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Culture Empowering Community

Darwin's Traditional Owners

Larrakia Nation Aboriginal Corporation's submission to the Joint Select Committee on Northern Australia

Business Infrastructure for Community Representative Organisations

Aboriginal community organisations have fallen out of favour as the focus for Aboriginal business development with support instead geared towards Corporate sector support and some emphasis placed on Aboriginal small business development. The rationale seems to be that the Corporate sector is able to generate more jobs. We would argue that this is often not the case and is actually counter-productive if long term economic engagement and health is the desired outcome.

Aboriginal community organisations have a number of qualities that put them in the best place to drive economic development, including specialized human resource and finance capacity, an ability to create an Aboriginal-friendly workplace, an ability to resolve community issues through governance mechanisms, and the cashflow and size to allow borrowing and investment at a scale that small business cannot match. In addition, current government support is largely project-based with business development funding either flowing directly to external organisations, or requires time-intensive investment in business planning prior to obtaining government support for business development which is challenging for cash-strapped community organisations.

To unlock this capacity, the government should direct business development funding to:

- Support in-house business development or economic development positions, similar to the Economic Development Officer position in First Nations in Canada.
- Have a North Australian Aboriginal Marketing Bureau for promotion of Aboriginal goods and services, providing the scale for marketing and sales functions, promoting exports to the Asia-Pacific and report back on market intelligence to Aboriginal organisations.
- Support the engagement of the Social Enterprise and Social Investment sector in Aboriginal Australia through activities that promote understanding and reduce risk (in this context the Indigenous Social Enterprise Fund pilot is a good step forward).
- Reform wage subsidies to more general business subsidies, giving the government more jobs "bang for its buck" (current wage subsidies are not accessed by community organisations because they do not apply to jobs with contract end dates).

Community Housing Linked to Jobs

Although the focus has been mainly on remote areas and the unemployed, the shortage of affordable housing in Darwin for Aboriginal people is at a crisis stage where it is impacting on Aboriginal staff's ability to obtain and remain in work. Larrakia Nation has had Aboriginal staff sleeping in our offices, we have staff moving from house to house not knowing where they can stay the night, and we are constantly having to assist staff with housing stress or who are unable to meet rental or bond payments.

Larrakia Nation believes the solution is the community housing model, unlocking investment from social enterprise funds and the private sector, and allowing scale greater than public sector housing construction. This would need to be subsidized by government using the savings compared with the public housing model, and would be enabled by the grant of land to Aboriginal community organisations such as ourselves where the community does not own land.

Linking community housing places to employment through three way agreements between housing provider, renter and employer would provide a tangible reward to Aboriginal employees when wages tend to get distributed to the broader family group. It would also allow Aboriginal young people and other hard-working Aboriginal staff to live in an environment free of the negative influences of some family members who may have alcohol or drug dependency issues and reduce demands to intervene in complex family problems. This is not a Darwin-specific problem and occurs in various degrees throughout areas of high Aboriginal populations in Northern Australia.

Reform of the Administration of the Aboriginal Land Rights Act

Larrakia Nation believes that issues to do with impediments to growth on Aboriginal land are not related to ALRA or strong Aboriginal Land Rights but instead to the administration of ALRA, in the Larrakia's case by the Northern Land Council. It is important to stress that Aboriginal land rights should allow Aboriginal people to participate in and derive meaningful income from economic development. Successful Aboriginal business development relies on the utilisation of Aboriginal people's unique land and cultural assets which form a unique type of competitive advantage – conversely, undermining them undermines the community's ability to develop a sustainable income base. The Larrakia's lack of Native title or Land Rights has meant that they have largely been excluded from the economic development of Darwin and stands in contrast to places like the Pilbara or Gove. Larrakia Nation supports the signature of two-way treaties with government recognizing Aboriginal nations, as argued for by Warren Mundine.

In regards to the administration of ALRA by the NLC we have seen the centralization of control of land, royalties and business opportunity under the control of the NLC and its subsidiaries rather than that by communities. Much of what goes on is secret. For example, the Larrakia still do not know what happened to the multi-million dollar stake in the Vibe Medina hotel and other assets, held in their name by the Northern Land Council's Larrakia Development Corporation. The NLC subsidiary, the Aboriginal Investment Group, is likely to be the largest Aboriginal business owner in the NT but virtually nothing about it is known, including its size, board composition, income and what businesses it owns. It does not even have a website. In the case of the Larrakia Development Corporation, federal funds are propping up an unsuccessful business operation which adversely affects the reputation and, therefore, opportunities for Larrakia to access business development funding for genuine development.

Transparency and accountability are the keys to ensuring that Aboriginal Land Use Agreements and associated royalty payments go to benefit the community and support social and economic development. A substantial percentage of royalty payments should go to community representative organisations to support social services, relieving the pressure on government to be the sole provider of funding to fix Aboriginal disadvantage, and also to support business development. Instead, through being solely handed out to individuals by the NLC (or retained internally), the current royalties system reinforces dependency and undermines incentives to work and retain jobs, as well as supporting a boom-bust lifestyle that adds to health and social problems. It is also clear that the relevant skill set for successful business development has never existed within the NLC, thus further disenfranchising indigenous business aspirations.

The NLC has a clear conflict of interest in its function, operating as both legal representative of Traditional Owners and primary material beneficiary of Aboriginal Land Use Agreements. The NLC's administration should be reformed to return control of land, benefits from land ownership and development corporations to community representative organisations to resolve this conflict of interest. The NLC could then become a genuine service provider to Aboriginal Traditional Owners, potentially as part of a competitive market in legal and anthropological advice to TOs. This would have the effect of speeding up ALUA negotiations, support genuine business development and fund programs to relieve social disadvantage, as well as increase the transparency and accountability of asset ownership to ensure long-term financial and social benefits to Aboriginal communities from economic development in Northern Australia.

Perhaps the establishment of Regional Development Authorities, which include Aboriginal and non-Aboriginal landholders, community government bodies, significant business operators as well as general community representation to define forward strategies and development aspirations, on a region by region basis, might assist to reduce the conflict of interest and lack of accountability of the Land Councils.

Land tenure and type of tenure is also a major impediment to economic advancement in the Aboriginal sphere. The ability for Aboriginal landowners to enable medium and long term lease agreements with private, business and corporate entities needs to be better explored and commercial land valuation knowledge available and accessible to landholders.

People to People Collaboration

Another compelling reason to facilitate the community sector's potential key role in business development across the Northern Region is the existing cultural links between different Aboriginal groups, many of whose lands cross state/territory borders. The general shared historical experiences of Aboriginal people of the north enable an ease of understanding and has led to shared aspirations. Common experiences have also developed through statutory arrangements such as compliance with the CATSI Act via registration with the Office of the Registrar of Indigenous Corporation, as well as interaction with the Native Title and Land Rights Acts has enhanced commonality between peoples of different northern regions.

Removing barriers for Aboriginal people to engage in entrepreneurship and business development is best begun through their local representative bodies, which are usually genuinely representative, rather than imposed by external agencies which are not usually locally accountable. It is also the case that strong, existing ties already occur between peoples, both in Australia and the broader Asia-Pacific region, with bonds of trust long established. Developing new economic directions with and between different regions will occur with less conflict and more tangible place-to-place benefits if traditional communication lines and methods are embraced as valid and useful.

Summing Up...

Ignoring the positive role the community sector, particularly the Aboriginal community sector, can play in region-wide development will reduce community ownership of nation-building projects, increase planning and consultative periods and, in the longer term, increase public expenditure and increase employment costs. Developing local economies of scale are of far greater long term economic benefit to the various tiers of government, through the reduction of future welfare and other publicly funded services. While the corporate sector has a key role to play, government shouldn't be creating opportunities for corporate welfare and subsidy when, ultimately, this creates ongoing community dependence which in turn requires rising public expenditure. Nhulunbuy's current circumstances are a classic example of this approach.

If Aboriginal people, who have communal social structures, have a direct stake in the business, then we will create the ultimate motivation for engagement and success.

NB: Larrakia Nation Aboriginal Corporation has provided key thematic points in this submission but would be interested in providing specific developmental directions for consideration, should this be desired.