



Seizing our Economic Future

Indigenous Economic Forum, Alice Springs 6 – 7 March 2003

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Issues Paper

Introduction

Calls for greater Indigenous economic independence by Aboriginal leaders, communities and their organisations, and by government and private sector agencies have been commonplace in the Northern Territory for many years.

Whilst a knowledge of the historical and underlying reasons why Indigenous Territorians have a comparatively poor share of the economic cake is important – it provides little immediate solace to marginalised and impoverished people today. The real challenge of this and future forums is to:

- identify how can we learn from and build on the positive examples of individuals and organisations who are already achieving tangible outcomes;
- identify future challenges and opportunities; and
- ensure that government has coordinated mechanisms in place to support and respond to these.

We also need to better understand the nature of Indigenous participation and inter-sectoral linkages between Indigenous people and the NT economy as a whole.

Rather than there being a separate Indigenous economy, Indigenous levels of economic participation are fundamentally linked to, and shaped by many of the same economic conditions that impact on all other members of the NT community.

The *Seizing our Economic Future* forum is designed to focus on achieving realistic outcomes in economic development for Indigenous Territorians. The first consideration of the forums is to promote the vision of creating “equitable opportunity for Indigenous Territorians to participate in economic growth”.

Each of the forums will focus on the identification of different areas in which government, the private sector and Indigenous organisations and communities can work in partnership. It will seek to do this through the presentation of case studies where positive progress is being made.

The case study presenters will apply their practical experience in identifying what works and what doesn't and how this translates into options for the way forward.

The first *Seizing our Economic Future* Forum to be held in Alice Springs on 6-7 March 2003 will concentrate on:

1. employment, education and training;
2. financial capacity and governance;
3. sustainable economic use of country; and
4. tourism and arts.

The answers we seek will not always be easy to achieve. Some will involve consideration of options that may be complex and difficult, or might involve radical changes in approach – not just from Indigenous people, but from government agencies, non-government organisations (NGOs) and the private sector. No one should fool themselves that it will be easy or immediate.

The Indigenous Economic Forums were a priority of the Economic Development Summit held in Darwin in November 2001 by the newly elected Martin Labor Government. The principal objectives that have since been identified as key strategies for Indigenous economic development are:

- the promotion of Indigenous capacity to participate in, and initiate, economic development;
- enabling Indigenous rights to, and management of, land and resources to advance their economic well being;
- the maximisation of opportunities for sustainable employment;
- the identification and exploitation of opportunities for Indigenous economic development through existing and emerging industries where there is clear comparative advantage; and
- support to the development of Indigenous business enterprises.

This background paper raises some of the issues that will be given greater consideration in the first *Seizing our Economic Future* Forum. It raises other issues and questions, which cannot be immediately answered. But by informing ourselves about the barriers and possibilities, we can all work towards improving Indigenous involvement in the Territory's economy.

Employment, Education and Training

Background

The old joke from Broome's Aboriginal band, Kuckles: "How can I get a job if I got no work experience?" sums up the complex interrelationship between educational attainment, work readiness, training and employment. For many Aboriginal Territorians, it is an acute problem. Add to this poor health status, and we face the situation where Indigenous Territorians have limited opportunities for employment.

The Bob Collins' *Learning Lessons* review of education in the Northern Territory demonstrated more than poor educational outcomes; it provided evidence that formal education attainment was declining. But another underlying issue that has emerged in facing up to the reality of very poor school attendance in many remote areas is the question - education for what?

It has often been said that Aboriginal people are the most "trained" people on earth – with little real employment outcomes. There is a real concern that education and training can simply lead to endless dead ends – with education and training institutions providing training for people for whom there are few prospects of employment beyond CDEP. In other words, a major obstacle to improved economic development outcomes for many Indigenous Territorians is not lack of training, but lack of jobs per se in the areas where they live.

Because of increasing mainstream specialisation in the workforce, long-term rural economic decline and remote area economic stagnation, combined with significant growth in the Indigenous population, the capacity to match Indigenous employment prospects with population levels is increasingly problematic. There is a clear need to broaden our approach to focus on generating sustainable employment in industries and occupational areas that are clear economic drivers at the local and regional level. There is a concomitant need to ensure that the limited dollars invested by governments are targeted at achieving maximum returns in terms of Indigenous employment outcomes and related income. There has been a tendency in the past to identify the 'Indigenous' or 'customary economy' as a separate entity, whereas in fact Indigenous people are either direct participants in, or rely upon all sectors of the economy performing well. These important linkages have recently been more usefully referred to as the "hybrid economy".

Issues and Options

The notion of "real jobs" – that is, full-time, salaried and sustainable employment in communities and regions – is not just empty rhetoric. It is a key concern for Indigenous people at both local and regional level. Non-Indigenous staff and other workers – such as those in building, construction and essential services – take many of the full-time and salaried jobs in communities. Remote communities, in particular, have their "real jobs" defined by external agencies – often at the expense of resources that might, or should be, made available as local, community driven, employment options. Major established service industries such as health, education, administration, financial services and stores can provide sustainable sources of employment in remote and regional centres. What has been lacking is sufficient focus on achieving that outcome.

Mainstream Job Network providers are inadequate for Aboriginal clients, especially at remote locations, as they are rarely linked to Indigenous aspirations for broader non-standard economic development and work. They are often narrowly focused on "easy" job placements such as low-

level municipal and clerical employment, rather than the demands of complex, long-term, Indigenous economic developments.

The Northern Territory economy, especially in remote areas, is often driven by short-term resource projects – from mining to road building, to the current (and proposed) rail projects. In the past, this has led to short-lived success in Aboriginal training and employment outcomes that have rarely been sustainable beyond the life of such projects. The Polly Farmer Foundation has already developed a successful model for improving educational outcomes for Indigenous students by linking with private enterprise, especially the mining industry. Projects aim to ensure that local Aboriginal students are able to effectively compete for apprenticeships, traineeships, cadetships, or to pursue further education and local employment opportunities.

The private sector – because of misunderstandings about issues such as land rights, native title and a belief that Indigenous economic development is somehow outside the mainstream economy – has often been extremely reluctant to form partnerships with Indigenous economic enterprise. However, significant joint ventures in some places within the Northern Territory, as well as models of security over Aboriginal land, can provide the kinds of security private-sector investment requires, and lead to Indigenous training and employment at sustainable levels. The recent experience gained from the successful training and employment opportunities generated through the Alice Springs to Darwin rail project have also raised important issues.

The Forum needs to ask why these factors continue to be the case, and how can they can be best addressed. For example:

- Should we concentrate our efforts on more concerted strategies to open up jobs linked to the Aboriginal community-service section and enterprises such as community stores, art centres, housing, health, education?
- Would remote business developments, which suffer from poor economies of scale at the community level, work better at a regional level; eg as a regional supplier, or as a regional cooperative venture or consortium?
- Should key areas of job training and employment opportunities be made more transportable and available across communities, perhaps at regional level?
- Should we consider Indigenous-specific Job Network providers, whose outcomes and incentives are specifically linked to wider measures that include Indigenous mentoring, employer support, vocational training, financial literacy, enterprise development, and not just short-term program “success” in job placement?
- How might the skills and employment gained in resource development contexts be sustained in other projects?
- Would it be useful to develop, with peak industry organisations, a “road map” for engagement with, and investment in, Indigenous economic development valuable to Indigenous interests?
- The CDEP scheme, which is now over 25 years old, has been the major source of employment in remote communities. Can this program be reformed to increase the value of the scheme and reduce the negative impact of welfare dependence?

Financial Issues – Services, Literacy and Management

Background

In a political environment when the rhetoric of welfare dependence and mutual obligation are bandied around without clear definition, there has been very limited analysis given to options for assisting Indigenous communities in sustaining and further developing their locally and regionally-based economies. There is no systematic approach or incentives to gain financial literacy skills, nor is there any recognition of the importance of ensuring the equitable provision of even the most basic banking and other financial services that other Australians take for granted.

Lack of capital is a central issue for Indigenous economic development – indeed a decade ago a Northern Territory leader called for a “Marshall Plan” to be instituted to redress the capital needs of Indigenous Territorians in their quest for greater economic independence. There is also evidence of a common perception that Aboriginal lands preclude economic development because the land is held under inalienable title. The lie to this is reflected in the 99-year renewable leases successfully negotiated between the NT Government and the Aboriginal Land Councils which formed the basis for securing substantial private capital for the Alice to Darwin railway construction.

A fundamental impediment to economic development is not so much lack of capital – while that is critical – but the lack of Indigenous financial literacy, from the individual required to carry out personal budgeting, through to organisations having to manage multi-million dollar budgets. Not only do contemporary Aboriginal communities continue to lack access to a range of financial services, but they have experienced a progressive withdrawal of such services by mainstream banking institutions – long before their retreat from mainstream country towns.

Many individuals in remote areas find themselves trapped in onerous but convenient “book up” systems where they are both captured and assisted by stores which allow “credit” to the amount of the next welfare cheque. Lack of access to financial institutions limits access to credit and capital accumulation (savings), and limits capacity for personal budgeting.

Good governance among Indigenous organisations is a key linkage to the capacity of Indigenous communities and their organisations to generate sustainable economic development and leverage funds, from government and non-government sources. Organisations must have local and cultural legitimacy in order to survive. But just as importantly, they are required to operate in a manner that is open and fair to their membership/owners/customers in environments that often require high levels of accountability to external agencies.

The ultimate aim of acquiring and accumulating capital is to develop increased capacity to be less dependent on government. Independence from government is not just an aim in itself. It has the apparently unexpected consequence of increasing the power of an organisation with respect to government. Put simply, government is far more likely to listen to powerful, independent voices, than react positively to mendicant organisations that are dependent on government good will.

Issues and Options

Staffing

The recurrent problem of attracting honest, skilled staff to regional centres in the Northern Territory, let alone to remote communities is, if anything, proving more difficult than ever. Although there is the capacity for some organisations – though notably not local government – to package salaries and avoid FBT, few organisations are well enough resourced to pay salary rates sufficient to attract professional, experienced staff capable of providing top-level management and financial advice. Only doctors – through the Remote Workforce Agency – attract significant government subsidy.

Technology

The increasing use of new information technology allows the possibility of digitally outsourcing senior financial management by administering community and organisational books “on-line” from regional hubs (or indeed anywhere). This has the added advantage of reducing the need to supply housing and vehicles – both in short supply – to non-Indigenous staff living on communities.

- Should we be concentrating our efforts on introducing high-tech solutions to the perennial – often elusive – problem of staff recruitment, rather than expending ever larger resources on finding and monitoring the performance of remote area staff?

Funding Sources

Government resourcing of communities is ad hoc, short term and uncoordinated. Funds are too often distributed on the basis of historical funding and are submission driven rather than needs based. In most cases they are artificially linked to an annual budgetary cycle. Organisations and communities can be rewarded for having town clerks/consultants who are skilled at accessing programs, writing submissions and networking with the powerful bureaucrats; other groups are penalised for not having access to people with these skills.

In the Katherine region, Sunrise Health Service, Katherine West Health Board, Wurliwurlingjang and Kalano have formed an alliance pooling resources across a large region in accessing health professionals which would otherwise be difficult, or too expensive, to employ at the local, sub-regional level. This alliance effectively forms a hub for the entire district, which will have the capacity to leverage human and financial resources in health care.

There seems no good reason why the principle of funds pooling at regional level should not be extended beyond the areas of housing and health. In some parts of the Northern Territory, groups of communities are moving towards forms of regional governance, which might provide useful vehicles to attract such funding. The real test for governments in acceding to this move and removing strict program silos, will be in the areas of cross-agency funds pooling to regional bodies in a context where cross agency cooperation has been historically rare. Another test might occur if pressure is brought to pool “project” funds (generally Commonwealth) which are generally reserved for one-off pilots rather than ongoing funding.

- Should we be identifying options to extend the areas in which funds pooling exists? Is legislation, such as that in the United States, required to achieve this objective?

Financial Services

Bodies such as the Traditional Credit Union have evolved to fill the gap left by the retreat of the banks from remote coastal areas of the Northern Territory and play a critical role in developing the financial skills of their Indigenous employees and customers. It also generally provides the only available option for individual asset accumulation and access to small personal loans. Other remote regions in the Territory do not even have access to an organisation such as the TCU. Experience elsewhere, including in the USA, has demonstrated that, when linked to programs to develop financial literacy and management skills, access to personal banking has a significant impact on individual and community well being.

On a larger scale however, while the TCU has been successful in giving access to many individuals with basic banking services, it is unlikely to generate the kinds of profits to allow large-scale re-investment in economic development projects. This will require larger institutions with a broader profit base from which to draw financial support.

- How can we develop greater levels of financial literacy, government and/or private enterprise support to private banking services, especially on remote communities through on-lending to organisations such as the TCU?
- Should government resources be utilised to substantially extend financial literacy in the Northern Territory?

Sustainable Economic Use of Country

Background

Aboriginal people own over 50 per cent of the landmass, and 80 per cent of the coastline of the Northern Territory. This is sometimes cited as a major obstacle to development of the Northern Territory and, by strong inference, as a major reason for poor living conditions for Aboriginal people. However, on the other hand, this Aboriginal land ownership and management also represents an opportunity for economic development. Much Aboriginal land is regarded as being relatively undamaged in terms of biodiversity, but requires active management and sustainable conservation.

In many remote communities, conventional labor market opportunities are likely to remain limited. Innovative employment opportunities that focus on the exercise and retention of distinct Indigenous skills and knowledge related to the sustainable use of country and utilising its wildlife, deserve greater recognition and support, and could constitute a key platform for economic development.

In recent years there has been a high level of interest amongst Aboriginal groups in land and sea management – and in ways of establishing sustainable economic development. Aboriginal interests in national parks, which look to sustaining cultural values in the country, may also contribute to alternative forms of economic development. This is borne out by independent surveys which consistently report the importance which both international and interstate visitors attach to cultural tourism.

There is increased Aboriginal interest in sustainable wild life harvesting, including sustainable harvesting of “bush tucker”, and a concomitant demand building for “Australian” native foods, including from national food chains. There is also some investment by government in land and sea management through bodies such as the Natural Heritage Trust, which has led to limited employment and investment opportunities for local Aboriginal people.

Issues and Options

Aboriginal people have very strong economic and cultural reasons for developing sustainable land and sea use regimes – including the rehabilitation of lands and seas. There is a strong argument that governments have an interest as well as an obligation to fund conservation programs on Aboriginal land and sea estates.

Aboriginal customary law is a critical component in land and sea management, but can easily be overlooked by governments. Indeed, some parts of legislation governing land and wildlife issues which might be critical to economic development options can run counter to Aboriginal customary law.

Wildlife harvesting may be opportunistic, or could be subject of larger scale, highly structured farming – with the possibility in some areas of monoculture plantings of commercial scale crops. This may involve the need to attract investments – often through joint ventures. This raises the issue of access to Aboriginal land under the *Aboriginal Land Rights Act* through leasing. Employment on land management activities is often linked to CDEP projects, and rarely provides full-time jobs for more than a few people in supervisory/expert roles. This contrasts with employment in similar activities “off” Aboriginal land where full-time employment in local government, parks authorities or land management agencies is widespread and expanding.

Marketing of wildlife is still in its infancy, and in any case it may be difficult for small scale ventures to connect with the marketplace. This suggests that it might be important to either value add in situ as occurs with the breeding of crocodile hatchlings in some remote communities, or to explore mechanisms to forge more effective links with the market.

- Can we plan for greater employment opportunities in land and sea management for Aboriginal people on their lands, rather than just relying on CDEP?
- How can we best carry out this planning to meet with community expectations, lifestyles and priorities?
- Should we develop Territory-wide approaches to brand naming, marketing and packaging for wildlife harvesting ventures?

Tourism and Arts Industries

Background

The tourism industry and the arts industry have different business and marketing structures, and both place distinct and separate demands on those engaged in the industries. There is of course a significant overlap in the market, with a large proportion of tourists also being consumers of indigenous arts and crafts, to a greater or lesser extent. Nevertheless the difference between the structure of the two industries, makes it more relevant to deal with them separately.

ARTS INDUSTRY

Aboriginal art is being produced for both cultural and economic development reasons. Art production is the biggest source of discretionary, non-welfare income on most remote Aboriginal communities. These works are produced by individual artists and by artists working in the 54 community-owned and operated art centres in the NT and bordering regions of WA and SA.

The large number of commercial art galleries in Alice Springs focusing on Aboriginal art illustrates the important role of the arts in tourism. Art is produced for both tourist and fine art markets. The Aboriginal arts industry is complex and extends beyond tourism related products and promotions. Increasingly visual artists are focusing on the fine art collectors, dealers and collecting institutions.

While art centres are important generators of income, they are also social/cultural organisations. Their role in cultural maintenance is important in ensuring that Aboriginal cultural assets are preserved for the future as well as for tourism activities. Government bodies, on the other hand, tend to see art centres more narrowly as enterprises. This creates an unresolved tension with regard to funding, strategic planning, and the skills of art centre management.

In view of the demand for “indigenous cultural experiences”, music and performance products are linking with tourism, and they also have economic benefits outside the tourism market. Music and performance play a social and cultural role in communities, and NT music and performance products have significant potential in the broader arts and cultural industry.

Showcase opportunities for Indigenous arts products are often limited to, or are linked with, many local community sports and cultural festivals. In some cases, these festivals can bring large numbers of visitors to a community, while large festivals held in major towns provide a different level of arts and cultural activity and audiences for Indigenous artists.

To implement a systematic policy and financial approach to the Aboriginal arts industry, the Chief Minister has announced that an Indigenous Arts Strategy will be developed in consultation with stakeholders.

TOURISM INDUSTRY

Indigenous people have for some decades engaged in the tourism industry as investors and as providers of cultural experiences. However, it has only been in more recent times that the potential for Indigenous tourism has begun to be more fully understood.

Investment in tourism accommodation or attractions has had mixed financial results. Even those that are financially successful and return an investment to their Aboriginal owners are rarely able to achieve significant results in employment or other ways of engaging local Aboriginal people in the business.

Tourism surveys have indicated very high interest in a cultural experience by both domestic and international tourists. However, they are often dissatisfied at the limited opportunities they have to engage meaningfully with Aboriginal people. Nevertheless the NT has significantly more cultural product represented in wholesale brochures than any other State or Territory. Companies such as Anangu Tours, the Aboriginal Art and Cultural Centre and Manyallaluk are examples of these successes. But the potential is far beyond the capacity of the industry to deliver.

The major barrier to involvement is the comparative rigidity of the tourism industry, compared to, for example, the retail or arts industries. There are other perceived difficulties, such as access to Aboriginal land where control over the majority of Indigenous product exists. Reportedly, there are difficulties in Aboriginal communities sustaining their own active participation in tourism operations.

Marketing distribution systems and strong international consumer affairs legislation mean that providers of tours must be able to guarantee reliability in the delivery and content of the tour, sometimes from several years out. Companies that cannot guarantee this will not be sold by wholesalers and travel agents, and are therefore unlikely to reach viable size.

Those companies that are commercially successful have organisational and management structures and policies that ensure the demands of the industry are met, without compromising Indigenous cultural imperatives. These businesses have staff with significant commercial experience as well as a good understanding of working with Aboriginal people, and allow for Aboriginal control of the strategic direction of the company.

It is still the case that areas such as Uluru and Kakadu – both having high Aboriginal cultural values, for traditional owner and visitor alike – have created limited income opportunities for Aboriginal people through tourism relative to the amount of money made by non-Indigenous people and businesses. Increasingly, Aboriginal-owned art centres based in these parks are becoming regional sales centres for surrounding communities, linking art products produced in remote communities directly with international tourists.

There are newly developing options such as Desert Knowledge Australia, the Desert People's Centre and Indigenous Knowledge Centres that may carry options for Aboriginal involvement in the tourist industry. Some community based art centres have expressed an interest to become more directly involved in tourism activities through increased on-site visitation. Such an approach would need to be carefully developed to be both culturally appropriate and resource effective.

The decision of the Government to develop a specific Indigenous Tourism policy provides an opportunity to identify how the Territory Government can add real value in these critical areas. The NT Tourist Commission has conducted comprehensive consultations with Indigenous tourism operators throughout the Territory. The results of these consultations are driving the content of the Indigenous Tourism Policy.

Issues and Options

The key problem is to accurately identify the barriers to successful participation, and work out how best to address these. Issues include:

Tourism

- How can access be improved to business and marketing expertise, and information on how the tourism industry works?
- No matter how good a site or product is, it is difficult to attract tourists off the main routes and there are perceptions about Aboriginal land being difficult to access. Does the *Aboriginal Land Rights Act* provide appropriate mechanisms to encourage Indigenous control and management of tourist operations?
- How can business expertise in mainstream tourism agencies, including government agencies, that have responsibility for funding and tourism training, be enhanced?
- Should CDEP be used to support businesses such as tourism on an ongoing basis?
- How can Indigenous people and communities who may have natural tourism assets and enthusiasm, establish the capital to begin businesses in this industry?

Art

- Given that Aboriginal arts are a significant provider of additional income for families and communities, how do we build greater employment, management and involvement opportunities for Aboriginal people in the arts industry?
- What role should government have in assisting community-based training that facilitates governance, and skill development for community leaders, artists and arts workers?
- How can education and training programs assist Indigenous interests to own and control their activities, in addition to gaining the skills necessary for day to day job opportunities?
- Should government policies and programs be supporting art centres as enterprises or community centres; or both? If the former, what training and support is needed to achieve a business orientation?
- How can we manage future economic development in the context of protecting Indigenous intellectual property rights, including communal ownership? Is the answer to further legislate the marketplace or does government need to offer support to programs that educate artists and community leaders to make them fully aware of their rights?

Where to From Here?

Proposals and recommendations will emerge from the forum that will require timely and practical responses. Others will require longer term policy responses and may involve structural adjustments within and between various government agencies and their respective programs.

The models discussed at the forum will help highlight lessons learnt about what works and what doesn't and this experience should be widely disseminated. Part of the challenge rests on the fact that there are a number of Indigenous organisations as well as Federal and Territory agencies which have varying degrees of involvement in supporting Indigenous economic development. The forum needs to consider whether there is room for a more coherent and accessible strategy that involves a coordinated approach across all governments in supporting and responding to the need to promote greater progress in this area.

The forum may wish to consider ways in which a more coordinated framework could be put in place.

- How might current structures and processes be reformed to ensure meaningful coordination with the NTG and relevant Commonwealth agencies?
- What approaches might be adopted both regionally and Territory wide to give effect to and promote ongoing support for Indigenous economic development?