigenous business, it would seem more appropriate for mainstream programs to be made more flexible in order to increase Indigenous access, rather than directing Indigenous individuals and groups away from these programs. Such policies only serve to perpetuate barriers to the creation of linkages between Indigenous development agencies and non-Indigenous agencies (private and government).

Special programs for Indigenous people should supplement, not replace, mainstream programs and Indigenous businesspeople should be encouraged to apply through mainstream programs where possible. Having said this, it is the case that the low income of Indigenous individuals and families also poses a barrier to initiating business enterprises, particularly in relation to accessing mainstream funding programs, which usually require dollar for dollar or up front contributions from the entrepreneur to be eligible for grants for business development.

To this end, accessibility to these mainstream programs may be improved through the preparation of guides, booklets or web-sites, for Indigenous entrepreneurs and regional development agencies to assist them to become aware of programs that are available, in particular export incentives currently on offer to all businesses in Australia.

The draft Aquaculture Strategy stresses the importance of federal, territory and state agencies being centrally involved in the implementation of initiatives designed to foster this industry:

"For it to be effective, this ... strategy needs to be implemented by relevant federal and state authorities working in partnership with each other, and with ATSIC. An important premise on which several of the key recommendations provided in this study are based is the development of a process by which federal and state agencies involved in aquaculture can operate in such a partnership". (2001:4)

Provision of government advisory and assistance services to Indigenous groups and to potential investors, is characterised as fragmented. There is also a lack of knowledge amongst Indigenous leaders of sources of investment which might be approached by them. There is a need to promulgate the range of export and research and development incentives

available to all Australians, amongst Indigenous groups. While no data have been collated, it is assumed that the take-up rate by Indigenous people in grants, subsidies and concessions provided in export and R&D is significantly less (indeed negligible) in contrast to other Australians. There is a need to compile overseas and domestic trade and investment information relevant to Indigenous enterprises and communities and to make these available.

2.11 Recruiting expertise

Indigenous organisations, both within communities and at the regional level, experience difficulty in recruiting appropriately qualified and competent advisors and managers to facilitate and advise on Indigenous industry and business development.

The Cultural Industry Strategy drew attention to the special pressures on business and industry advisors to Indigenous communities and organisations:

"The problems of leaving business advisors in an isolated and vulnerable position needs to be recognised. It appears that many business advisors suffer from burn-out as a result of taking on excessive responsibilities for providing advice and assisting business development. There are particular problems where the employee is geographically isolated in a remote area, or where the responsibilities of the employee are spread thin over a broad geographic area. Support networks operating between business advisors could assist in preventing burn-out". (1997:27)

Regional development agencies are a key part of the solution to the isolation of business advisors; however more professional development and support will be essential if the rate of take-up of opportunities were to be increased in the future.

2.12 Lack of business development expertise and financial literacy

As a general rule there is an overall lack of business development expertise amongst brokers and facilitators of Indigenous economic development, operating in particular within Indigenous-controlled local or regional development organisations, or as freelance consultants to Indigenous organisations. There are obvious exceptions to this and this observation is not intended to criticise the excellent and productive work of many people working in these organisations; however, lack of professional development, difficulties in recruiting appropriately qualified and experienced personnel and lack of experience means that those charged with the responsibility of liaising with potential joint venture partners or developing regional or local strategies or business development opportunities are not always equipped for the task. Conversely, non-Indigenous business people or their agents know or understand little about Indigenous financial matters, thus creating a gap in understanding between the two parties' agents.

Support to these professionals is also hindered through the lack of business models available and the failure to yet rigorously identify issues specific to Indigenous businesses relating to competitive advantage, sustainability, the identification of 'winners', (including winning businesses and winning individuals), and commercial risk-taking.

There is a lack of suitable models for understanding end-to-end product creation and delivery along the entire value chain where Indigenous businesses are involved.

The lack of expertise amongst advisors to Indigenous organisations is compounded by the fact that many directors of Indigenous businesses are unpaid and sit on boards of Aboriginal and Torres Strait Island companies as a community service. These people have families and other commitments which compete. Furthermore, their experience means that while they may be competent and well respected, they do not necessarily have the appropriate skill set necessary to run a commercial enterprise.

2.13 Employment focus of program objectives

Government business development initiatives on Aboriginal and Torres Strait Islander lands and waters and amongst Indigenous people have, as a primary goal, the creation of employment for Indigenous Australians. For instance, Indigenous Business Australia gives preference to business proposals which can demonstrate Indigenous employment outcomes and where Indigenous people will play a meaningful role in the management and decision-making processes for that business; and while ATSI's Business Development Program has business creation, growth and development as its focus with employment as a by-product, funding for this program is significantly less than, for example, the Community Development Employment Program which has as its main focus job creation and service provision in communities.

The creation of employment and the transfer of skills to community members is often of a higher priority for Indigenous leaders than the creation of profits. This is because profit alone will not guarantee the delivery of benefits for community members. Community development benefits must also be apparent.

The creation of new businesses likely to attract inward investment or to generate export sales may not necessarily create employment for Indigenous Australians, although they may provide benefits to these groups in other ways. Therefore the development of business opportunities likely to attract inward investment or generate export sales may require a different focus or set of evaluation principles to those currently employed by Governments and Indigenous leaders in relation to funding and fostering Indigenous economic development.

2.14 Ownership structures

In the past, and presently to some extent, Aboriginal families are encouraged to incorporate under the *Aboriginal Councils and Associations Incorporation Act (1976)* which is not an appropriate structure to own and operate businesses. Under the provisions of this Act a special general meeting can be held and a board overthrown, thus creating instability in the organisation's decision-making structure. This is unattractive to joint venture partners and does not contribute to the stable operation of the business.

2.15 Lack of necessary infrastructure

No comprehensive and up to date infrastructure studies are available which identify infrastructure shortfalls and priorities on Indigenous lands and waters. Furthermore, assessment of infrastructure needs to be undertaken in the context of identified infrastructure requirements. However, numerous studies do point to severe and inappropriate housing supply, lack of basic infrastructure for outstation development and inadequate water, energy and sewage systems in many Indigenous communities. Without question the remote location of many Indigenous communities and their overall poverty means that lack of infrastructure such as roads, bridges, dams, irrigation systems (and water supply generally) telecommunications, accommodation for visiting technical staff, electricity supply (to allow refrigeration or baking), in some instances limits development. However, lack of infrastructure per se is not the barrier to attracting inward investment or development export sales (although it may be a barrier to economic and community development in the communities overall). Rather, infrastructure needs have to be identified as part of pre-feasibility and feasibility studies when evaluating investment opportunities.

The only exception to this relates to telecommunications. In every aspect of business activity, including local governance, access to the latest information and communications technology is essential and underpins any form of development, business or otherwise. For this reason, the digital networking projects outlined in Section 1.11 above are critical to facilitating inward investment and generation of export sales. These projects are also essential to the future delivery of training and education programs. It is essential not only to increasing inward investment and export sales but indeed to all aspects of economic and community development that Indigenous communities remain at the forefront of adoption and adaptation of new information technologies.

2.16 Low skill base

Low or absent literacy and numeracy prevent Indigenous people from participating in mainstream training and education programs. While literacy and numeracy are not always essential to undertaking work, they are often

essential to undertaking the training needed to do the work because the training programs are in the main designed based on an assumption of literacy and numeracy. This acts as an unnecessary barrier to Indigenous people receiving the training they need to participate in business. Language barriers, in some instances, prove an impediment to business development.

Besides literacy and numeracy training, in particular for young people, the most cost effective way to provide further education and training to Indigenous entrepreneurs is through specially designed training and support programs.

Remote locations and family responsibilities means delivery of training also needs to be more appropriately considered. Women with childrearing responsibilities in particular find it difficult to leave their communities. Yet ironically, it is precisely those with family responsibilities who are most motivated to develop skills and start businesses. Research demonstrates that women's involvement in development programs is a critical success factor.

The low level of skilled Indigenous workers and operators engaged in businesses such as tourism limits direct employment opportunities for community members but does not preclude the delivery of benefits to the Indigenous landholders that development of businesses on Aboriginal and Torres Strait Islander lands can still bring.

2.17 Lack of training and education

The delivery of training and education to Indigenous communities and business people is heavily criticised on a number of counts. The main criticisms are:

- Lack of coordination in delivery of training services
- Non-integration of training with comprehensive employment and industry development strategies
- Poor better linkages with industry
- Lack of accountability of training providers to Indigenous leaders
- Poor follow up on-the-job after training has been provided
- Lack of engagement with the Corporate Sector to successfully exploit training opportunities that might be created there
- Lack of commitment to training and professional development programs within existing regional development agencies

- Limited funds to send people to private sector training courses or to engage on-the-job training support
- Lack of support programs to ensure people complete their training
- Inappropriate training content
- Lack of career path planning for individual trainees (many people in Indigenous communities have received training in a variety of different programs, none of which have lead to anything)
- Lack of accreditation of trainees, trainers and training programs
- Failure to properly evaluate training outcomes
- Lack of professional development programs (training tends to be skills-based to the neglect of other types of training)
- Poor delivery of training, including failure to use of training techniques which account for poor literacy and numeracy and language differences
- Poor access for women in communities to undertake training programs. This is particularly important in a development context where many third and fourth world development programs have higher success rates when women are the focus of programs.

3. Some solutions to these impediments

3.1 The case for taxation incentives

Section One of this Submission demonstrates that there are significant and varied opportunities for projects on Indigenous lands and waters of sufficient magnitude to attract inward investment and/or to generate export sales.

However, there are a variety of disincentives to potential investors or joint venture partners which make it difficult or unattractive to them to explore business opportunities on Indigenous lands and waters. Not all these impediments are real, however both perceived and real impediments do exist and as such can act as disincentives to potential investors. These disincentives include the difficulties in approaching and liaising with potential Indigenous partners and negotiating suitable joint venture arrangements, remoteness and the costs associated with this, delays in resolving Native Title matters and obtaining equity contributions, marginalisation of Indigenous groups from mainstream business activity, land tenure and so forth.

There is a strong argument to be made for the creation of taxation incentives to Indigenous joint venture partners or other likely inward investors. The extent of the unrealised potential of the resources found within Indigenous lands and waters and the ideas for profitable businesses unable to be acted upon suggest that carefully designed and implemented taxation incentives would create substantial interest and activity in the exploration and development of the multiple business opportunities available on Indigenous lands and waters.

Indigenous communities are preoccupied with the social difficulties they face, with delivery of goods and services to their own members and with their interest in generating local employment. Opportunities for more sizeable ventures or ones which create goods and services for an external market are not invisible to the leaders of Indigenous communities but may be of a low priority because of other more pressing and immediate concerns. Taxation incentives are one way to at least draw the attention and assessment of possible external partners and should be seen as an investment in the development of the nation's resources rather than as a cost to the taxpayer. Taxation incentives might be offered to Indigenous businesses as well as to non-Indigenous businesses investing in businesses on Indigenous lands and waters.

The types of taxation incentives that could be made available might include:

- 100 per cent tax deduction on capital expenditure in the year the money is spent for projects on Indigenous lands and waters or with Indigenous joint venture partners, such as is presently available for investment in the Australian film industry.
- The creation of 'tax free zones' on Indigenous lands and waters, such as the tax free 'Enterprise Zone' previously established in Darwin.
- The granting of tax 'holidays' during startup periods of projects on Indigenous lands and waters.
- The creation of taxation incentive schemes similar to the Federal Government's R & D provisions where up to 175 per cent tax concession is allowable on eligible investment. As with existing R & D provisions, investments, which create the greatest benefits for the whole economy, would attract higher rates of tax concession.
- The Federal Government is proposing to introduce changes to the definition of R & D. A further option is to specifically define activities that contribute to the startup of new industries on Indigenous lands and waters within the new definition of R & D qualifying for tax incentives.
- Full 100 per cent refund of expenditure on developing overseas export markets for Indigenous businesses.
- Exemption of income earned on Indigenous communally held lands from State taxation, (regulation would still apply). Such exemptions could be negotiated in exchange for reduced state transfers.
- Exemption of income earned on Indigenous communally held lands from Federal taxation, (regulation would still apply). Such exemptions could be negotiated in exchange for reduced state transfers.
- Favourable tax treatment of expenditure on initiatives to increase partnering between the Corporate Sector and Indigenous Australia, as discussed below.
- Tax incentives for Australian non-Indigenous businesses to source raw materials, goods or services from Indigenous businesses or businesses established on Indigenous lands for incorporation into products for export.
- Tax incentives to non-Indigenous private sector investors of up to 50 per cent reimbursement of eligible expenses incurred in visiting and negotiating business ventures with Indigenous local and regional organisations in relation to business investment on Indigenous lands and waters, similar to the Export Market Development Grants Scheme.

- Tax concessions for investment in infrastructure development on Indigenous lands and waters that have potential to contribute to development beyond the immediate project.
- Taxation incentives to encourage partnering between banks and financial institutions to invest in Indigenous businesses and business development.
- In addition, consideration could be given to the Federal Government matching contributions by philanthropic organisations to Indigenous businesses and business development on a dollar for dollar basis.
- Similarly, consideration could be given to matching dollar for dollar investment of Indigenous royalty streams where Indigenous communities invest these in their own economic development.

Further, as discussed above, many Indigenous leaders have different priorities and concerns besides profit generation. Thus to a degree, the objectives of outward investors (i.e. profit generation) may be different to the objectives of Indigenous communities (employment generation, community development, skills transfer). The payment of taxation to Indigenous governments rather than to the Federal government could provide new incentives to Indigenous communities to open their lands and waters to outward investors.

There is a range of policy considerations that needs to be debated in order to bring any of the above options into effect. There is also a need to make more information available to Indigenous groups about taxation incentives that they and their potential joint venture partners may already be eligible for, in particular in relation to expenditure on export development and research and development.

3.2 Encouraging partnerships with Corporate Australia

Increasingly there is a recognition by Indigenous people, government and the private sector, that Corporate Australia has a major role to play in facilitating Indigenous economic development, whether that be under the banner of reconciliation or the banner of good corporate citizenship, or out of pure economic interest. Some private sector organisations have already begun to form alliances with Indigenous groups with successful outcomes. Examples include the creation by Coles Supermarkets of a Bushfoods line of products together with the creation of a trust fund for Indigenous people to participate in this venture and initiatives of The BodyShop which has long had an active role in facilitating Indigenous economic development. The BodyShop has funded pilot projects, is a founding contributor to the mentoring program, First Australians Business, and is a member of the Indigenous Business Institute in Cape York, among other initiatives. A number of mining companies have established trust funds and other vehicles for providing assistance to Indigenous groups to achieve their economic and

community development objectives. ATSIIC has recently commissioned a report *Getting on With Business* which details a policy platform of how banks can be an alternate source of capital with benefits to both banks and Indigenous communities.

Such partnering with the Corporate Sector should be encouraged to the broadest extent possible. There are many varied ways in which Corporate Australia might contribute to Indigenous economic development. Private business investors and members of the private business community can:

- Provide research and development support in identifying, researching and planning new business ventures
- Act as joint venture partners in establishing businesses
- Provide mentoring to individual entrepreneurs or community-based enterprises
- Provide seed or venture capital for creating new businesses
- Fund specific activities, programs or positions within Indigenous organisations, in particular, Indigenous regional economic development organisations
- Allow experienced and qualified staff to work in communities or on specific Indigenous business projects either on a volunteer or secondment basis
- Offer prospective Indigenous business managers traineeships, cadetships or work experience in businesses which will develop skills that Indigenous people can take back to their own businesses and communities
- Offer scholarships to young Indigenous people to attend high school or university in the cities, or to undertake short courses
- Use company incentive programs to patronise Indigenous cultural tourism and other businesses
- Purchase Aboriginal arts and crafts
- Sponsor high profile fine arts and crafts exhibitions, performances and workshops
- Provide sponsorship through a whole range of mechanisms
- Adopt affirmative action policies in relation to awarding of contracts

A strategy for engaging Corporate Australia with the interests of Indigenous Australia should be considered, including favourable tax treatment of expenditure associated with these activities, as well as ways of increasing

the engagement of Corporate Australia as a major stakeholder in Indigenous economic development.

It is important that any such strategy relies not only on contributions or donations from Corporate Australia to Indigenous people, but that such a strategy also address how marginalisation of Indigenous Australia can be broken down. This may mean consideration of initiatives such as:

- Providing incentives to mainstream business organisations, (e.g. Chambers of Commerce or voluntary groups such as Rotary), to initiate Indigenous membership drives or campaigns to invite and welcome Indigenous entrepreneurs and prospective entrepreneurs to participate in their meetings activities
- Offering Indigenous regional organisations office space in Melbourne, Perth or Sydney head offices
- Forming close, personal mentoring relationships with Indigenous entrepreneurs or community leaders
- Consideration of any other mechanism for establishing linkages with mainstream business persons and business communities

Case Study

The Indigenous Business Institute (Cape York) is a key facility currently being developed by Balkanu Aboriginal Development Corporation in Cairns in conjunction with private sector supporters and the Federal and Queensland Governments. The IBI will aim to help develop the business capacity of Cape York businesspeople and communities, and seeks to provide links between local Indigenous business and mainstream Corporate Australia.

The IBI is a wholly-owned subsidiary of the Cape York Corporation Limited and is a trustee for the Cape York Charitable Trust, established for the benefit of the Indigenous people of Cape York Peninsula. Corporate and philanthropic partners include The BodyShop, the Myer Foundation, Harvard University, Boston Consulting and others. Once established, the IBI will prove a significant resource for Cape York, and it will play a central role in the implementation of regional economic development strategies.

At this stage, it is proposed that skilled resource people linked to the IBI will be located in each of the communities, so that community members and organisations can have access to practical advice and assistance to establish and operate successful businesses. Besides business planning and advice the proposed resource people will provide help with financial management and bookkeeping. The resource people will be located in 'Enterprise Hubs' in each of the communities. Enterprise hubs are facilities designed to give consistent and reliable support to small businesses operating in each community. Funding for this proposal has not yet been secured. In addition, the Corporate and Philanthropic

partners will provide high level strategic advice and will facilitate matching suitable joint venture partners to Indigenous businesses.

3.3 Strengthening regional bodies

Any initiative designed to increase the interest of external investors will, of course, then create new pressures on regional and local economic development agencies whose role it is to act as point of contact and facilitator of such interest. This Submission has drawn attention to the greater role that these Indigenous-controlled, non-government, regional economic development organisations have assumed in the recent past, and their critical contribution to the provision of strategic direction, facilitation and coordination of regional industry and business development. Many of these organisations are already taxed and have the added burden of being a port of call not only for businesspeople purely with an interest in economic development, but as port of call also for a whole swag of government officers on a wide range of matters. Many of these organisations are also being forced to act beyond their capacity.

It is timely that the role and resourcing of Indigenous non-government organisations which assume a role in either local or regional Indigenous economic development be reviewed. These agencies tend to have to be reactive, despite the fact that they are ideally placed to recognise local opportunities and initiate industry and business development. Economic development can only proceed as quickly as these organisations can cope. As such, valuable opportunities are lost every day through these organisations either being too stretched or, in some cases, because they do not even exist where they are needed.

Indigenous organisations, both within communities and at the regional level, experience difficulty in recruiting appropriately qualified and competent advisors and managers to facilitate and advise on Indigenous business development. For this reason, the question of recruitment and professional development should form one component of any review of the functioning of these organisations. One solution that has been proposed is the establishment of a recruitment agency (volunteer and non-volunteer) for short term and/or long term placement of appropriately qualified and experienced professionals in Aboriginal businesses and organisations. Such an agency might operate on a fee-for-service basis and so would be a business in its own right. It is understood that the volunteer groups AESOP and Community Aid Abroad have given this need some consideration.

3.4 Resourcing Native Title Representative Bodies

Adequate resourcing of Native Title Representative Bodies to negotiate Indigenous Land Use Agreements is essential to the timely negotiation of

businesses on Indigenous lands and waters, in particular where significant inward investment is involved.

3.5 Implementation of Industry Strategies

There seems little argument that the three Industry Strategies remain current but that their implementation has been compromised for a number of reasons. It is timely to review implementation of these Strategies and the new draft Aquaculture Strategy and to renegotiate commitments from all agencies in relation to future implementation. Review of implementation of the Strategies should include a review of Indigenous access to mainstream funding programs, appointment of lead agencies to drive implementation and commitment of resources from all stakeholder agencies to implementation. References in some of the Strategies to the need for institution-strengthening also suggests that this aspect of implementation should be carefully reviewed at all levels, national, state and territory, regional and local.

3.6 Improving Indigenous access to programs

To facilitate Indigenous economic development, there is a need to create a 'one-stop shop' for prospective Indigenous businesspeople who seek information on grants and loans that are available (not only those specifically for Indigenous people but information on the full range of export and business development incentive and assistance programs). Information needs to be more readily accessible on topics such as how to access a business facilitator or other support programs, including private sector provided schemes such as the mentoring scheme, First Australians Business, information on technical or research assistance that may be available (e.g. primary industries or fisheries assistance). Literacy, numeracy, language and class barriers make it difficult for many Indigenous people to find out about support networks that are available and how to access these. As with all the initiatives recommended in relation to increasing inward investment and generating greater export sales, the costs associated with developing and maintaining the one-stop shop facility might be seen as an investment in the development of the nation's resources.

It goes without saying that the web has also created new ways to provide access to information for remote communities and there is scope for the creation of a web-site to attract enquiries, promote opportunities, match business possibilities with venture capitalists and so forth.

3.7 Improving education, training and business development support

Business development education and training needs to start in schools. The range of employment opportunities for Indigenous youth in their own

communities is severely limited. Small business development will be essential to future employment generation on communities. Accordingly, a small business culture needs to be developed commencing in school years. Only some Indigenous youth will reach universities while many others might find rewarding employment in their own communities in small business. In schools in the United States, awards for young entrepreneurs are offered and enterprise development is taught and encouraged. As a result, a culture is developed where initiative is rewarded, risk-assessment and risk-taking are rewarded and principles of business are learnt first hand. While preferably this should occur in all schools, it is particularly important for young Aboriginal and Torres Strait Islander children who are less likely to learn about business principles by coming from families operating small businesses. Small business skills are often acquired outside formal schooling programs and supplemented with short courses after school.

For those who have left school and may now be seeking to establish businesses, possibly initially through participation in Community Development Employment Projects (CDEP) businesses, the following business support requirements have been identified:

- Community economic development planning support
- Business planning support for individual enterprises
- Business incubation services for small and regional businesses
- Regional economic development planning support
- Professional support to regional and local advisors
- Professional development for regional and local advisors
- Professional development for regional economic development managers and implementation teams
- Design and conduct of pilot projects aimed at developing new business paradigms
- Design and conduct of demonstration projects aimed at showcasing business development opportunities
- Advice and support for industry development in Aboriginal regions and in the Torres Strait
- Monitoring and evaluating implementation of industry and business development strategies
- Assisting in the recruitment of key support personnel for business development

- Assistance in sourcing capital
- Developing principles and guidelines for the establishment of joint ventures
- Facilitating the development of relationships with the mainstream economy
- Hosting events, such as Business Forums, to facilitate regional economic development
- Undertaking training needs analysis
- Advising on the establishment of marketing services
- Developing marketing strategies and quality assurance processes
- Ensuring that best practice business development concepts are introduced into the region
- Organising business mentoring and business incubation services
- Seeking out appropriate joint venture partners
- Identifying training needs and arranging training
- Providing ongoing advisory and other business services
- Linking people in the communities with regional training resources
- Developing or sourcing the regional structures and services that will assist businesses on an industry basis, such as marketing, promotion and training

3.8 Fostering micro and small business development in communities

The creation of economic activity in Indigenous communities contributes to the greater likelihood of more significant business development opportunities eventuating, either through the establishment of small businesses which can grow or by developing a group of potential Indigenous business people for outside investors to partner with. The low levels of economic activity that currently characterise most Indigenous communities and regions are a significant impediment to inward investment and generation of export sales.

Case Study



Example of a Micro and Small Business Development Strategy

- Identify existing micro-enterprise businesses in regional communities
- Identify critical success factors in establishing and maintaining micro-enterprises
- Scope the opportunities for establishing more micro-enterprises in the communities
- Consult with individuals and families interested in establishing small businesses
- Determine the inputs required to assist enterprises to be established e.g. business planning, training, infrastructure, capital, institutional support, policy shifts.
- Develop a plan for providing these necessary inputs
- Develop a monitoring and evaluation plan for the micro-business strategy
- Review on an annual basis

3.9 Improving access to capital

Based on the findings discussed above, difficulties relating to access to capital apply to the timeliness of this also, so indicating a need for possible streamlining of grant and loan approval processes. Some Indigenous organisations, for example, the Jawoyn Association based in Katherine in the Northern Territory, have successfully applied royalty income to economic development projects. There is scope for other Indigenous groups to also identify and apply suitable income streams. As discussed above, consideration might be given by the Federal Government to providing incentives for increased investment of income streams, such as by matching such investments on a dollar for dollar basis.

3.10 Legislative reform

Reportedly, economic development on Indigenous lands and waters is stymied by State, Territory and possibly Commonwealth legislation either creating unnecessary barriers or not providing appropriate avenues to facilitate investment and development. There is a requirement for review and possible legislative reform to remove any unnecessary barriers to development.

3.11 Protecting landholders

Given that joint venture arrangements appear to provide a suitable vehicle for larger projects, particularly those involving inward investment, there is a need to establish a set of principles upon which joint venture arrangements are best based. The document *Guidelines for tourism joint ventures between Aboriginal and non-Aboriginal partners*, prepared by the South Australian Tourism Commission, provides a good example of the way in which such a practical document might be prepared and provided to both Indigenous and non-Indigenous prospective joint venture partners. There is a need to develop similar guidelines for other types of industries. Such

guidelines and principles might assist brokers and facilitators to set up joint ventures based on sound principles. Further, there is a role for regional development agencies to monitor and evaluate joint venture arrangements to ensure that the interests of Indigenous people are protected. For instance, one recommendation of the draft Aquaculture Strategy is the development of a document that outlines how to do business and develop projects with Indigenous communities with specific reference to aquaculture. Such materials would be of use to business people in other industry sectors also.

3.12 Promoting Indigenous entrepreneurs and assets

In promoting opportunities for attracting inward investment and/or generating export industries and businesses, there is a need not only to draw attention to these opportunities but also to reassure potential joint venturers and investors of the desirability of partnering with Indigenous people. A television campaign or brochures encouraging entrepreneurs to consider joint venturing with Indigenous people e.g. to develop new technologies, new industries, new businesses, and to make them aware of sensitivities and to encourage them to explore opportunities, is highly consistent with current sentiments of reconciliation.

Conclusions and recommendations

There are significant and varied opportunities for projects on Indigenous lands and waters of sufficient magnitude to attract inward investment and/or to generate export sales. However, there are disincentives to potential investors or joint venture partners which make it difficult or unattractive to them to explore business opportunities on Indigenous lands and waters. There is a case to be made for the creation of taxation incentives to Indigenous joint venture partners or other likely inward investors. The extent of the unrealised potential of the resources found within Indigenous lands and waters and the ideas for profitable businesses unable to be acted upon suggest that carefully designed and implemented taxation incentives would create substantial interest and activity in the exploration and development of the multiple business opportunities available on Indigenous lands and waters.

4.1 It is recommended that a range of taxation incentives be provided to encourage more inward investment and development of industry and businesses capable of generating export sales on Indigenous lands and waters.

Increasingly there is recognition by Indigenous people, government and the private sector, that Corporate Australia has a major role to play in supporting Indigenous economic development. Such partnering with the Corporate Sector should be encouraged to the broadest extent possible. There are many varied ways in which Corporate Australia might contribute to Indigenous economic development.

4.2 It is recommended that a strategy for engaging Corporate Australia with the interests of Indigenous Australia should be devised, including favourable tax treatment of expenditure associated with these activities, as well as ways of increasing the engagement of Corporate Australia as a major stakeholder in Indigenous economic development.

Indigenous regional development organisations are playing an increasingly crucial role in facilitating industry and business development in Indigenous communities and have been particularly successful in contributing to economic development of Aboriginal and Torres Strait Island regions and communities. However, regional development organisations, are significantly under-resourced.

Native Title Representative Bodies are insufficiently resourced and it is urgent the Federal Government resource them properly to perform their functions.

Consideration should also be given to allowing NTRB's to pursue cost-recovery from industry.

4.3 It is recommended that the resourcing of regional Indigenous development agencies be increased.

Industry Strategies were developed by ATSIIC in 1997, in conjunction with the appropriate federal departments, for rural development, tourism and arts and crafts. These Strategies and their implementation have not been reviewed. It was also proposed at that time that industry strategies be prepared for mining, retail and fishing industries.

4.5a It is recommended that implementation of the Industry Strategies for rural development, tourism and arts and crafts to date be evaluated.

4.5b It is recommended that Industry Strategies be developed for Aboriginal and Torres Strait Islander participation in other industries which may provide substantial opportunities for Indigenous participation.

4.5c It is recommended that Industry Strategies, including the draft Aquaculture Strategy, be implemented.

To facilitate Indigenous economic development, information needs to be more readily accessible on topics such as how to access a business facilitator or other support programs, information on technical or research assistance that may be available (e.g. primary industries or fisheries assistance).

4.6 It is recommended that a 'one-stop shop' be created for prospective Indigenous businesspeople who seek information on grants and loans, training programs and other business support initiatives that are available.

The education and training needs of Indigenous people to support them in industry and business development are substantial and varied. A range of education and business support requirements have been identified. Business facilitation is critical to the successful establishment and sustainability of economic development initiatives. Institutions and mechanisms for providing business facilitation support are inadequate for the task and need to be increased.

4.7a It is recommended that the adequacy and appropriateness of education, training and business development support in Australia and their capacity to support implementation of the Industry Strategies,

micro and small business development strategies and an increase in inward investment and export sales be examined.

4.7b It is recommended that increased funding be provided to Indigenous Business Training and Development Institutions and Programs.

The creation of increased levels of economic activity in Indigenous communities contributes to the greater likelihood of more significant business development opportunities eventuating, either through the establishment of small businesses which can grow or by developing a group of potential Indigenous business people for outside investors to partner with. The low levels of economic activity that currently characterise most Indigenous communities and regions are a significant impediment to inward investment and generation of export sales.

4.8 It is recommended that micro and small business strategies in Indigenous communities be developed and implemented.

Difficulties relating to access to capital apply not only to actual accessing, but to the timeliness of this also.

4.9 ATSIIC's grant and loan approval processes be reviewed with a view to further streamlining.

Reportedly, economic development on Indigenous lands and waters is unnecessarily stymied by State, Territory and possibly Commonwealth legislation either creating unnecessary barriers or not providing appropriate avenues to facilitate investment and development. In Queensland, in particular, legislative limitations on Councils on borrowing and investment limit development.

4.10 It is recommended that State, Territory and Commonwealth legislation be reviewed and where appropriate be reformed to remove any unnecessary barriers to development.

Given that joint venture arrangements appear to provide a suitable vehicle for larger projects, particularly those involving inward investment, there is a need to establish a set of principles upon which joint venture arrangements are best based.

4.11 It is recommended that materials be prepared and distributed to assist groups to facilitate joint ventures that will protect the interests of landholders.

In promoting opportunities for attracting inward investment and/or generating export industries and businesses, there is a need not only to draw attention to these opportunities but also to reassure potential joint venturers and investors of the desirability of partnering with Indigenous people.

4.12 It is recommended that a television campaign or brochures encouraging entrepreneurs to consider joint venturing with Indigenous people e.g. to develop new technologies, new industries or new businesses be devised and promoted.

Persons interviewed

Phillip Neal, Executive Program Officer, Business Services and Improvements, ATSIIC, Brisbane

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John Dwyer, ATSIIC, Darwin.

Mary-Clare Power, Queensland Events Corporation, Brisbane.

Glen Miller, Special Interest Manager, Tourism Queensland.

Bob Kennedy, Manager, CentreCorp, Alice Springs

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Jock Morse, Consulting Ecologist, Alice Springs

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Tony Sawenko, Manager, Economic Development, Central Land Council, Alice Springs

Damien Loizou, NTC, Darwin

Jim Brooks, Lawyer, Cape York Land Council

Bruce Brideoake, Indigenous Business Australia

Julie Wilson, Indigenous Business Australia

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Peter Larsen, Director, Greenfield Resource Options Pty Ltd

Tim Price, Indigenous Land Corporation

Submissions received:

Yilli Rreung Regional Council

Nulla Wimila Kutja Regional Council

State Policy Office, ATSIIC, Darwin

ATSIIC, Alice Springs

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Attachment One: Summary of Indigenous held lands greater than 10 000 ha by State and by acquiring legislation

The Indigenous Land Corporation makes no guarantee as to the accuracy or currency of the information.

Developed 27-APR-2001. Based on Jan 2001 dataset.

State	Acquisition Legislation	Data	Total
NSW	ILC Leasehold	NUMBER	4
		Total Area (ha)	108183
	Indigenous held freehold land (alienable)	NUMBER	1
		Total Area (ha)	32109
	Indigenous held lease other than pastoral	NUMBER	5
		Total Area (ha)	112346
NSW NUMBER			10
NSW Total Area (ha)			252638
NT	ILC Leasehold	NUMBER	3
		Total Area (ha)	435717
	Indigenous held freehold land (alienable)	NUMBER	3
		Total Area (ha)	14417800
	Indigenous held freehold land (inalienable): (e.g. land held by incorporated Aboriginal groups (SA Pitjaritjatjara Land Rights Act 1981, Aboriginal Lands Trust Act 1966-75) (NT Aboriginal Land Rights Act 1976) (NSW Aboriginal Land Rights Act 1984) etc)	NUMBER	91
		Total Area (ha)	184378217
	Indigenous held freehold land, leased back as National Park (e.g. NT)	NUMBER	4
		Total Area (ha)	1071175
	Indigenous held lease other than pastoral	NUMBER	6
		Total Area (ha)	828700
	Indigenous held pastoral lease	NUMBER	6
		Total Area (ha)	1264744
NT NUMBER			113
NT Total Area (ha)			202396353
QLD	Aboriginal Deed of Grant in Trust (e.g. QLD The Land Act 1962-1988, etc)	NUMBER	24
		Total Area (ha)	3035624
	Aboriginal Local Government Area Lease (e.g. QLD)	NUMBER	3
		Total Area (ha)	988400
	Aboriginal Reserve (e.g. NSW Crown Lands Consolidation Act 1913, QLD, WA Land Act 1933, etc)	NUMBER	2
		Total Area (ha)	273100
	ILC Freehold	NUMBER	1
		Total Area (ha)	204250
	ILC Leasehold	NUMBER	31
		Total Area (ha)	1633168

	Indigenous held freehold land (alienable)	NUMBER	3
		Total Area (ha)	124340
	Indigenous held pastoral lease	NUMBER	5
		Total Area (ha)	1012928
QLD NUMBER			69
QLD Total Area (ha)			7271810
SA	ILC Leasehold	NUMBER	4
		Total Area (ha)	69888
	Indigenous held freehold land (alienable)	NUMBER	2
		Total Area (ha)	514300
	Indigenous held freehold land (inalienable): (e.g. land held by incorporated Aboriginal groups (SA Pitjaritjatjara Land Rights Act 1981, Aboriginal Lands Trust Act 1966-75) (NT Aboriginal Land Rights Act 1976) (NSW Aboriginal Land Rights Act 1984) etc)	NUMBER	2
		Total Area (ha)	18268800
	Indigenous held lease other than pastoral	NUMBER	1
		Total Area (ha)	11501
	Indigenous held pastoral lease	NUMBER	28
		Total Area (ha)	1912847
SA NUMBER			37
SA Total Area (ha)			20777336
WA	Aboriginal Reserve (e.g. NSW Crown Lands Consolidation Act 1913, QLD, WA Land Act 1933, etc)	NUMBER	36
		Total Area (ha)	24060439
	ILC Leasehold	NUMBER	1
		Total Area (ha)	199000
	Indigenous held lease other than pastoral	NUMBER	6
		Total Area (ha)	8497444
	Indigenous held pastoral lease	NUMBER	68
		Total Area (ha)	12781592
WA NUMBER			111
WA Total Area (ha)			45538475
Total NUMBER			340
Total Area (ha)			276236612

Number refers to the number of properties.

Acquisition legislation cases are not mutually exclusive. That is, an ILC Leasehold property may also be an Indigenous Held Pastoral Lease.