



**Submission to the Indigenous Economic Development  
Strategy:**

**Draft for consultation and Action Plan 2010-12**

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**About ANTaR**

ANTaR is a national advocacy organisation dedicated specifically to the rights - and overcoming the disadvantage - of Aboriginal and Torres Strait Islander people. We do this primarily through lobbying, public campaigns and advocacy.

ANTaR's focus is on changing the attitudes and behaviours of non-Indigenous Australians so that the rights and cultures of Aboriginal and Torres Strait Islander people are respected and affirmed across all sections of society.

ANTaR seeks to persuade governments, through advocacy and lobbying, to show genuine leadership and build cross-party commitment to Indigenous policy.

ANTaR works to generate in Australia a moral and legal recognition of, and respect for, the distinctive status of Indigenous Australians as First Peoples.

ANTaR is a non-government, not-for-profit, community-based organisation.

ANTaR campaigns nationally on key issues such as [Close The Gap](#), [constitutional change](#), the [Northern Territory Emergency Response](#), [reducing Aboriginal incarceration](#), [eliminating violence and abuse](#), [racism](#) and other significant Indigenous issues.

ANTaR has been working with Indigenous organisations and leaders on rights and reconciliation issues since 1997.

ANTaR relies on the support of donations to continue its work supporting the rights and empowerment of Aboriginal and Torres Strait Islander peoples.

## Introduction

On 24 May 2010, the Commonwealth Government released its draft Indigenous Economic Development Strategy and Action Plan for 2010-12 for consultation.

The overall aim of the Draft Strategy is to: 'increase the wellbeing of Indigenous Australians by supporting greater economic participation and self-reliance.'<sup>1</sup>

The Draft Strategy outlines a framework for Indigenous economic development. It focuses on five Strategic Priority areas for improving the prosperity of Indigenous Australians:

- education and building individual capacity;
- creating sustainable job opportunities;
- supporting business and enterprise development;
- financial security and independence; and
- strengthening the foundations to provide an environment that supports Indigenous economic development.

The Action Plan summarises Government progress on each of the key strategic areas for action and planned future action to 2012. As funding for initiatives under the Action Plan has already been allocated, the Action Plan appears to be for information rather than consultation. The Government explains the development of this short-term action plan as necessary to 'ensure that momentum is not lost' during this consultation process. It intends to develop a 'comprehensive action plan' once the Strategy is finalised.<sup>2</sup>

Australians for Native Title and Reconciliation (ANTaR) thanks the Departments of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) and Education, Employment and Workplace Relations (DEEWR), for the opportunity to respond to the Australian Government's draft Indigenous Economic Development Strategy (Draft Strategy) and Action Plan for 2010-12.

We have not responded to the Draft Strategy in its entirety, but have instead made some general comments and selected a number of priority issues for ANTaR, as follows:

- The relationship between human rights and economic development;
- Resetting relationships: the need for genuine partnership with Indigenous communities;
- The importance of a community development approach to Indigenous economic development;
- The relationship between governance and economic development;
- The relationship between native title, land rights and economic development;
- The potential for an expanded role for the non-profit sector in Indigenous economic development; and
- Learning from and building on success stories.

Finally, we have made some specific comments in relation to selected Government Strategic Priorities.

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<sup>1</sup>Draft Strategy at 1.

<sup>2</sup>Draft Strategy at 9.

## Overview: General comments on the Draft Strategy

ANTaR welcomes the Australian Government's efforts to develop an overarching strategy to support Indigenous economic development.

We believe that an overarching strategy of this nature has the potential to improve policy coordination and outcomes across a range of departments, sectors, programs and initiatives. We also emphasise the importance of partnerships with Indigenous Australians and coordination between Federal, State and Territory Government policies and activities.

We welcome the guiding principle expressed in the Draft Strategy of genuine engagement with Indigenous Australians. We look forward to seeing engagement with Indigenous leaders, peak bodies and organisations as well as at the local community level in the development of the final strategy.

We also welcome the Draft Strategy's acknowledgment that actions under the Strategy must reflect the diversity of Indigenous Australians, including where they live, demographic profile, access to the labour market, cultural, family and community connections and responsibilities and economic and social aspirations.<sup>3</sup> We would add that the Draft Strategy must ensure flexibility to respond effectively and appropriately to:

- the specific circumstances experienced by remote Indigenous communities;
- varying degrees of job readiness, education and literacy;
- the economic and social importance of connection to land; and
- the lower health status experienced by many Indigenous individuals and communities.

While welcoming the development of an overarching policy framework, ANTaR has a number of concerns with the Draft Strategy in its current form.

First, we are concerned that no new additional funding will be available for the implementation of this Strategy apart from funds already allocated to initiatives within the Strategy. In this way, the capacity of stakeholders to influence the direction of the Strategy, at least in the short term, seems to be limited. We note that the Strategy is to be used to 'guide-decision making and prioritise the allocation of resources' and hope that this means that longer-term funding decisions will be influenced by the priorities in the final Strategy, informed by the consultation process.

Secondly, ANTaR is concerned that the Draft Strategy is predominantly focused on increasing Indigenous participation in the private sector by adopting market-based solutions. While this should be an important aspect of any strategy to support Indigenous economic development, it should not be the only approach. Due in part to its narrow focus on individual business ownership and entrepreneurship, the Draft Strategy fails to take into account the broader political, social, cultural, environmental and economic goals and incentives of different Indigenous communities across the country.<sup>4</sup>

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<sup>3</sup> Draft Strategy at 1.

<sup>4</sup> Sean Kerins and Kirrily Jordan. 2010. *Indigenous Economic Development through Community Based Enterprise*. CAEPR, Topical Issue No. 6/2010, p4 Available at: [http://caepr.anu.edu.au/system/files/Publications/topical/TI2010\\_6\\_Kerins\\_Jordan\\_IEDP.pdf](http://caepr.anu.edu.au/system/files/Publications/topical/TI2010_6_Kerins_Jordan_IEDP.pdf)

The Draft Strategy provides little evidence for the approaches it proposes. There is no summary of Indigenous economic development research findings and no evidentiary basis presented to support the proposed actions. This is despite a considerable body of research on the relationship between Indigenous economic development, community development and governance.<sup>5</sup> The Strategy also fails to reference and build on successful Indigenous development case-studies. In this submission, ANTaR highlights a number of successful Northern Territory Indigenous organisations which are achieving clear economic outcomes for their communities. These case studies are derived from our recent publication, *A Better Way: Success stories in community control in the Northern Territory* which profiled 13 Indigenous community organisations across a range of sectors.

We are also concerned that the central role of health as an enabling factor in Indigenous economic participation is not adequately acknowledged. The only reference to health in the Draft Strategy is a recognition of the need 'to provide better access to health services' without any detail as to how this will be achieved. Although ANTaR is aware that health policy and funding programs are largely administered through the Department of Health and Ageing, we believe that these policies and programs should be more strongly linked and better integrated with the over-arching Indigenous Economic Development Strategy. To this end, ANTaR, along with other members of the Close the Gap Steering Committee continues to call on the Government to deliver on its commitment to develop a comprehensive Indigenous health action plan, which builds the capacity of the community-controlled sector and addresses the social and economic determinants of health (noting, in this context, that employment participation and income adequacy are key determinants).

Finally, we are concerned that the Draft Strategy does not clearly identify the links between the Government's economic development agenda, the Closing the Gap framework and the National Indigenous Reform Agreement.

We look forward to further iterations of the Strategy building on positive aspects of the current draft and further developing a community development framework and action plan which strengthens existing community capacity. We submit that this stage in the consultations should only be the first in a longer and broader process which ensures community level participation and is informed by expert advice and research.

### **The relationship between human rights and economic development**

Australia's international human rights obligations should serve as a backdrop for the Draft Strategy.

The Australian Government indicated its support for the Declaration on the Rights of Indigenous Peoples ('the Declaration') on 3 April 2009. The Declaration is a comprehensive statement of Australia's existing human rights obligations to Indigenous Australians. Although it does not create new rights, it provides a comprehensive

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<sup>5</sup> See, for example the CAEPR and Reconciliation Australia Collaborative Action Research Project on Indigenous Community Governance and Patrick Sullivan, *Indigenous Governance: The Harvard Project, Australian Aboriginal Organisations and Cultural Subsidiarity*, Desert Knowledge CRC, Working Paper 4, March 2007.

framework for action and a guide to the way Government should engage with Indigenous peoples.

The preamble states the following principle:

*... that control by indigenous peoples over developments affecting them and their lands, territories and resources will enable them to maintain and strengthen their institutions, cultures and traditions, and to promote their development in accordance with their aspirations and needs.*

The following articles are of specific relevance to Indigenous economic development:

**Article 20:** Indigenous peoples have the right to maintain and develop their political, economic and social systems or institutions, ***to be secure in the enjoyment of their own means of subsistence and development***, and to engage freely in all their traditional and other economic activities.

**Article 21:** (1) Indigenous peoples have the right, without discrimination, to the ***improvement of their economic and social conditions***, including, inter alia, in the areas of education, employment, vocational training and retraining, housing, sanitation, health and social security. (2). States shall take effective measures and, where appropriate, special measures to ensure continuing improvement of their economic and social conditions. Particular attention shall be paid to the rights and special needs of indigenous elders, women, youth, children and persons with disabilities.

**Article 23:** Indigenous peoples have the ***right to determine and develop priorities and strategies for exercising their right to development***. In particular, indigenous peoples have the right to be actively involved in developing and determining health, housing and other economic and social programs affecting them and, as far as possible, to administer such programs through their own institutions.

**Article 26 (2):** Indigenous peoples have the right to ***own, use, develop and control the lands, territories and resources*** that they possess by reason of traditional ownership or other traditional occupation or use, as well as those which they have otherwise acquired.

**Article 32 (1):** Indigenous peoples have the ***right to determine and develop priorities and strategies for the development or use of their lands or territories and other resources***. (2) States shall consult and cooperate in good faith with the indigenous peoples concerned through their own representative institutions in order to obtain their ***free and informed consent*** prior to the approval of any project affecting their lands or territories and other resources, particularly in connection with the development, utilization or exploitation of mineral, water or other resources.

(Emphasis added)

The following articles are also relevant to the Draft Strategy: Articles 3 (right to self-determination), 4 (autonomy or self-government), 6 (right to own institutions) and 18 (participation in decision making).

We emphasise the requirement to obtain free, prior and informed consent to any development activities on Indigenous land (Article 32) and urge the Government to adhere to this principle in its delivery of new housing and infrastructure in remote communities and all other economic development on Indigenous land.

## **Resetting relationships: the need for genuine partnership with Indigenous communities**

The Draft Strategy must be underpinned by a genuine partnership with Indigenous communities.

In recognition of this, the Government restates its intention in the Draft Strategy to 'reset' or 'reforge' the relationship with Indigenous Australians, noting that this requires 'more than a verbal commitment; it demands urgent, ongoing and tangible action across all areas of disadvantage including Indigenous economic development'.<sup>6</sup> This is a welcome commitment.

ANTaR is also pleased that the second Guiding Principle in the Draft Strategy articulates a commitment to 'work collaboratively towards increasing Indigenous economic development', including by 'genuinely engaging with Indigenous Australians in formulating policy, acknowledging that policy reforms are more likely to be successful where they are informed by those affected'.<sup>7</sup> We welcome the Government's pledge to work with those most affected as 'equal partners' in the formation of the Draft Strategy and to 'open a new dialogue'.<sup>8</sup> However, we are concerned by the fact that these consultations are occurring late in the policy development process, with funding already allocated to most if not all of the initiatives within the 2010-12 Action Plan. Further, although the Government's stated commitment to engaging with existing peak representative bodies is positive, we also emphasise the importance of consultation at the community level.

We note the Government's efforts to consult across the country in urban and regional areas. However, we are concerned that no remote communities have been consulted in the process of developing the Draft Strategy (for example, the only Northern Territory consultation was in Darwin) and stress the need for future engagement with these communities as the plan is revised and developed.

## **The importance of a community development approach to Indigenous economic development**

As noted above, the focus of the Draft Strategy is on increasing Indigenous participation in the private sector or mainstream economy. ANTaR believes that this approach should be complemented by a range of other approaches to ensure that the diverse situations, needs and aspirations of Indigenous peoples and communities around the country are respected and supported.

In particular, we advocate for the adoption of a rights-based community-development approach to underpin the Draft Strategy. This approach should situate economic development within a broader context of social and cultural development. We also emphasise the important role of the public and non-profit sectors (including the Indigenous community sector) and the role of the customary economy in the lives of Indigenous people in remote areas.

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<sup>6</sup> Draft Strategy at iii.

<sup>7</sup> Draft Strategy at 2.

<sup>8</sup> Draft Strategy at 8.

Community development has been central to international aid and development strategies in the last decade. Within the international development sector, there is strong agreement that 'people need to participate in and shape their own development, and that having capable institutions is essential to achieving development outcomes'.<sup>9</sup> There is also agreement that development requires collaboration between the state, the private sector and civil society.<sup>10</sup> The international development experience therefore offers some salutary lessons for Indigenous community development. In particular, international experience highlights factors which create an 'enabling environment' to support capacity and community development. However, we must also be mindful of the distinct features of Indigenous Australia and relations with settler society in considering the potential application of international development approaches.<sup>11</sup>

While the application of community development approaches in Aboriginal Australia 'is neither well tested nor well documented'<sup>12</sup>, the Central Land Council's (CLC) community development framework identifies three key features of the approach:

- Taking the lead – Community members decide how they want their community to be and how to make it a better place
- Having a plan – Community members develop a good clear plan for action; and
- Working together for shared benefits – Community members put their plan into action.<sup>13</sup>

The CLC has also identified a number of central principles of community development including: social justice, participation, self-reliance, equality, learning and co-operation.<sup>14</sup>

Consistent with a community development approach, community-based enterprises offer a successful model for Indigenous economic development, particularly in remote areas, but are given little consideration in the Draft Strategy. Community-based enterprises operate by reinvesting surpluses 'for the long-term benefit of the land owners (the community) and their culturally significant and biologically diverse lands and waters.'<sup>15</sup> Surpluses may be invested in job creation, capital items or community-based projects.<sup>16</sup> Community-based enterprises offer an effective mechanism for economic development which is consistent with Article 23 of the Declaration. ANTaR recommends that the Government review and draw on existing and emerging successful community-based enterprises, to provide support for the growth and sustainability of these enterprises, and support the creation of other such enterprises.

In setting out the Guiding Principles of the Draft Strategy, the government notes 'the unique contribution that Indigenous Australians can make to our economy as first

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<sup>9</sup> J Hunt, Capacity Development in the International Development Context: Implications for Indigenous Australia, Discussion Paper No. 278/2005 at 1.

<sup>10</sup> Hunt 2005 at 1.

<sup>11</sup> Central Land Council, 'The Central Land Council Community Development Framework', September 2009, at 9, available at:

[http://www.clc.org.au/Media/papers/CLC%20CD%20framework%20Sept%202009%20\\_2\\_.pdf](http://www.clc.org.au/Media/papers/CLC%20CD%20framework%20Sept%202009%20_2_.pdf)

<sup>12</sup> Central Land Council at 3.

<sup>13</sup> Ibid at 1.

<sup>14</sup> Ibid at 2 and 6.

<sup>15</sup> Kerins and Jordan at 4.

<sup>16</sup> Kerins and Jordan at 4.

Australians, and through the application of cultural and traditional knowledge'.<sup>17</sup> It also identifies 'cultural tourism, natural resource management and arts industries' along with 'traditional and cultural knowledge' as 'areas of competitive advantage'. Localised subsistence activities, including hunting, fishing and gathering are significant contributors to local economies, health and wellbeing in remote areas.

The Draft Strategy should seek to support sustainable programs that combine economic development with cultural and community benefits. For example, there are a range of existing economically viable projects in homeland communities which provide jobs for indigenous people and protect biodiversity. Examples of existing projects include Indigenous visual arts, cultural tourism projects and land management and conservation (including fire abatement, land and sea management, fisheries protection, resource development, seed collection and management of feral animals and introduced plant specimens).<sup>18</sup> Two specific case-studies are discussed below.

#### *Income support measures and community development*

While community development approaches are generally premised on principles of individual and community empowerment and capacity-building, the Government's current and proposed welfare reform measures generally fail to empower or build capacity. The Draft Strategy frames the complex issues associated with long-term reliance on income support payments in terms of 'passive dependence'. While ANTaR would support real 'incentive-based' approaches to encourage employment participation, we question the Government's classification of schemes like the School Enrolment and Attendance Measure (SEAM) as being incentive-based. This program is extreme in its approach and effects, imposing a suspension of payments of up to 3 months on parents of children who are failing to attend school. It seems difficult to see how the deprivation of income to low income families with children will help to achieve improvements in child wellbeing and education.

In addition, while we welcome the Draft Strategy's inclusion of measures to improve Indigenous financial management skills, we are concerned that such measures will have limited effects while income support payments continue to be inadequate to meet basic costs. The Draft Strategy notes that Indigenous Australians earn just over half as much as non-Indigenous Australians per week (at \$278 compared to \$473). Many income support recipients earn even less than this (with Newstart payments at just \$235 per week). Given such constraints, many Indigenous people are by necessity highly-skilled financial managers. While some will certainly benefit from financial literacy measures, the capacity of individuals to translate these skills into real improvements in their family and individual circumstances will depend largely on the adequacy of income – an issue not dealt with in the Draft Strategy.

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<sup>17</sup> Draft Strategy at 2.

<sup>18</sup> Aboriginal and Torres Strait Islander Social Justice Commissioner. 2009. *Social Justice Report*. Sydney: Australian Human Rights Commission, p130

## **The relationship between governance and economic development**

*"Poor governance arrangements can impede or entirely obstruct development; legitimate and effective governance can sustain it."*<sup>19</sup>

Good governance is a critical precondition for communities to be able to determine their strategic goals and priorities and make decisions.

Governance describes the '*processes, structures and institutions* (formal and informal) through which a group, community or society makes decisions, distributes and exercises authority and power, determines strategic goals, organises corporate, group and individual behaviour, develops rules and assigns responsibility.'<sup>20</sup>

The Draft Strategy acknowledges the link between governance and economic activity and commits to helping to build corporate governance in Indigenous corporations that manage assets by working with Indigenous organisations, Indigenous Business Australia and the Office of the Registrar of Indigenous Corporations.<sup>21</sup> However, no concrete or detailed approaches are identified or resourced as part of the action plan. ANTaR urges the Government to consider the findings of the CAEPR and Reconciliation Australia Indigenous Community Governance Action Research Project in developing an action plan to support Indigenous governance.

## **The relationship between native title, land rights and economic development**

The relationship between native title and economic development was the subject of the recent discussion papers 'Leading practice agreements: Maximising outcomes from native title benefits' and 'Native title, Indigenous Economic Development and Tax'. ANTaR's response to both Consultation Papers is available on our [website](#).<sup>22</sup>

The Draft Strategy reflects these parallel reform agendas, committing the Government to clarifying the tax status of native title payments<sup>23</sup>, to 'increasing the capacity of native title holders and claimants to identify and exploit economic opportunities through improved agreements and procedural rights'<sup>24</sup> and to 'encourag[ing] more sustainable and transparent management of native title benefits for current and future generations'<sup>25</sup>.

As stated in our recent submission to the above native title discussion papers, ANTaR is keen to ensure that native title holders are able to maximise the benefits of native title agreements and exercise their right to economically develop their land. We share the Government's concern that native title agreements have largely failed to deliver substantial and long-term benefits to Aboriginal and Torres Strait Islander Australians. We note that 'it has been estimated that only 12 of the hundreds of agreements that have been negotiated between traditional owners and industry provide substantial

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<sup>19</sup> Mick Dodson and D.E. Smith (2003), 'Governance for sustainable development: Strategic issues and principles for Indigenous Australian communities', Centre for Aboriginal Economic Policy Research, 2003.

<sup>20</sup> Dodson and Smith at 1.

<sup>21</sup> Draft Strategy at 19.

<sup>22</sup> At [www.antar.org.au](http://www.antar.org.au)

<sup>23</sup> Draft Strategy at 17.

<sup>24</sup> Draft Strategy at 18.

<sup>25</sup> Draft Strategy at 19.

benefits to Aboriginal and Torres Strait Islander People'.<sup>26</sup> However, while we are concerned about the failure of agreements to deliver substantial benefits, we believe that this is related less to the poor management and administration of native title payments than to the lack of a level playing field between native title parties.

We are also mindful that benefits from agreements which could otherwise be applied to economic development have instead been directed to meeting the infrastructure and service needs of disadvantaged communities, due to the 'systemic lack of government investment in core citizenship entitlements and normal government services in mining areas', a point made by in the Native Title Payments Working Group report.

Currently, the *Native Title Act* does not clearly provide for the recognition of commercial rights as opposed to customary rights. For this reason, the Social Justice Commissioner has recommended that traditional economic practices, for example in cultural and natural resource management or trade (i.e. commercial fishing) be recognised as a right or interest in the land or waters as part of Native Title claims by amending the definition of Native Title in section 223 of the *Native Title Act* to include 'rights and interests of a commercial nature'.<sup>27</sup> The Social Justice Commissioner also recommended that economic development opportunities, including training, employment and sustainability, should be included in Native Title Agreements.<sup>28</sup> ANTaR calls on the Government to give consideration to these recommendations.

We also reiterate the recommendations made in our recent 2010 Federal Election Priorities Statement, in which we called on all major parties to commit to:

- Providing additional resources to Native Title Representative Bodies to ensure they are adequately resourced to represent Indigenous peoples in native title negotiations;
- Providing additional resources to Prescribed Bodies Corporate to ensure that they are able to fulfill their responsibilities to manage their lands;
- Working with Aboriginal and Torres Strait Islander peoples to develop a social justice package which complements the native title system.

Indigenous 'land holdings' are classified as an 'area of competitive advantage' in the Draft Strategy, including native title rights and associated resources.<sup>29</sup> The Draft Strategy also notes the importance of 'clarifying and protecting property rights' to 'provide greater certainty for property owners and investors'.<sup>30</sup> However, the need for certainty is used to justify the long-term leasing arrangements over Aboriginal land for the purposes of infrastructure development, for example, housing, and to 'reduce transaction costs and open the way in which land can be used'. The Draft Strategy states that:

Long-term, secure land tenure and effective planning and leasing arrangements on Indigenous land are critical in providing a stable environment for public and private investment.

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<sup>26</sup> Aboriginal and Torres Strait Islander Social Justice Commissioner. 2009. *Native Title Report*. Sydney: Australian Human Rights Commission, p102-103

<sup>27</sup> Ibid, p109

<sup>28</sup> Ibid, p103

<sup>29</sup> Draft Strategy at 7.

<sup>30</sup> Draft Strategy at 17.

The Draft Strategy also proposes to 'encourage security of title over communally-held Indigenous land to enable businesses and governments to invest in Indigenous land, like home ownership and allow for effective tenancy management of community housing'.<sup>31</sup>

ANTaR is concerned that these measures represent an unnecessary restriction on Indigenous rights to land under both the *Native Title Act* and the *Land Rights Act*. We draw the Government's attention to our submission to the Senate Legal and Constitutional Committee Inquiry into the *Native Title Amendment Bill (No. 2) 2009* on proposed reforms to the native title system to require Indigenous communities to hand over control of land in return for basic services, and to permit derogations from the Future Act consultation process. The submission argued that:

*Native title holders and claimants should be accorded the same rights in protection of their rights as any other property right holder. Therefore, except where compulsory acquisition and other government processes derogate from their rights in the same way as for other property owners, their rights should only be affected with their consent. Validity for future acts through an Indigenous Land Use Agreement (ILUA) is consistent with this approach.*<sup>32</sup>

ANTaR has also consistently called on the Government to amend the NTER legislation to end compulsory five year leases and instead seeking to obtain free, prior and informed consent of traditional owners for voluntary lease arrangements.<sup>33</sup>

### **The potential for an expanded role for the non-profit sector in Indigenous economic development**

The Draft Strategy refers to the need for 'new partnerships between Indigenous Australians, the private sector, governments and the community' and seeks to 'increase the participation of Indigenous Australians in all aspects of the Australian economy'.<sup>34</sup> It also highlights the need for a collaborate approach between 'employers, governments, Indigenous Australians and the community sector', however fails to give due recognition to the current and future role of the community sector *as an employer*.<sup>35</sup> This is despite the fact that this sector is a major employer of Aboriginal people.

#### *Aboriginal Community-Controlled Sector*

Aboriginal organisations occupy a 'unique position as both a provider of governmental services and an expression of Aboriginal and Torres Strait Islander cultural identity within Australian society'.<sup>36</sup> Indeed, in many remote communities, all areas of life are affected by Aboriginal not-for-profit organisations. Yet they receive little attention in the proposed strategy.

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<sup>31</sup> Draft Strategy at 18.

<sup>32</sup> ANTaR, Submission to Senate Legal and Constitutional Committee Inquiry into Native Title Amendment Bill (No. 2), November 2009 at 4.

<sup>33</sup> See recommendation 4 of the Social Justice Commissioner's *Native Title Report 2009*.

<sup>34</sup> Draft Strategy at page iii.

<sup>35</sup> Draft Strategy at 11.

<sup>36</sup> Patrick Sullivan. 2010. *The Aboriginal community sector and the effective delivery of services: Acknowledging the role of Indigenous sector organisations*. The Desert Knowledge Working Paper Series, No. 73, p 11.

Indigenous community-controlled organisations are central to the success of Indigenous development:

In rural and remote communities in particular, few services are delivered directly by government. Even teachers, nurses and police are provided by, or supplemented in partnership with, community-owned schools, community-controlled health services, and local night and dawn patrols or wardens. In most Aboriginal areas municipal services (water, sewerage, electricity, roads), housing and maintenance, and welfare payments, are handled entirely by Indigenous sector organisations.<sup>37</sup>

Indeed, according to the National Aboriginal Community Controlled Health Organisation (NACCHO), it is the 'single greatest non-government employer of Aboriginal people in Australia, with 70% of workers in 128 services nationally being Aboriginal employees' (this amounts to 2,500 full-time equivalent (FTE) staff, including over 700 Aboriginal Health Workers, 180 FTE doctors, and 230 nurses, spread across both urban and remote areas).<sup>38</sup>

As Patrick Sullivan argues in his recent paper on the Aboriginal community sector, the indigenous sector differs from the private sector in its emphasis on self-empowerment together with material progress.<sup>39</sup> Indigenous sector organisations are important because they are 'the critical ingredient in Aboriginal and Torres Strait Islander people's material security; an expression of Aboriginal and Torres Strait Islander political identity, and an appropriate modernisation strategy with the evolution of an Aboriginal and Torres Strait Islander civil society'.<sup>40</sup>

The sector has great potential for meeting Indigenous development goals through the personal development, training and employment of Indigenous people. The Indigenous sector offers career opportunities for people with little formal training to transition to employment, often initially through CDEP, and work their way to managerial levels. This contributes to the self-esteem of Indigenous people and has intangible role-model benefits for youth, while contributing to the economic and social health of the nation as a whole. Finally, it is an important source of income for Indigenous families, even though salaries and service conditions in Indigenous sector organisations are lower than the public service and commercial sectors.<sup>41</sup>

Sullivan makes a number of recommendations to strengthen the Indigenous sector and its role in economic development, including a commitment by governments to funding community-sector positions at comparable levels to their own personnel; provision of greater support and training within organisations; salary continuity during tertiary studies and legislation to ensure the portability of employment entitlements, such as superannuation, leave and salary increments.<sup>42</sup>

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<sup>37</sup> Sullivan, 2010 at 7.

<sup>38</sup> National Aboriginal Community Controlled Health Organisation (NACCHO). 2010. *Aboriginal Community Controlled Sector at a Glance*. Available at: <http://www.naccho.org.au/aboutus/sector.html>

<sup>39</sup> Sullivan, 2010 at 5.

<sup>40</sup> Ibid, p4

<sup>41</sup> Ibid, p9

<sup>42</sup> Ibid, p9

## *Funding cycles and conditions*

*'Community organisations are tied to the grant funding drip feed, overloaded with inappropriate program objectives and performance indicators, and onerous 'upwards accountability' burdens.'*<sup>43</sup>

The Draft Strategy should seek to address existing impediments to the further development, sustainability and growth of the sector. The constraints imposed by funding cycles, requirements and conditions have been highlighted as a key issue by a range of reports and inquiries, including the *Little Children are Sacred* Report, the Cooperative Research Centre for Aboriginal Health *Overburden Report*<sup>44</sup>, the recent Senate Select Committee on Regional and Remote Indigenous Communities and this week's Commonwealth Ombudsman report on the administration of funding agreements<sup>45</sup>.

The Senate Select Committee noted that 'burdensome and duplicative reporting requirements are affecting the ability of [community] organisations to effectively function'.<sup>46</sup> The Committee also emphasised the importance of reliable funding and medium-long term funding cycles, to provide security and stability for organisations and provide longer term job stability for those working in regional and remote Indigenous communities. It recommended that the Commonwealth commit to longer term program funding, indicating support for funding periods to be a minimum of 3-5 years, with commitments of 5-10 years being 'more effective and highly desirable'.<sup>47</sup> Significantly, the Committee noted the need for a bipartisan commitment to long-term funding cycles to avoid policy and funding fluctuations with changes in government.

### **Learning from and building on success stories**

ANTaR strongly urges the Government to ensure that its Draft Strategy is informed by and builds on successful Indigenous economic development case-studies.

In this respect, we highlight the 'success stories' profiled in ANTaR's recent publication, *A Better Way: Success stories in community control in the Northern Territory*. We also note the community development case-studies included in Dr Janet Hunt's submission on the Draft Strategy.

For the purposes of ANTaR's *A Better Way* publication, 'success' in an Aboriginal community or program was defined as a program, project or intervention that produces – or could contribute to – a demonstrated improvement in the community. This may be measured by an improvement in outcomes, processes or infrastructure and must involve:

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<sup>43</sup> Dodson and Smith at 6-8.

<sup>44</sup> Cooperative Research Centre for Aboriginal Health, *The Overburden Report: Contracting for Indigenous Health Services (short summary)*, August 2009.

<sup>45</sup> Commonwealth Ombudsman, *Office for the Arts: Administration of funding agreements with regional and remote Indigenous organisations, December 2010 – 16/2010*.

<sup>46</sup> Senate Select Committee on Regional and Remote Indigenous Communities, Final Report 2010, September 2010 at 9.

<sup>47</sup> *Ibid* at 9 and 24 (recommendation 6).

- Community participation at all levels including management;
- Community participation that is actual and not symbolic;
- Community control of both processes and outcomes;
- Community control over how resources are allocated; and
- Sustainability of the project, organisation or initiative.

To highlight alternate models of success in Aboriginal communities we include the following two case studies from ANTaR's *A Better Way* publication. Both demonstrate the potential for Aboriginal community-controlled organisations to generate significant social and economic benefits, including employment opportunities, for their communities.

*Laynhapuy Homelands Association Inc.*

The Laynhapuy Homelands Association ('Laynha') supports the provision of services to surrounding homeland communities including the maintenance and protection of country, the provision and maintenance of community housing, employment and training programs, communications, IT and infrastructure services, airstrip and road services and a range of other services. Laynha also runs the Yirralka Rangers program, which employs local peoples to manage the land and sea including by monitoring illegal fishing vessels, monitoring marine habitats and managing feral animal populations. Participants earn real wages on country, with transformative effects on the lives of participants.<sup>48</sup> The Yirralka land and sea management program has also developed linkages with schools to offer work experience to students and develop reciprocal learning relationships.

The Laynhapuy Homelands Association currently manages 340 participants in the new CDEP program. It has unmet demand for a further 300-400 places. Services like Laynhapuy's offer a real opportunity to expand economic opportunities for Indigenous Australians in remote communities.

*Arnhem Land Progress Aboriginal Corporation (ALPA)*

ALPA is one of the largest financially independent Indigenous employers in Australia, with over 350 Yolgnu employees. It is a Yolgnu business, and operates and manages retail and community stores in Arnhem Land and provides jobs and training for local Indigenous people. ALPA also works to ensure it creates broader community benefits by running programs on nutrition and family budgeting and subsidising the freight costs of fresh food to make healthy food more affordable in remote communities.

ALPA operates in very remote locations, overcoming operational challenges which generally deter mainstream retailers in the area. It is entirely self-funded and generates profits which stay in communities. ALPA has an established mentoring and apprenticeship program.

More information on these organisations and other success stories from the Northern Territory can be found at: [www.antar.org.au/betterway](http://www.antar.org.au/betterway).

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<sup>48</sup> ANTaR, 'Rangers, Rhythm and Resilience', *A Better Way - Success Stories in Aboriginal community control in the Northern Territory*. October 2010, pg 18-19, available at: <http://antar.streetlinemedia.com/>

## **Comments on selected Strategic Priorities**

### *Jobs*

In our Election Priorities Statement, ANTaR summarised recent changes to Indigenous employment policies:

COAG has committed to halving the employment gap between Indigenous and non-Indigenous Australians by 2018.

As a result of recent changes to the Community Development Employment Program (CDEP), the program is no longer available in urban, regional and remote areas assessed to have established economies. Although the program continues in some remote areas, since 1 July 2009, new participants receive payment for work in the form of income support payments rather than wages, are denied the incentive to work additional hours and earn on average \$100 less per week.

The creation of more than 1500 full funded government service delivery positions to replace CDEP positions is a welcome first step. Government procurement policies to encourage corporate social responsibility in relation to Indigenous employment and training and the use of Indigenous suppliers will also make a positive difference. However the gap between abolished CDEP positions and new jobs created is significant, meaning many people have been disadvantaged by the changes.

Further, these measures alone will not achieve the COAG employment target nor build a strong economic future for Indigenous Australians. Governments must continue to invest in opportunities for flexible, incentive-based employment and social enterprise development in regional and remote areas.

We made two key recommendations in relation to the future of CDEP:

- Increase the number of fully-funded municipal services positions for Indigenous Australians to replace former CDEP positions; and
- Maintain a flexible, incentive-based, community directed employment program as an alternative to income support payments in regional and remote communities.

### *Financial security and independence/Strengthening Foundations*

Safe, appropriate and affordable housing and quality education are key building blocks for health and economic participation. The Draft Strategy states that 'a secure home to live in is one of the underlying factors to financial security and independence'. It also prioritises infrastructure and housing investment within 'Strengthening Foundations' and commits to improving access to safe housing (public and private) to enable individuals to participate in the economy.

ANTaR supports the Government's efforts to increase the rate of home ownership among Indigenous Australians and welcomes proposals to increase the availability of affordable home loans. However, we believe that a comprehensive Indigenous

affordable housing strategy is needed to have a significant and measurable impact on Indigenous employment and economic development. In particular, such a strategy should seek to address overcrowding and homelessness as key social determinants of health and impediments to Indigenous economic participation. A comprehensive strategy should include sustained investment in public and community housing, including housing that is owned and managed by Indigenous housing organisations (creating economic opportunities through Indigenous enterprises), removal of restrictions on new Indigenous community-controlled housing, development of a range of accommodation options for homeless Indigenous Australians as well as a range of measures to support Indigenous home ownership.

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