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Submission to the Inquiry into the Development of Northern Australia

Please find attached a submission to the Inquiry into the Development of Northern Australia.

Yours sincerely,

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Introduction

I note the Terms of Reference of the Joint Select Committee on Northern Australia seeks to examine the ‘potential for development of the region’s [...] other industries.’ I wish to draw The Committee’s attention to one of the region’s ‘other industries’, which is one of the most significant employers of Indigenous people across Northern Australia—Indigenous Natural and Cultural Resource Management (INCRM).

I begin by noting previous government attempts to develop the north and highlight the minimum standards required for seeking Indigenous peoples free, prior and informed consent before adopting and implementing legislative or administrative measures that may affect them.

I then briefly provide an overview of the ecological importance of Indigenous-owned land in northern Australia and how INCRM plays a vital role in its maintenance and protection while also providing benefits to both Indigenous communities and wider Australia. I then draw to The Committee’s attention two significant challenges that Indigenous groups experience in growing the INCRM industry, namely governance, and the absence of policy architecture, especially in the Northern Territory, to support and assist the growth of the INCRM industry. I conclude with some recommendations for The Committee to consider that may facilitate the further growth of INCRM across northern Australia so that Indigenous Australians can continue utilising their property and provide benefits to themselves and wider Australia.

Previous Government Attempts at Developing the North

It is important that The Committee learn from previous attempts of ‘developing the north’ to ensure past costly mistakes are not repeated. For nearly fifty years researchers have documented the limits to sustainable development in remote regions, especially northern Australia and examined the reasons why European attempts at agricultural and industrial development have failed.¹ For example, in a study of forestry, agriculture, pastoralism and mining developments in the Northern Territory researchers found that many attempts at large-scale development were spectacular failures. This is because they had such a degrading impact on the environment or benefited so few individuals that

they could not be seen as successful projects, with uncosted public and intergenerational costs greatly exceeding even private benefits.²

To ensure such mistakes are not made again The Committee needs to broaden its Terms of Reference to include environmental, cultural and social values along with economic values. The Committee also needs to pay specific attention to the vital role that Indigenous Australians must play in the development of the north.

This is because around 33 per cent of the northern Australian landmass is Indigenous-owned and close to one third of the region's population is Indigenous. In this context Indigenous people have a very significant stake in the region's economic futures and development trajectories. Further, the rapidly growing Indigenous population in Northern Australia means that economic futures in northern Australia will be increasingly interdependent with Indigenous people's livelihoods and aspirations.

The Committee should also note a recent significant study by the Land and Water Taskforce *Northern Australia Land and Water Science Review* 2009 that was publicly released on 8 February 2010. The Northern Australia Land and Water Taskforce was charged with finding new opportunities for economic development in northern Australia based on water availability and sustainability. It reported on the potential impact of new development on water balance and quality, the environment, existing water users and the broader community. Its findings remain relevant and can be found on-line.³

Minimum Standards to Gain the Free, Prior and Informed Consent of Indigenous Peoples

The Committee also needs to ensure the white paper that will detail government action needed to be taken to implement the committee's recommendations reflects the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), endorsed by the Australian Government in April 2009. The Declaration is important for two reasons. First, because the UNDRIP represents the minimum standards for the survival, dignity, and wellbeing of Indigenous peoples. And second, it accords Indigenous peoples with the right to maintain and strengthen their distinct political, legal, economic, social and cultural institutions, while retaining their rights to participate fully, if they so choose, in the political, economic, social and cultural life of the State.⁴

Taking such an approach will also assist government avoid perverse incentives. This is situation where government actors may predict a particular outcome as a result of policy/program change but the influence of local realities produces opposite and unintended consequences in practice. Perverse incentives often occur through the application of a 'one size fits all' approach. Such an approach can

have profound implications doing more harm in some communities than good. Consultation in good faith with indigenous peoples concerned through their own representative institutions in order to obtain their free, prior and informed consent is vital before adopting and implementing legislative or administrative measures that may affect them. By gaining the free, prior and informed consent the government can avoid perverse incentives.

The Ecological Importance of Indigenous-owned Lands, Indigenous Livelihoods and Environmental and Social Benefits

There is growing evidence that much of the Indigenous-owned lands in northern Australia have environmental and cultural values that match or exceed those in conservation reserves.⁵ Indigenous lands also contain river systems that are virtually untouched by human development, uninterrupted from their headwaters to their mouths along with intact riparian margins. It's not only the high biodiversity value of Indigenous-owned land, or, its vast size that is important but also its connectivity, which plays a vital role in wildlife migration providing essential corridors for native animals to freely move about their ranges to various breeding and feeding habitats.⁶ Australia has one of the highest global extinction rates of native wildlife and Indigenous-owned lands play an essential role in their protection and conservation. It is also important to note that many of the environmental values described above underpin the tourism industry.

Indigenous-owned lands in northern Australia play a vital role in the economic activity of Indigenous Australians who utilise their land, water and aquatic ecosystems for the customary harvest of wildlife and plant species and a wide range of commercial enterprises (such as agricultural and pastoral operations, commercial art sales, nature and cultural tourism, safari/conservation hunting, plant propagation, commercial wildlife and bush foods ventures and natural and cultural resource management).

Despite the high environmental and cultural values of Indigenous lands they face many threatening ecological pressures such as the spread of feral animals and invasive weeds, wildfires, encroaching development and global warming. These threats mean that the environmental management of Indigenous-owned lands is increasingly critical to ensure that they continue to support Indigenous customary and commercial enterprises as well as optimal biodiversity conservation to minimise species loss, especially at a time of predicted rapid climatic change.

To counter both threatening ecological processes and to create employment in regions with few mainstream alternatives many Indigenous communities began to formalise their customary natural

and cultural resource management activities through the development ranger projects. Over the last two decades over 80 Indigenous ranger groups have emerged across northern Australia. These groups have a clear comparative advantage in economic niches across Indigenous-owned lands. They provide environmental services, such as weed and feral animal management, wildlife monitoring, customs surveillance or quarantine monitoring, and fire management. Some are also engaged in emerging industries, such as carbon farming, tourism, and wildlife and bush-foods enterprises.

INCRM offers clear opportunities for Indigenous economic development that meets Indigenous aspirations to stay on and care for country. The benefits of INCRM are not limited to Indigenous groups in the north but flow to all Australians. For example, the 8 in 10 Australians who live in cities benefit from the multitude of natural resources and processes that are supplied to us by the ecosystems located within, and beyond, Northern Australia. Together, these benefits are known as ecosystem services.⁷ They include things so fundamental to our lives that we often overlook where they come from or how they function: clean drinking water, carbon sequestration and climate regulation, waste decomposition and detoxification and crop pollination, for example. Our energy, minerals, food and pharmaceuticals are all products of ecosystem services. Many of us also draw cultural, intellectual and spiritual inspiration from the remote regions; they feature in Australian art, stories, songs and poems with the 'outback' woven through the collective identity that Australia promotes to the rest of the world.

Ecosystem services are vital to the sustainable future of Australia and remunerating Indigenous people for their provision of environmental services to protect and maintain ecosystems located within their lands has been an important development. This has been strongly supported by programs developed by Aboriginal organizations across the north, such as the: Carpentaria, Central, Kimberly and Northern Land Councils and the North Australian Indigenous Land and Sea Management Alliance Ltd. In recent times, it has received further support and become more formalised through Commonwealth Government initiatives such as the Indigenous Protected Areas (IPAs) and Working on Country (WoC) programs (introduced in 1997 and 2007 respectively).

IPAs and WoC are both elements of the federal government's 'Caring for our Country' initiative. IPAs are Indigenous-owned lands which traditional owners agree to have voluntarily included within the Australian Government's National Reserve System (NRS). As part of this agreement the Australian Government provides some funding for the management of country by land owners through an agreed IPA Plan of Management. WoC builds on Indigenous caring for country initiatives by employing

Indigenous people to provide environmental services. This goes some way towards recognising the wide variety of work that Indigenous Australians are doing in maintaining ecosystem services. Such formalised INCRM is a clear example of development that, when properly remunerated, can support Indigenous livelihood through small-scale, community-controlled projects.

There is also emerging evidence that INCRM improves individual health. For example, health researchers have shown that among a study of 300 Indigenous people in Arnhem Land participants, participation in natural and cultural resource management activities is correlated with reduced risk factors for diabetes and cardiovascular disease resulting from more physical activity and better nutrition.⁸ They also suggest that INCRM activities can improve physical and psycho-social health by increasing self-esteem, personal autonomy and community cohesion.⁹

Barriers and Challenges to Growing the Indigenous Natural and Cultural Resource Management Industry

Governance

One of the significant barriers and challenges to the growth of INCRM is governance. Governance is an important area for further investment. INCRM groups without robust governance institutions struggle to operate, with some stagnating. The most robust INCRM groups have an overarching governance institution which assists the group in its day-to-day activities and future development. Having capable local institutions is essential to achieving development outcomes. Key to this is the 'human development approach' and the building of capacity, meaning 'the ability of individuals, organisations and whole societies to solve problems, make informed choices, order their priorities and plan their futures, as well as implement programs and projects to sustain them'.¹⁰ Participatory and bottom-up planning processes can assist in developing governance institutions, but specialised assistance in governance is also urgently needed. This is extremely important as government investment and emerging opportunities (such as in carbon farming projects) can be wasted due to lack of support for local Indigenous governance institutions. Paradoxically, governance support has been one area of Indigenous INCRM for which it is enormously difficult to secure funds.

In some regions, for example, in west Arnhem Land and the Southwest Gulf of Carpentaria amongst others, Indigenous land-owning groups are forming not-for-profit companies, to protect and sustainably manage their land. These companies are social enterprises which means that they are 'not based on utilitarian-economic models but rather an economic model in which resources provide for broader goals, economic, social, cultural and political.'¹¹ They include the creation of jobs and the

strengthening of social capital by supporting people who have been inactive back into the wider activities of the community.¹² While social enterprises can have a profit motive, their primary aim is to provide social and/or environmental dividends to community members, and in some cases to the wider public. They rarely distribute financial profit to individuals, with any surplus being reinvested for the long-term benefit of the community.¹³ Some Indigenous land-owning groups have developed, or are developing, constitutions that set out a series of rules that define resource boundaries, membership, and company directors' responsibilities, as well as what the company will do. While the companies are established under Australian law, their members and directors draw on Aboriginal custom in making their decisions. While operating in very remote regions of Australia, the social enterprises sustainably manage Indigenous-owned land and simultaneously they provide social, cultural, economic and environmental benefits to their members by tapping into national and global economic opportunities through, for example, carbon farming initiatives.¹⁴ This is an example of Indigenous land owners utilising their common property to encourage labour and investment in their land, biodiversity and communities.

Through social enterprises some Indigenous groups aim to 'break from the practice of relying entirely on government funding rounds for operational funds and move toward financial self-determination'.¹⁵ Others have also been able to formalise their relationships with, and draw on the skills, expertise and financial contacts of, conservation and philanthropic organisations operating both nationally and internationally.

Relationships with conservation and philanthropic organisations have been an important development in the evolution of INCRM. This is because some conservation and philanthropic organisations recognise that heterogeneous and complex Indigenous communities in remote regions are not isolated but are embedded within larger systems and can play a role in problem solving, for example combating climate change, minimising species extinction and ensuring ecosystem maintenance. They also acknowledge that Indigenous people in remote regions maintain a competitive advantage in providing these environmental services. Collaborative relationships provide an opportunity for Indigenous groups to further develop new skills and new knowledge and to combine these with their existing knowledge systems to deal with a growing array of environmental threats. Importantly, these relationships create new funding opportunities to ameliorate the challenge of an overreliance on government funding.

The Absence of Policy Linkages and Policy-making Processes

While some conservation and philanthropic organisations recognise the wide range of social, cultural, economic and environmental benefits of community-based social enterprises based on natural and cultural resource management, and have begun to work with and invest in them, government support often remains risk averse.

Within the wider Indigenous policy framework there needs to be support for social enterprises such as those described above. In the past support for INCRM has largely been consigned to the Australian Government's environment portfolio. To date, many INCRM groups are reliant predominantly on the Indigenous Protected Area and Working on Country programs, as well as a myriad of other competitive short-term grant schemes. The social, cultural, economic and environmental benefits they provide Indigenous groups and wider Australia are largely overlooked within the Council of Australian Governments' (COAG) Indigenous policy framework. For example, the 'National Indigenous Reform Agreement (Closing the Gap)' focuses on 'the mainstream economy—real jobs, business opportunities, economic independence and wealth creation'.¹⁶

In the Northern Territory, for example, there is also little evidence in the government's Indigenous policy framework that demonstrates its recognition or support for these community-based enterprises operating across the NT. This is alarming considering the over 40 per cent of the Northern Territory is Indigenous-owned land and there are over 50 INCRM groups at various stages of development working across the Territory. Below, I draw The Committee's attention to three significant policy gaps in the Northern Territory where INCRM is excluded from economic development initiatives.

In its '*Homelands Policy—A Shared Responsibility*' ('Homelands Policy'), the NT Government 'acknowledges the importance of Aboriginal people's cultural connections to their traditional lands, and the contribution that homelands and outstations make to the economic, social and cultural life of the Northern Territory'.¹⁷ Two of the seven policy principles that underpin the Homelands Policy seek to

... promote the health, well-being and economic benefits associated with homelands living and recognise the holistic benefit of outstations/homelands; and

encourage homelands residents to participate in education and economic development to increase employment, business participation, ownership and wealth, self-sufficiency and independence.¹⁸

There is little detail to indicate how these principles will be put into practice other than a general statement that the ‘government will target support from relevant programs to foster initiatives that create jobs and provide economic independence for homelands’.¹⁹

In its *Indigenous Business Development Program* designed to ‘assist Indigenous people entering into or expanding commercial business arrangements that will develop employment and income opportunities’, the NT Government suggests the program is also about ‘finding solutions to enable the conduct of business on collectively owned land.’²⁰ Yet again, no details are provided about how this policy will assist INCRM groups operating on Indigenous-owned lands.

One would expect the Indigenous Economic Development Strategy (IEDS) to be the most appropriate policy document in which to set out relevant programs to foster initiatives that create jobs and provide some level of economic independence for homelands and support the growing INCRM industry. However, in the Draft IEDS (no final strategy is publically available at the time of writing) no such programs have been set out. Instead, the NT Government has chosen to take a very limited view of economic development. The NT Government’s Draft IEDS, in replicating the Australian Government’s Indigenous Economic Development Strategy, equates Indigenous economic development solely with increasing monetary wealth. It states:

While the definition of wealth in an Indigenous context encompasses financial wealth, connection to land, family and holistic health (physical, spiritual and emotional), the draft Indigenous Economic Development Strategy 2013–2020 refers to financial wealth.²¹

By excluding long-standing INCRM groups operating on Indigenous-owned lands, and focusing instead solely on financial wealth, the Draft IEDS rejects the successful alternate Indigenous economic development models that are already operational in some regions of the NT.

By rejecting community-based enterprises as a model of economic development, the NT Government appears to be using its Draft IEDS as a policy tool—not so much for assisting Indigenous peoples achieve their own development aspirations, but as a legitimising strategy for its own ‘open for business’ developmental agenda.²² The Draft IEDS—with its narrow focus on ‘the three hub areas of mining and energy, tourism and education, and food exports’²³—not only excludes community-based enterprises as an economic development model but potentially threatens many areas of Indigenous-owned land that underpin these enterprises and the benefits they provide. For example, mining and energy extraction, pastoral development and irrigated agriculture all use water and may impact on land, waterways, biodiversity and wildlife harvesting for livelihood in ways which may compromise the

sustainability of some Indigenous lands. Such a narrow approach to Indigenous economic development is unhelpful and in all likelihood will do little to improve the circumstances of Indigenous land owners living in remote regions of the NT.

It is important for Commonwealth, State and Territory government to develop policy frameworks to assist INCRM groups build on the competitive advantage of Indigenous people, including in the provision of environmental services. Some options include: greater opportunities for the payment for environmental services;²⁴ biodiversity banking and offset schemes;²⁵ cultural tourism; sustainable wildlife use; and conservation hunting. These can provide opportunities for Indigenous community-based enterprises to sustainably utilise their lands while at the same time engaging with national and international markets in a similar fashion to carbon farming initiatives.

Recommendations

The Committee needs to:

- Broaden its Terms of Reference to include environmental, cultural and social values along with economic values;
- Pay specific attention to the vital role that Indigenous Australians must play in the development of the north;
- Reflect the United Nations Declaration on the Rights of Indigenous Peoples in its future policy frameworks;
- Recognise Indigenous natural and cultural resource management as an industry that plays a vital role in the sustainable development of northern Australia;
- Recognise the essential role of strong governance and create incentives for investment; and
- Align the whole-of-governments response to Indigenous policy development so that it reflects Indigenous aspirations, recognises its crucial role in ameliorating climate change impacts on populations, ecosystems and natural resources, and supports Indigenous natural and cultural resource management.

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³ Land and Water Taskforce Northern Australia Land and Water Science Review 2009 available at <http://www.regional.gov.au/regional/ona/nalwt.aspx>.

⁴ United Nations Declaration on the Rights of Indigenous Peoples available at http://www.un.org/esa/socdev/unpfi/documents/DRIPS_en.pdf.

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- ¹⁶ Council of Australian Governments (COAG), 2009. *National Indigenous Reform Agreement (Closing the Gap)*, National Agreement, 1 January.
- ¹⁷ Northern Territory Government, 2013. *Homelands Policy: A Shared Responsibility*, available at http://www.homelands.nt.gov.au/_data/assets/pdf_file/0007/151792/HomeLands_Policy_30_April.pdf.
- ¹⁸ Ibid.
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- ²⁰ Northern Territory Government, 2012. *Indigenous Business Development Program*, 17 December, available at http://www.rdia.nt.gov.au/regional_development/indigenous_economic_development/indigenous_business_development_program.
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